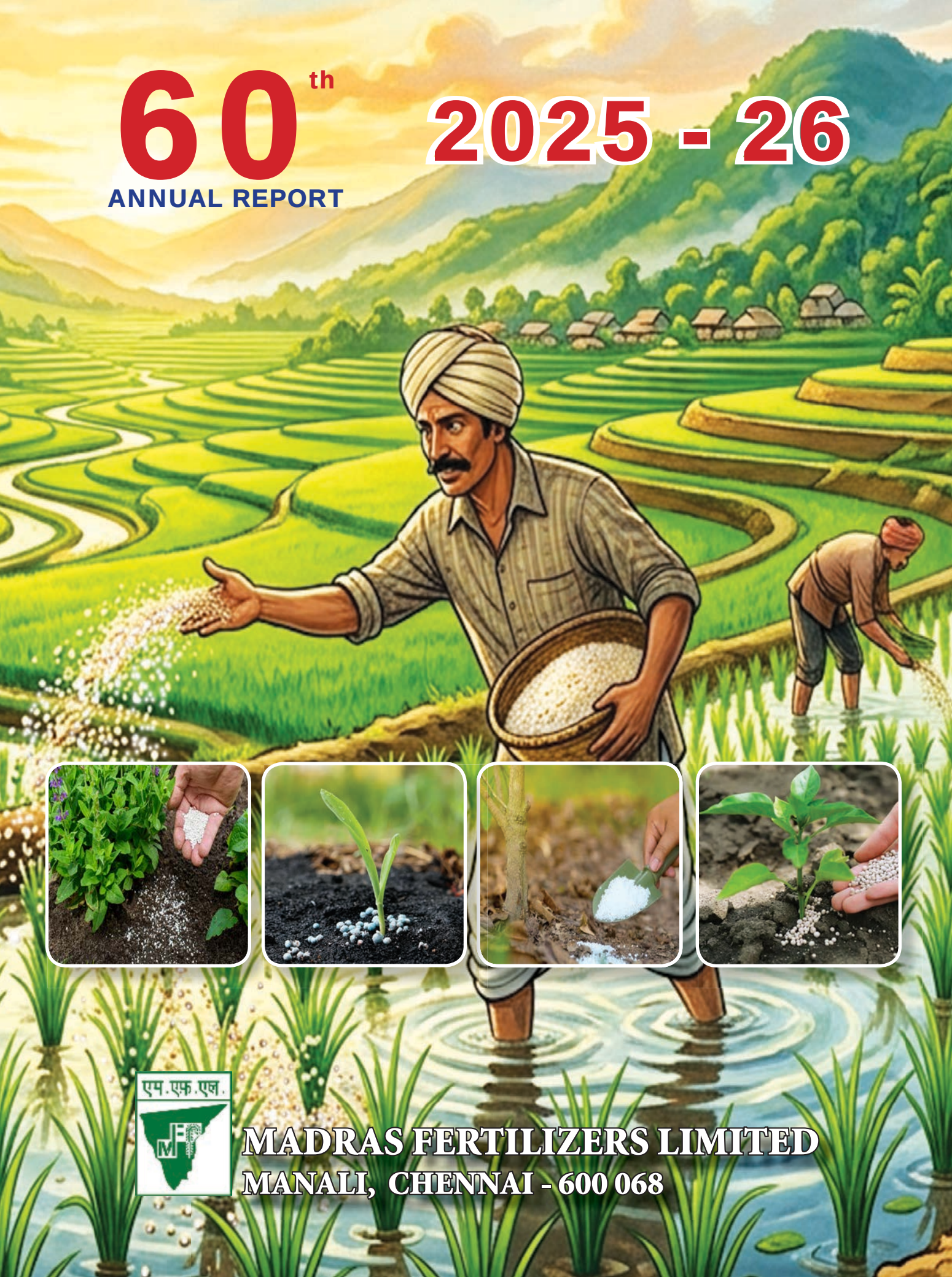


60th
ANNUAL REPORT

2025 - 26



MADRAS FERTILIZERS LIMITED
MANALI, CHENNAI - 600 068

Board of Directors



Shri Manoj Kumar Jain
Chairman & Managing Director



Shri Amar Kushawha IAS
GOI Nominee Director



Shri Mohammad Bagher Dakhili
NICO Nominee Director



Shri Babak Bagherpour
NICO Nominee Director



Smt Samieh Kokabi
NICO Nominee Director



Dr Ravada Satyanarayana
Non-official Independent Director



Shri Dipesh Kumar
Non-official Independent Director



BOARD OF DIRECTORS & COMMITTEE DETAILS (AS ON 31.08.2026)

CHAIRMAN & MANAGING DIRECTOR
Shri MANOJ KUMAR JAIN

Directors

1. Shri. Manoj Kumar Jain
2. Shri. Amar Kushawha IAS
3. Shri. Mohammad Bagher Dakhili
4. Shri. Babak Bagherpour
5. Smt. Samieh Kokabi
6. Dr. Ravada Satyanarayana
7. Shri. Dipesh Kumar

Audit Committee

1. Dr. Ravada Satyanarayana
2. Shri. Amar Kushawha IAS
3. Shri. Dipesh Kumar
4. Shri. Mohammad Bagher Dakhili

Stakeholders Relationship Committee

1. Dr. Ravada Satyanarayana
2. Shri. Manoj Kumar Jain
3. Smt. Samieh Kokabi

Risk Management Committee

1. Shri. Dipesh Kumar
2. Shri. Manoj Kumar Jain
3. Shri. Babak Bagherpour
4. Shri. Amar Kushawha IAS

Corporate Social Responsibility Committee

1. Dr. Ravada Satyanarayana
2. Shri. Amar Kushawha IAS
3. Shri. Babak Bagherpour

Nomination and Remuneration Committee

1. Shri. Dipesh Kumar
2. Shri. Amar Kushawha IAS
3. Dr. Ravada Satyanarayana

Executives

Shri. Manoj Kumar Jain
Chairman & Managing Director

Shri. A Madhan Mohan
GM – Plant & CFO

Shri. B Somu
General Manager - HRD & OL

Shri. B. Annil Kumar
General Manager – M&D and P & A (a/c)

Shri. J Srinivasa Saravanan
Company Secretary & Compliance Officer



MADRAS FERTILIZERS LIMITED

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Statutory Auditors

M/s Sundar Srin & Sridhar
Chartered Accountants
1 Floor, New No 9, Rajamannar Street,
T.Nagar, Chennai-600017

Principal Bankers

State Bank of India

Registered Office

Post Bag No.2, Manali,
Chennai - 600068
Tamil Nadu, India

Cost Auditor

M/s. Aruna Prasad & Co
Cost Accountant
Plot no. 802/2, 64th Street, 10th Sector
K.K.Nagar, Chennai - 600078

Secretarial Auditors

M/s SVJS & Associates
Company Secretaries
'Golden Perch", No.2, wheat Crofts Road,
Golden Homes, Flat No. 5 , 2nd Floor,
Nungambakkam, Chennai-600034

Internal Auditors

M/s Komandoor & Co.LLP
Chartered Accountants
Flat 10, C Wing,
6th Floor , Parsn manere,442,
Anna Salai, Chennai -600006



MADRAS FERTILIZERS LIMITED

MADRAS FERTILIZERS LIMITED

(A Government of India Undertaking)

CIN – L32201TN1966GOI005469

Regd. Office: Post Bag No.2, Manali, Chennai 600 068

Tel.044-25942281 / 25945489

Website:www.madrasfert.co.in email: cs@madrasfert.co.in

NOTICE

NOTICE is hereby given that the 60th Annual General Meeting (AGM) of Madras Fertilizers Limited will be held on Thursday, September 24, 2026, at 11.00 a.m. through Video Conference ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2026, the Statement of Profit & Loss (including other comprehensive income), the Statement of Cash Flow, the Statement of Changes in Equity, Notes comprising Significant Accounting Policies and other Explanatory information forming part of Financial Statements for the year ended on that date together with the Directors' Report, Auditors' Report and the comments of the Comptroller and Auditor General of India (CAG) and our replies thereon.

2. To appoint a director in place of Mr. Mohammad Bagher Dakhili (DIN - 07704367) who retires by rotation and being eligible offers himself for reappointment and in this regard, to consider and if though fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Mohammad Bagher Dakhili (DIN - 07704367) who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

3. To appoint a director in place of Mr. Babak Bagherpour (DIN - 08341090) who retires by rotation and being eligible offers himself for reappointment and in this regard, to consider and if though fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Company Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Babak Bagherpour (DIN - 08341090) who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

4. To appoint a director in place of Smt. Samieh Kokabi (DIN - 09066692) Who retires by rotation and being eligible offers herself for reappointment and in this regard, to consider and if though fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Company Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), Smt. Samieh Kokabi (DIN - 09066692) who retires by rotation and being eligible, offers herself for re-appointment, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. To authorize the Board of Directors of the Company to fix the remuneration of Statutory Auditors of the Company for the Financial Year 2026-27 in terms of the provisions of Section 139(5) read with Section 142 of the Companies Act, 2013 and to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to decide and fix the remuneration of the Statutory Auditors of the Company as appointed by the Comptroller & Auditor General of India for the Financial Year 2026-27."



SPECIAL BUSINESS

6. Ratification of remuneration to Cost Auditor for the financial year 2026-27.

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

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Companies (Audit and Auditor) Rules 2014, M/s. Aruna Prasad & Co., (Firm No.100883) Cost Accountant, appointed by the Board at its meeting held on May 12, 2026 as Cost Auditor to conduct the Cost Audit of the Company for fertilizers for the financial year 2026-27 as per the directions issued by the Central Government at a fee of ₹1,33,100/- plus taxes besides reimbursement out of pocket expenses at actuals be and is hereby ratified.”

7. Appointment of Dr. Ravada Satyanarayana (DIN: 11905587) as Non-Executive Independent Director of the Company

To Consider and if through fit, to pass with or without modification, the following resolution as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 read with schedule IV of Companies (Appointment and Qualification of Director) Rules, 2014 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. Ravada Satyanarayana (DIN:11905587), who was appointed as Non-official Independent Director in the Board of Madras Fertilizers Limited pursuant to Department of Fertilizers, Ministry of Chemicals & Fertilizers, Government of India notification No.95/01/2025(ii)-HR-PSU (e-38759) dated August 13, 2026 of appointment for a period of 3 years or until further orders, whichever is earlier, be and is hereby

appointed as a Director of the Company with effect from 21.08.2026 and not liable to retire by rotation.

8. Appointment of Shri Dipesh Kumar (DIN: 11904399) as Non-Executive Independent Director of the Company

To Consider and if through fit, to pass with or without modification, the following resolution as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of section 149, 150, 152 read with schedule IV of Companies (Appointment and Qualification of Director) Rules, 2014, and other application provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable Regulations, of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, Shri Dipesh Kumar (DIN:11904399), who was appointed as Non-official Independent Director in the Board of Madras Fertilizers Limited pursuant to Department of Fertilizers, Ministry of Chemicals & Fertilizers, Government of India Notification No.95/01/2025 (iii)-HR-PSU (e-38759) dated August 13, 2026 of appointment for a period of 3 years or until further orders, whichever is earlier, be and is hereby appointed as a Director of the Company with effect from 20.08.2026 and not liable to retire by rotation.

By Order of the Board
For Madras Fertilizers Limited
Sd/-

Manoj Kumar Jain
Chairman & Managing Director
DIN: 10690782

Place: Chennai
Date : August 24, 2026



Note:

1. Pursuant to General Circular No.14/2020 dated April 08, 2020, General Circular No.17/2020 dated April 13, 2020, Circular No.20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No.19/2021 dated December 08, 2021, Circular No. 21/2021 dated December 14, 2021, Circular No.02/2022 dated May 05, 2022, Circular No.10/2022 dated December 28, 2022 and Circular No. 09/2023 dated September 25, 2023, General Circular No. 09/2024 dated September 19, 2024 and General Circular No. 3/2025 dated September 22, 2025 (collectively "General Circulars") and Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/ HO/CFD/CFDPoD-2/P/CIR/2023/167 dated October 07, 2023 and Circular No. SEBI/ HO/ CFD/ CFDPoD-2/ P/ CIR/ 2024/ 133 dated October 3, 2024 (SEBI Circulars), have permitted companies to conduct General Meetings through Video Conference (VC) or Other Audio- Visual Means (OAVM) subject to compliance of various conditions mentioned therein, the 60th Annual General Meeting ('AGM') of the Company is being conducted through VC/OAVM Facility, without the physical presence of Members at a common venue. The deemed venue shall be the Registered Office of the Company.
2. Further, pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (as amended), the Secretarial Standard on General Meeting issued by the ICSI and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and the MCA and SEBI Circulars, the Company is holding its Annual General Meeting (AGM) through Video Conferencing ('VC')/Other Audio-Visual Means ('OAVM'), without the physical presence of the Members at a common venue. For the said purpose, the Company has engaged the services of National Securities Depository Limited (NSDL) for conducting AGM through VC/OAVM. Further, NSDL has also been engaged for facilitating e-voting to enable the members to cast their votes electronically using remote e-voting system as well as e-voting during the AGM.

The procedure for participating in the meeting through VC/OAVM is explained in the notes below.
3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out material, relating to special business to be transacted at the meeting is annexed hereto.
4. Brief profile and other additional information pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of the directors seeking appointment / re-appointment at the AGM, is also annexed to the Notice.
5. The relevant documents referred to in the accompanying Notice and the Statement pursuant to Section 102 of the Act, shall be available for inspection by the members at the registered office of the Company during normal business hours (between 10.00 A.M. and 01.00 P.M.) on all working days, from the date of circulation of this notice upto the date of the AGM. The relevant documents will also be made available on the website of the Company during the above mentioned period. Members seeking to inspect such documents can also send an email to cs@madrasfert.co.in

The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 ("Act"), the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM.

Further, members seeking any information with regard to the accounts or any other matter to be placed at the AGM, are requested to write to the Company latest by September 17, 2026 through email on cs@madrasfert.co.in. Such questions shall be taken up during the meeting or replied by the Company suitably.
6. Pursuant to the Section 105 of the Companies Act, 2013, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/ her behalf and the proxy need not be a member of the Company. Since the AGM is being held through VC, the facility for the appointment of proxies by the members will not be available. However, the Body Corporates are entitled to appoint authorised representatives to attend



the AGM through VC/OAVM and participate there at and cast their votes through e-voting.

7. Pursuant to the above mentioned Circulars, the Company will send the Annual Report for the financial year 2025-26 and AGM notice in electronic form only. The Notice of AGM and Annual Report for the financial year 2025-26 are also placed on the website of the Company i.e. www.madrasfert.co.in and the website of National Securities Depository Limited i.e. www.evoting.nsdl.com and at the relevant sections of the websites of the stock exchange i.e. National Stock Exchange of India Ltd. (www.nseindia.com).
8. The Notice is being sent only through electronic mode to all the Members/Beneficiaries, who have registered their email addresses with the Company/Registrar and Transfer Agent (RTA) namely M/s. Integrated Registry Management Services Private Limited or Depository/Depository Participant, in accordance with the provisions of the Companies Act, 2013, read with Rules made thereunder and the MCA and SEBI Circulars.
9. The remote e-voting period begins on 21st day, September, 2026 at 9.00 A.M. (IST) and ends on 23rd day, September, 2026 at 5.00 P.M.(IST). During this period, members of the Company holding equity shares either in physical form or in dematerialised form, as on the cut-off date i.e., 17th day, September, 2026, may cast their vote electronically. The remote e-voting will not be allowed beyond the aforesaid date and time as the same shall be disabled by NSDL for voting thereafter.

The facility for electronic voting system, shall also be made available at the AGM. The Members attending the AGM, who have not cast their votes through remote e-voting and are otherwise not barred from doing so, shall be able to exercise their voting rights at the AGM. The Members who have already cast their votes through remote e-voting may attend the meeting but shall not be entitled to cast their votes again at the AGM.

Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. There will be one e-vote for every Folio/

Client ID irrespective of the number of joint holders. Voting Rights shall be reckoned on the paid-up value of shares registered in the name of the Member(s) as on cut-off date and any person who is not a member as on that date should treat this Notice for information purposes only.

10. Members may join the AGM through VC/OAVM Facility by following the procedure as mentioned below which shall be kept open for the Members from 10.45 a.m. (IST) i.e. 15 minutes before the time scheduled to start the AGM and the Company may close the window for joining the VC/OAVM facility, 15 minutes after the scheduled time to start the AGM. The facility of participation at the General Meeting through VC/OAVM will be made available for at least 1000 members on first come first served basis. However, the said restriction on account of first come first served principle shall not be applicable on 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, Auditors, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
11. 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.
12. Members who would like to express their views or ask questions during the AGM may register themselves as speaker by sending their request from their registered email address mentioning their name, DP ID and client ID/ Folio no., No. of shares, PAN, mobile number at cs@madrasfert.co.in on or before 14th September 2026. Only those Members who have registered themselves as a speaker will be allowed to express their views, ask questions during the AGM. The Company reserves the right to restrict the number of speakers as well as the speaking time depending upon the availability of time at the AGM.



13. The Board of Directors had appointed Mr. Subramanian Chandrasekar, Practicing Company Secretary (FCS No.6773) as the Scrutinizer to scrutinize the remote e-voting process and voting through electronic voting system at the AGM in a fair and transparent manner. The Scrutinizer has communicated his willingness to be appointed for the said purpose.
14. The Scrutinizer will, after the conclusion of e-voting at the Meeting, scrutinize the votes cast at the Meeting and votes cast through remote e-voting, make a consolidated Scrutinizer's Report and submit the same to the Chairman or a person authorised by him, who shall countersign the same and declare results (consolidated) within two working days from the conclusion of the meeting and the same, along with the consolidated Scrutiniser's Report, will be placed on the website of the Company (www.Madrasfert.co.in) and the website of NSDL (www.evoting.nsdl.com) immediately after the declaration of result by the Chairman and in his absence, any Director/Officer of the Company authorised by the Chairman and the same will also be communicated to National Stock Exchange of India Limited. It shall also be displayed on the Notice Board at the Registered Office and the Corporate office of the Company.
15. With a view to using natural resources responsibly, we request shareholders to update their contact details including e-mail address, mandates, nominations, power of attorney, Bank details covering name of the Bank and branch details, Bank account number, MICR code, IFSC code, etc. with their depository participants and with RTA if shares are held in physical form to enable the Company to send all the communications electronically including Annual Report, Notices, Circulars, etc.
16. The Securities and Exchange Board of India has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN details to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/RTA.
17. Members are requested to notify the change in address if any, with Pin Code numbers immediately to the RTA i.e. M/s. Integrated Registry Management Services Private Limited, , Kences Towers, II Floor, No.1, Ramakrishna Street, T Nagar, Chennai 60017, Phone 044-28140801 to 803 email: einward@integratedindia.in.
18. Non-Resident Indian Members are requested to inform RTA or the Company any change in their residential status on return to India for permanent settlement, particulars of their Bank account maintained in India with complete name, branch, account type, account number and address of Bank with pin code number, if not furnished earlier. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.
19. SEBI vide its circular dated January 25, 2022, has mandated that the listed companies shall henceforth issue the securities in dematerialised form only, while processing service requests such as issue of duplicate share certificates, transmission, transposition, etc. Accordingly, members who still hold shares in physical form are advised to dematerialise their holdings.
20. Effective April 1, 2024, SEBI has mandated that the shareholders, who hold shares in physical mode and whose folios are not updated with any of the KYC details [viz., (i) PAN (ii) Choice of Nomination (iii) Contact Details (iv) Mobile Number (v) Bank Account Details and (vi) Signature], are requested to complete their KYC by writing to the Company's RTA, M/s. Integrated Registry Management Services Private Limited, through email to einward@integratedindia.in. Also the forms for updating the same are available at www.madrasfert.co.in.

Further, in respect of shares held in electronic/demat form, the members may please contact their respective Depository Participant.

SEBI vide its Circular SEBI/HO/MIRSD/POD-1/P/ CIR/2023/181 dated November 17, 2023 has done away with the requirement of freezing of folios and referring frozen folios to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002.



21. SEBI vide its circular dated May 30, 2022 has prescribed Standard Operating Procedures for dispute resolution under the Stock Exchange Arbitration Mechanism for a dispute between a Listed Company and/or RTA and its Shareholders(s)/Investor(s). The said circular is available on the website of the Company at www.madrasfert.co.in.

22. Pursuant to SEBI Circular vide SEBI/HO/38/13(2)2026-MIRSD-POD/I/3750/2026 dated January 30, 2026, a special window has been opened for a period of one year from February 05, 2026 till February 04, 2027 for transfer and dematerialisation ("Demat") of physical securities which were sold/purchased prior to April 1, 2019.

During this period, these securities that are lodged for transfer (shall be processed only in dematerialized (Demat) mode. The due process, as prescribed under applicable regulations, to be followed for all such transfer-cum-demat requests.

Shareholders are requested to make use of this opportunity and reach out to RTA/ Company for any support that they may require. Kindly visit our website. www.madrasfert.co.in or weblink: <https://madrasfert.co.in/finance/investors-information/>

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING THE ANNUAL GENERAL MEETING ARE AS UNDER: -

The remote e-voting period begins on 21st day, September 2026 at 9.00 A.M. (IST) and ends on 23rd day, September 2026 at 5.00 P.M. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 17th day, September, 2026, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 17th day, September, 2026.

The instructions for Members for remote E-voting are as given below:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system

consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

In terms of SEBI circular 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.



Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	- For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added 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 i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp - Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on  App Store  Google Play  



MADRAS FERTILIZERS LIMITED

Individual Shareholders holding securities in demat mode with CDSL	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 Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting 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 evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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



MADRAS FERTILIZERS LIMITED

Login Type	Helpdesk details
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 toll free number 022-48867000 and 022 - 24997000
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 number 1800 22 55 33.

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?



- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 8. Now, you will have to click on "Login" button.
 9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cschandrasekar2015@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at



the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to Ms Pallavi Mhatre, Senior Manager, National Security Depository Ltd Trade World, "A" Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat, Lower Pare, Mumbai or to be emailed at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide 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 einward@integratedindia.in
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to einward@integratedindia.in
3. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. [Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.](#)
4. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
5. In terms of SEBI circular 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 required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the EGM/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 in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.
5. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (einward@integratedindia.in). The same will be replied by the company suitably.



MADRAS FERTILIZERS LIMITED

The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013:

Item No 2: To appoint a director in place of Mr. Mohammad Bagher Dakhili (DIN - 07704367) who retires by rotation and being eligible offers himself for reappointment

Naftiran Intertrade Company (NICO) vide their letter No. CEO/95-27866 dated February 18, 2017 have communicated nomination of Mr. Mohammad Bagher Dakhili (DIN - 07704367), as Director on the Board of MFL / Board's Sub-Committees, with effect from February 18, 2017, in pursuance of Article 85 (a) & Article 86 (a) and (b) (iv & v) read with Article 88 of the Articles of Association of the Company.

The Company has received all Statutory Disclosures/Declarations from Mr. Mohammad Bagher Dakhili, including (i) MBP 1, (ii) DIR 8, (iii) Declaration of Compliance with Code of Conduct, from the date of effective appointment.

The resolution seeks the Approval of members for the Re-appointment of Mr. Mohammad Bagher Dakhili as a NICO Nominee Director of the Company, pursuant to SEBI (LODR), Regulation 17 (1D) & the applicable amendments thereof.

No Director, Key Managerial Personnel or their relatives except Mr. Mohammad Bagher Dakhili, to whom the resolution relates, is interested in or concerned, financially or otherwise, in passing the proposed resolution set out in Item No. 2.

The approval of members by the way of Ordinary Resolution is submitted.

Profile of Shri Mohammad Bagher Dakhili

DIN	07704367
Date of Birth	12.10.1952
Date of appointment/Change in items of appointment	18.02.2017
Relationship with Directors KMP	NIL
Shareholding in the Company	NIL
Remuneration proposed to be paid	NIL
Expertise in specific functional area	He holds a Master's Degree in Materials Engineering from the University Leeds, England. He has more than 36 years of professional experience in Iranian Oil Refining Industries. He has also served as Managing Director in Abadan Oil Refining Company and Tabriz Oil Refining Company for a period of 12 years. He is also a NICO Nominee Director of Chennai Petroleum Corporation Limited (CPCL) Chennai.
Number of shares held in the Company as on March 31, 2026	NIL

List of the Directorships held in other Listed Companies	01
Chairman/Member of the Committee of which he is a Director as on March 31, 2026	00
Number of Board Meeting attended during the year 2025-2026	03

Item No 3: To appoint a director in place of Mr. Babak Bagherpour (DIN - 08341090) who retires by rotation and being eligible offers himself for reappointment.

Naftiran Intertrade Company (NICO) vide their letter No. CEO/97-32432 dated October 23, 2018 have communicated nomination of Mr. Babak Bagherpour (DIN - 08341090), as Director on the Board of MFL / Board's Sub-Committees, with effect from October 23, 2018, in pursuance of Article 85 (a) & Article 86 (a) and (b) (iv & v) read with Article 88 of the Articles of Association of the Company.

The Company has received all Statutory Disclosures/Declarations from Mr. Babak Bagherpour, including (i) MBP 1, (ii) DIR 8, (iii) Declaration of Compliance with Code of Conduct, from the date of effective appointment.

The resolution seeks the Approval of members for the Re-appointment of Mr. Babak Bagherpour as a NICO Nominee Director of the Company, pursuant to SEBI (LODR), Regulation 17 (1D) & the applicable amendments thereof.

No Director, Key Managerial Personnel or their relatives except Mr. Babak Bagherpour, to whom the resolution relates, is interested in or concerned, financially or otherwise, in passing the proposed resolution set out in Item No. 3.

The approval of members by the way of Ordinary Resolution is submitted.

Profile of Mr. Babak Bagherpour

DIN	08341090
Date of Birth	09.03.1975
Date of appointment/Change in items of appointment	23.10.2018
Relationship with Directors/ KMP	NIL
Shareholding in the Company	NIL
Remuneration proposed to be paid	NIL



Expertise in specific functional area	He holds a Bachelor Degree in Mining Engineering (Exploration) from Tehran Polytechnic University and a Master's Degree in Reservoir Evaluation and Management from Heriot – Watt University, UK. He has more than 20 years of experience on Full Field Integrated Reservoir studies. He is presently the Country Manager of NICO in Azerbaijan. He is also a NICO Nominee Director of Chennai Petroleum Corporation Limited (CPCL) Chennai.
Number of shares held in the Company as on March 31,2026	NIL
List of the Directorships held in other Listed Companies	01
Chairman/Member of the Committee of which he is a Director as on March 31,2026	02
Number of Board Meeting attended during the year 2025-2026	03

Item No 4: To appoint a director in place of Smt. Samieh Kokabi (DIN - 9066692) who retires by rotation and being eligible offers herself for reappointment.

Naftiran Intertrade Company (NICO) vide their letter No. CEO/99-5133 dated December 13, 2020 have communicated nomination of Smt. Samieh Kokabi (DIN - 9066692), as Director on the Board of MFL / Board's Sub-Committees, with effect from February 10, 2021 in pursuance of Article 86 read with Article 88 of the Articles of Association of the Company.

The Company has received all Statutory Disclosures/Declarations from Smt. Samieh Kokabi, including (i) MBP 1, (ii) DIR 8, (iii) Declaration of Compliance with Code of Conduct, from the date of effective appointment.

The resolution seeks the Approval of members for the reappointment of Smt. Samieh Kokabi as a NICO Nominee Director of the Company, pursuant to SEBI (LODR), Regulation 17 (1D) & the applicable amendments thereof.

No Director, Key Managerial Personnel or their relatives except Smt. Samieh Kokabi, to whom the resolution relates, is interested in or concerned, financially or otherwise, in passing the proposed resolution set out in Item No. 4.

The approval of members by the way of Ordinary Resolution is submitted.

Profile of Smt. Samieh Kokabi

DIN	09066692
Date of Birth	28.08.1970
Date of appointment/Change in terms of appointment	10.02.2021
Relationship with Directors/ KMP	NIL
Shareholding in the Company	NIL
Remuneration proposed to be paid	NIL
Expertise in specific functional area	She holds a Ph.D in International Oil and Gas Policies and Contracts Management and a Master's Degree in Management. She has been the Head of Downstream Division Project & Asset Department in NICO, Iran since 2019. She was the Head of planning project control and decision making on investment in oil industry, Tarhe Nasr during 2007 – 2010. She was the Senior Expert of upstream section of Energy Comprehensive Plan during 2010 – 2014.
Number of shares held in the Company as on March 31,2026	NIL
List of the Directorships held in other Listed Companies	NIL
Chairman/Member of the Committee of which she is a Director as on March 31,2026	NIL
Number of Board Meeting attended during the year 2025-2026	03



Item No.6: Ratification of Remuneration paid to Cost Auditor for the year 2026-27.

The Company is required to have its cost records audited by a Cost Accountant in practice. Accordingly, the Board at its meeting held on 12.05.2026 on the recommendation of the Audit Committee, approved the appointment of M/s. Aruna Prasad & Co, (Firm No.100883) to conduct the audit of the cost records of the Company for fertilizer, for the Financial Year ending March 31, 2027 at a remuneration of Rs.1,33,100/- plus tax as applicable and reimbursement of out of pocket expenses at actuals.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the Members of the Company.

Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditor for the Financial Year ending March 31, 2027 as set out in the resolution, for the services rendered/to be rendered by the Cost Auditor.

None of the Directors and / or Key Managerial Personnel of the Company and / or their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed Ordinary resolution.

Item No.7: Appointment of Dr. Ravada Satyanarayana (DIN - 11905587) as Non- Executive Independent Director of the Company.

Department of Fertilizers, vide letter No. 95/01/2025(ii)-HR-PSU (e-38759) dated August 13, 2026, communicated the appointment of Dr. Ravada Satyanarayana as Non-Official Independent Director on the Board of Madras Fertilizers Limited for a period of three year from the date of notification of appointment or until further orders, whichever is earlier. Dr. Ravada Satyanarayana has been allotted Director Identification Number (DIN), on 21.08.2026 and consequently appointed as an Independent Director on the Board of the Company, with effect from 21.08.2026.

Dr. Ravada Satyanarayana fulfills the requirements of an Independent Director under Section 149(6) of the

Companies Act, 2013 and Regulation 16 of the SEBI (LODR) Regulations. The Company has received his consent in Form DIR-2, intimation in Form DIR-8 and Declaration of Independence under Section 149(6) of the Act.

Dr. Ravada Satyanarayana possesses diverse skills, leadership capabilities, expertise in governance and finance, risk management and vast business experience, which are considered relevant for the position of Independent Director.

The Board of Directors, vide Circular Resolution No. 11/2026 dated August 18, 2026, accorded approval by majority for his appointment as an Independent Director, subject to the applicable provisions of the Companies Act, 2013 and the Rules made thereunder and recommended to the Shareholders for their approval.

Accordingly, the resolution seeks the Approval of the members for the appointment of Dr. Ravada Satyanarayana as an Independent Director for a period of three years from the date of appointment, and not liable to retire by rotation.

The Board recommends the resolution set forth in Item No. 7 for approval of the members by way of Special Resolution.

Except Dr. Ravada Satyanarayana, to whom the resolution relates, none of the Directors, Key Managerial Personnel or their relatives is concerned or interested, financially or otherwise, in the proposed resolution.

Profile of Dr. Ravada Satyanarayana

DIN	11905587
Date of Birth	01-08-1964
Date of appointment/ Change in terms of appointment	21.08.2026
Relationship with Directors/KMP	Nil
Shareholding in the Company	Nil
Remuneration proposed to be paid	Not applicable, only Sitting fees is payable



MADRAS FERTILIZERS LIMITED

Expertise in specific functional area	He holds a Ph.D. and Master's Degree in Political Science and has over 35 years of experience in higher education governance, public administration and academic administration. He has served in various academic and administrative positions, including Principal of Government Degree College and Professor/Principal in reputed educational institutions. He has expertise in institutional development, curriculum design, faculty coordination, NAAC accreditation and quality assurance. He has also been actively involved in implementation of NEP 2020, skill development and employability initiatives, government coordination, community outreach and strategic institutional development.
Number of shares held in the Company as on March 31, 2026	Nil
List of the Directorships held in other Listed Companies	Nil
Chairman/Member of the Committee of Directors of other Companies in which he/she is a Director as on March 31, 2026	Nil
Number of Board Meeting attended during the year 2025-2026	Not Applicable

Item No.8: Appointment of Shri Dipesh Kumar (DIN - 11904399) as Non- Executive Independent Director of the Company.

Department of Fertilizers, vide letter No. 95/01/2025(iii)-HR-PSU (e-38759) dated August 13, 2026, communicated the appointment of Shri Dipesh Kumar (DIN-11904399) as Non-Official Independent Director on the Board of Madras Fertilizers Limited for a period of three year from the date of notification of appointment or until further orders, whichever is earlier.

Shri Dipesh Kumar has been allotted Director Identification Number (DIN), on 20.08.2026 and consequently appointed as an Independent Director on the Board of the Company, with effect from 20.08.2026.

Shri Dipesh Kumar (DIN - 11904399) fulfills the requirements of an Independent Director under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (LODR) Regulations. The Company has received his consent in Form DIR-2, intimation in Form DIR-8 and Declaration of Independence under Section 149(6) of the Act.

Shri Dipesh Kumar (DIN-11904399) possesses diverse skills, leadership capabilities, expertise in governance and finance, risk management and vast business experience, which are considered relevant for the position of Independent Director.

The Board of Directors, vide Circular Resolution No. 12/2026 dated August 18, 2026, accorded approval by majority for his appointment as an Independent Director, subject to the applicable provisions of the Companies Act, 2013 and the Rules made thereunder and recommended to the Shareholders for their approval.

Accordingly, the resolution seeks the approval of the members for the appointment of Shri Dipesh Kumar, (DIN - 11904399) as an Independent Director for a period of three years from the date of appointment and not liable to retire by rotation.

The Board recommends the resolution set forth in Item No. 8 for approval of the members by way of Special Resolution.



MADRAS FERTILIZERS LIMITED

Except Shri Dipesh Kumar, to whom the resolution relates, none of the Directors, Key Managerial Personnel or their relatives is concerned or interested, financially or otherwise, in the proposed resolution.

Profile of Shri Dipesh Kumar

DIN	11904399
Date of Birth	20-02-1971
Date of appointment/ Change in terms of appointment	20-08-2026
Relationship with Directors/KMP	Nil
Shareholding in the Company	Nil
Remuneration proposed to be paid	Not applicable, only Sitting fees is payable
Expertise in specific functional area	He has over 25 years of experience in organizational and political leadership, with expertise in organization building, team management and public outreach. He has held various leadership positions in Bharatiya Janata Party (BJP), including District Minister, District President and District Organization In-charge. He has extensive experience in organizational development, membership drives, social initiatives, public relations, youth engagement and community outreach.
Number of shares held in the Company as on March 31,2026	Nil

List of the Directorships held in other Listed Companies	Nil
Chairman/Member of the Committee of Directors of other Companies in which he/she is a Director as on March 31,2026	Nil
Number of Board Meeting attended during the year 2025-2026	Not Applicable

By Order of the Board
For Madras Fertilizers Limited
Sd/-

Manoj Kumar Jain
Chairman & Managing Director
DIN: 10690782

Place: Chennai
Date : August 24, 2026



MADRAS FERTILIZERS LIMITED

BOARD'S REPORT

DEAR MEMBERS

The Directors have the pleasure in presenting the Sixtieth Annual Report along with the audited financial statements of the Company for the financial year ended March 31, 2026.

The information furnished hereunder is in line with Section 134 of the Companies Act 2013 and applicable Provisions contained in the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.

1. FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2026 is summarised below:

₹ Cr

PARTICULARS	2025-26	2024-25
Revenue from Operations	2300.35	2541.08
Other Income	73.20	43.96
Total Revenue (1)	2373.55	2,585.04
Cost of Materials Consumed	1233.12	1387.64
Purchase of Stock in Trade	15.93	15.07
Change in Inventories	40.93	4.32
Operating & Maintenance Expenses	757.29	844.67
Employee Benefits Expense	111.25	127.23
Finance costs	58.85	62.37
Depreciation & Amortization Expense	13.54	11.63
Other Expenses	31.95	40.51
Total Expenses (2)	2,262.86	2,493.44
Profit Before Exceptional items and Tax	110.69	91.60
Less: Exceptional items	(8.38)	-
Profit/(Loss) Before Tax (3)	102.31	91.60
Tax Expense		
Provision for Tax (current and earlier years tax)	20.12	22.09
Deferred Tax	1.77	5.26
Total Tax Expense (4)	21.89	27.35
Profit/(Loss) After Tax (3) - (4)	80.42	64.25
Other Comprehensive Income (5)	43.85	93.17
Total Comprehensive Income (4+5)	124.27	157.42

Earnings per equity shares:

• Basic	4.99	3.99
• Diluted	4.99	3.99

Your Company has delivered a strong financial performance during FY 2025–26, achieving a Net Profit of ₹80.42 Crores as against ₹64.25 Crores in FY 2024–25, representing an impressive growth of 25.17%. This noteworthy increase in profitability was achieved despite a decline in the Company's overall turnover by ₹240.73 Crores, from ₹2,541.08 Crores in FY 2024–25 to ₹2,300.35 Crores in FY 2025–26.

2. REVIVAL

The Company has submitted a Revival Proposal to Department of Fertilizers, Government of India, for its consideration.

3. DIVIDEND

The Company does not propose to declare any Dividend to shareholders during the FY 2025-26.

The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") is available on the Company's website at <https://madrasfert.co.in/wp-content/uploads/2021/12/DIVIDEND-POLICY.pdf>

4. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Not applicable to the Company since, no dividend was declared due to accumulated loss.

5. TRANSFER TO RESERVES

The Company has not transferred any amount to Reserve during the year.

6. SHARE CAPITAL

The Company has only Equity Shares. There is no change in the Authorised, Issued, Subscribed and Paid-up Share Capital of the Company. The Paid-up Equity Share Capital of the Company as on March 31, 2026 is ₹ 162.14 Crores.



7. PLANT PERFORMANCE

Product	Target MT		Actual MT		Achieved %	
	2025-2026	2024-2025	2025-2026	2024-2025	2025-2026	2024-2025
Ammonia	307500	292000	299868	326260	97.5	111.7
Urea	486750	486750	490686	528400	100.8	108.6

- During the year 2025-2026, Plant has produced 4,90,686 MT of Urea and 2,99,868 MT of Ammonia.
- In 2025-2026, the lowest annual specific energy consumption for Ammonia and Urea was achieved at 9.188 GCal/MT and 6.813 GCal/MT, respectively.
- Ammonia and Urea plants achieved sustained operation at 97.5% and 100.8 % of design capacity during the reporting period.
- On August 04, 2025, Appreciation Award was presented by National Safety Council, Tamil Nadu for promoting Occupational Health, Safety and Environment for the year 2023.
- At the close of Mar 31, 2026, 115 days were completed without any lost time accident covering 0.22 Million Man- hours.

8. MARKETING PERFORMANCE

- DBT Bills to the tune of Rs 1961.85 Crs were generated during the year 2025-26.
- PoS Sale of (Point of Sale) NC Urea generated for the year 2025-26 is 5,01,592 MTs, which is an increase of 1.33% against the invoiced quantity and the closing PoS inventory as on 31.03.2026 is 24,472 MTs, which is only **4.94% of carry forward quantity**.
- To promote the concept of Organic farming under Basket approach and Gol's visionary initiative PM-PRANAM (PM Program for Restoration, Awareness, Nourishment and Amelioration of Mother Earth), MFL on adding one more product Potassium Derived from Molasses (PDM) along with other Organic products viz., Organic Manure, City compost, Fermented Organic Manure (FOM) and Phosphate Rich Organic Manure (PROM) has sold an **All-time high volume sale of 42,065 MTs** against the

previous best of 28,971 MTs recorded during 2024-25. The objective is to create awareness on 'Reduction in excess use of chemical fertilizers & to increase on balanced fertilizers use'.

- Marketing Department continues to the sale of Anhydrous Ammonia, the excess available after captive use by identifying potential vendors. The Quantity of Ammonia **sold is 23,855 MTs** which is an increase of 12.47% against the CPLY sale of 21,209 MTs.

9. FUTURE OUTLOOK

In line with the Government of India's vision of Atmanirbhar Bharat and the national objective of achieving self-reliance in fertilizer production, there is a pressing need to strengthen domestic manufacturing capacity and reduce dependence on imported fertilizers. In this direction, Madras Fertilizers Limited (MFL) has initiated strategic measures for capacity expansion and long-term business sustainability.

The Company has drawn up a roadmap for the establishment of a **New Greenfield Ammonia-Urea Complex** with an annual production capacity of **1.32 Million Metric Tonnes Per Annum (MTPA) of Urea. The Pre-Feasibility Report (PFR)** for the proposed project has been approved by the Board of Directors and submitted to Department of Fertilizers, Government of India. The Company is presently pursuing the approval of the Government of India for inclusion of the project under the **National Investment Policy for Urea – 2026 (NIPU – 2026)**. The proposed expansion is expected to enhance MFL's production capacity, improve operational efficiency, strengthen long-term financial sustainability, and contribute significantly to India's food and nutritional security.

MFL planned for construction of Corporate Building for Head Office/ Marketing Office/ Project Office.

Further, the Company is also evaluating opportunities to expand its presence in the fertilizer value chain through **trading of fertilizers and allied agri-input products**, leveraging its established market presence and distribution



network. Such diversification initiatives are expected to strengthen the Company's financial position, improve profitability, and support sustainable long-term growth while complementing its core business operations.

10. MARKET DEVELOPMENT & AGRO-SERVICE PROGRAMS

MFL is consistently contributing in all areas of operation to improve the Agriculture production & to ensure food security in India by implementing various Central Govt schemes:

- Established/Refurbished 2300 numbers of Fertilizer retailers' shops into PMKSK (Pradhan Mantri Kisan Samridhhi Kendra) - a model fertilizer **'One Stop Shop'** for all agriculture related inputs and services are being facilitated for participation of more number of farmers thru online virtual meeting organized by DoF to create awareness about farm related Govt. schemes and also disseminating new farm techniques viz., Drone usage, alternate to Chemical fertilizers, etc.,
- Per directions of Govt of India - Dept of Fertilizers, towards promoting the Objective of **"Reducing the use of Chemical Fertilizers & increase the usage of Organic Fertilizers**, MFL organized **122 numbers of KISAN SANGOSHTHI** under **PM PRANAM** (PM Programme for Restoration, Awareness, Nourishment and Amelioration of Mother Earth) across southern states during 2025-26 to create awareness on FOM & PROM products and emphasis the balanced fertilization & more usage of Organic products.
- Continuously conducting Method demonstrations, Exhibitions, Govt Contact Programs, Dealer Training Programs for all the Organic products like OM, City compost, FOM, PROM & PDM in coordination with State/Central Agricultural extension departments to promote the concept of "Integrated Nutrition" to Soil.
- Community Radio (CR) can play an effective role in valuable **Information dissemination, Education and Communication (IEC)** for generating awareness to farmers. MFL have structured and broadcast **174 programs** during the year 2025-26 propagating the balanced use of fertilizers, organic farming and other agriculture topics in collaboration with **Anna community Radio**, Dept. of Media Sciences, Anna University,

Chennai in line with Government of India vision of achieving self-reliance in fertilizer sector in the country for sustainable agricultural growth and intends to create awareness about various programs and schemes viz. PM-PRANAM, balanced use of fertilizers and nutrient management.

- MFL is regularly updating the various Agro service programs coming under PM-PRANAM like Method demonstrations, Kisan Sangoshthi, Community Radio Programs in the Social Media platforms like Facebook, YouTube, X-handle, Linked-In, Instagram & WhatsApp so as to reach maximum farmers to know the benefits of Organic fertilizers and Balanced Use of Fertilizers.
- MFL's Marketing personnel have contacted 23167 numbers of farmers during the year and continuously imparted knowledge to farmers on use of eco-friendly products for Soil health, Soil fertility, Soil vitality and balanced fertilization (Integrated Nutrient Management). 3203 numbers of soil samples have been collected, got analyzed and communicated the micro & macro nutrient recommendations to the farmers.

11. DIRECT BENEFIT TRANSFER (DBT) IMPLEMENTATION

In compliance with PAN India implementation of Direct Benefit Transfer (DBT) in Fertilizer, in order to sustain sales thru PoS machines, MFL consistently organizing Dealers Training Programs for educating the Wholesalers/Retailers and farmers on the importance of PoS sales.

12. VIGILANCE

Vigilance Department is headed by Chief Vigilance Officer (CVO) and assisted with officials.

Regular preventive vigilance activities such as Scrutinising of Tender Files, Surprise checks, Vigilance clearance for administrative decisions, Periodic Vigilance Reports like preparation of Agreed List of Officers, List of Officers of Doubtful Integrity are submitted to Department of Fertilizers regularly. The working of vigilance wing of MFL is based on a proactive, participative and focused approach.

As part of Preventive Vigilance, efforts are made to keep a watch on the various activities through regular inspections and surprise checks. Systemic improvements and corrective actions are suggested wherever necessary. Vigilance



Department has focused on spreading awareness on rules/regulations and procedures. Efforts are made to ensure speedy redressal of the complaints. Transparency in existing system of dealing with the Dealers / Vendors has been enhanced by adopting e-procurement and e-payment. Vigilance Department has also guided the organization in an era of e-clearances for issuing NOC for various purposes to the employees superannuating and visiting abroad.

MFL observed Vigilance Awareness Week 2025 (VAW-2025) **“Vigilance: Our Shared Responsibility”** from October 27, 2025 to November 02, 2025.

Banners & Display Posters pertaining to Vigilance Awareness were displayed at various vantage points in the Company premises and all the Regional Offices situated all over South India highlighting the theme of Vigilance Awareness Week. Display Posters carrying vigilance slogans and awareness messages were prominently displayed throughout the MFL premises.

On October 27, 2025, Integrity Pledge was administered to the employees by CVO at the Company's Administrative Building and the other employees from Plant and Regional offices took pledge at their respective work spots. A link was provided in the Company's web site, to facilitate Citizens and Corporates to access the CVC website for taking e-Pledge.

In MFL's Website, Vigilance Awareness Theme pop-up message has been displayed during campaign period. Also, VAW Theme along with activities conducted during campaign period was displayed in the Administration Hall Display TV. To creatively spread the message of Vigilance, a specially designed Jingle Video Display was produced and showcased at the Display TV at Administrative Building Reception area. This engaging audio-visual presentation captured the attention of visitors and employees alike, reinforcing the values of honesty and accountability in a memorable format.

As a part of VAW-2025 three months Campaign, MFL Officials have participated in a Capacity Building and Training Program organised by M/s Indian Bank on 22/08/2025 & 23/08/2025 at Chennai. Further MFL Officials also participated in the training workshop conducted by M/s Rashtriya Chemicals and Fertilizers Limited through online mode on 09/10/2025 & 10/10/2025 with respect to Vigilance Investigation & Report and CTE Type Inspections.

Dealer's Meet was organised to sensitize the dealers by M&D Group on 23/10/2025 at Hotel Shenbaga, Puducherry

and around 70 Dealers from the district of Puducherry, Union territory and Villupuram have participated in the Meet.

Extending the awareness campaign beyond the workplace, Competitions viz., Essay writing in Tamil & English and Oratorical (Tamil) were conducted for Students at the nearby Government High School located at Old Nappalayam, Chennai on 24/10/2025 and around 40 Students have enthusiastically participated and expressed their thoughts on integrity and vigilance.

On 28/10/2025, Plant Group has conducted a Vendor Awareness Programme in the presence of DGM-Maintenance and DGM-MM & Tech. Services at MFL Technical Services Conference Hall for the Contractors and explained about the importance of Vigilance awareness and Booklets pertaining to Vigilance awareness were issued to contractors/participants.

Within MFL, Essay Writing Competitions were conducted for Employees, Contract Workmen at Training Centre on 30/10/2025. This activity provided a platform for participants to articulate their understanding of Vigilance and its relevance in professional and personal life. The diverse perspectives shared through these essays enriched the overall campaign and encouraged deeper reflection among the workforce.

As a part of Observance of VAW-2025, M&D Group have organised and conducted the Grama Sabha on 30/10/2025 at Golden Kalyana Mandapam, Kothampadi Village, Salem District. In this connection a Walkathon, Quiz, Drawing and Elocution were conducted for Government School students and around 65 students participated in these competitions. Also Rangoli Competition was conducted for 30 Self Help Group Women (SHGW) and students. Simultaneously, a Veterinary Animal Health Camp was conducted at Pudhu Kothampadi Village with the support of the Department of Animal Husbandry. Further, the conduction of Grama Sabha event was published in the local vernacular language newspaper.

An In-house journal “Harvest” has been published by M&D Group during the Month of November 2025 covering VAW 2025 activities undertaken at all Regional Offices.

In the concluding session of the Vigilance Awareness Week, Prizes were distributed to the Competition Winners of Government High School Students by MFL Officials on 21/11/2025 and to Employees & Contract Workmen by CMD in the presence of CVO at Head Office Chennai on 27/11/2025.



13. INTEGRITY PACT

Upon completion of three years tenure of two IEMs, viz. Shri Aditya Kumar Mittal, IRSE (Retd.) [IEM1] and Shri Ashwani Kumar Mehta, IRS (Retd.) [IEM2] on 22.12.2024 and 22.07.2025 respectively, CVC have nominated two IEM viz. Shri B Ravichandran, IRS (Retd.) and Shri M. J Joseph, ICAS (Retd.) in their places. Subsequently, MFL has appointed Shri B Ravichandran [IEM1] and Shri M J Joseph [IEM2] with effect from 17.06.2025 and 23.07.2025 respectively for a period of three years. During 2025-26, Quarterly Review Meetings were held with IEMs, viz. Shri Ashwani Kumar Mehta, Shri B Ravichandran, and Shri M. J Joseph through Video Conference / in person.

14. HUMAN RELATIONS AND INDUSTRIAL RELATIONS

• MANPOWER

The total manpower strength of MFL as on 31.03.2026 is 350 against 402 as on 31.03.2025.

• TRAINING

228 employees and 33 contract workers have been trained during the year 2025-26 on Technical and Soft Skills.

• INDUSTRIAL RELATIONS

During the year under review, industrial relations at all Company's units have continued to remain cordial and peaceful.

• SC / ST EMPLOYEES WELFARE ACTIVITIES

- The Presidential Directives and various guidelines issued by the Government of India from time to time relating to the SC / ST employees are being scrupulously followed.
- Rs.50,000/- each to the two SC/ST Employees Welfare Associations viz. Madras Fertilizers SC/ST Employees Welfare Association and Madras Fertilizers Dr Ambedkar SC/ST Employees Welfare Association, was paid for celebrating Dr. Ambedkar Jayanthi on Apr 14, 2025 .
- To handle the grievance of SC / ST employees, the following are in existence
 - SC / ST Cell
 - Internal Grievance Committee (IGC) for SC and ST separately
- A Liaison Officer for SC / ST employees

• OBC EMPLOYEES WELFARE ACTIVITIES

- Rs. 50,000/- was granted for celebrating the birthday of **Thanthai Periyar E. V. Ramasamy** for the year 2025.
- To address the grievances of **OBC employees**, the following mechanisms are in place:
 - **OBC Cell**
 - **Internal Grievance Committee (IGC)** for **OBC employees**
 - **Liaison Officer** for OBC employees

• OFFICIAL LANGUAGE IMPLEMENTATION

The target fixed by Department of Official Language for letter correspondence in Hindi and other implementation programs are being taken care of. Hindi Fortnight was celebrated at Head Office and Regional Offices. Various competitions were organized through online and prizes were distributed.

• INVESTOR RELATIONS CELL (IRC)

IRC is functioning in the Company under the Company Secretary to create awareness of the Company's strength and ensuring timely communication to shareholders.

15. STATUTORY INFORMATION

a. Annual Evaluation of Board

MFL being a Government Company, all appointments in the Board are made by the Government of India, Ministry of Chemicals and Fertilizers, Department of Fertilizers. The performance of Directors is evaluated by the Ministry of Chemicals & Fertilizers, Department of Fertilizers, Government of India. As per Government of India, Ministry of Corporate Affairs notification dated 5th June 2015, clause (e) and (p) of sub-section 3 of Section 134 of Companies Act 2013 relating to appointment, remuneration and Annual evaluation of Board on its performance are not applicable to MFL. However, the Company is evaluating the performance of its Directors as per the guidelines issued by SEBI.

b. Meeting of the Board

During the year 2025-26, 5 meetings of the Board of Directors were convened and held. The details of the meetings of the Board of Directors are given in the report on Corporate Governance, which is part of this report. The intervening gap between the meetings was within the period prescribed under the Companies Act 2013.



• PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197 (12) of the Companies Act 2013 read with Rules 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is stated that no employee of your Company was in receipt of remuneration in excess of the amount mentioned in Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The details of ratio of the remuneration of each director to the median remuneration of the employees of the Company and percentage increase in remuneration of each Director, Chairman and Managing Director, Chief Financial Officer and Company Secretary in the financial year as required to be disclosed in pursuant to Rule 5 (1) is provided in **Annexure A**.

• DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. Changes in Directors

- The Government of India, vide Order No. 95/01/2025-HR-PSU (e-38759) dated April 17, 2025, appointed Shri Alok Kumar Agrawal (DIN: 09395495) as a Non-Official Independent Director on the Board of the Company for a period of one year with effect from April 17, 2025. Subsequently, his appointment as Non-Official Independent Director was regularized by the shareholders at the 59th Annual General Meeting held on September 24, 2025. Upon completion of his tenure of one year, Shri Alok Kumar Agrawal ceased to hold office as Non-Official Independent Director of the Company with effect from the close of business hours on April 16, 2026.
- The Government of India, vide Order No. 95/01/2025-HR-PSU (e-38759) dated April 17, 2025, appointed Shri Sanjay Vishnu Shetye (DIN: 01089380) as a Non-Official Independent Director on the Board of the Company for a period of one year with effect from April 17, 2025. Subsequently, his appointment as Non-Official Independent Director was regularized by the shareholders at the 59th Annual General Meeting held on September 24, 2025. Upon completion of his tenure of one year, Shri Sanjay Vishnu Shetye ceased to hold office as Non-Official Independent Director of the Company with effect from the close of business hours on April 16, 2026.
- The Government of India, vide Order No. 95/1/2019-

HR PSU dated April 4, 2024, appointed Smt. Tina Soni (DIN: 07720240) as Government Nominee Director on the Board with effect from April 4, 2024. Subsequently, her appointment as Nominee Director was regularized by the shareholders at the 58th Annual General Meeting held on September 26, 2024. Her tenure as Government Nominee Director concluded on July 24, 2025.

- The Government of India, vide Order No. 95/1/2019-HR-PSU (Part 2) (e-31042) dated July 17, 2025, appointed Shri Amar Kushawha (DIN: 11211580) as a Government Nominee Director on the Board of the Company for a period of three years with immediate effect, or on a co-terminus basis with his posting in the Department of Fertilizers, or until further orders, whichever is earlier. He assumed office as Government Nominee Director with effect from July 24, 2025. Subsequently, his appointment as Government Nominee Director was regularized by the shareholders at the 59th Annual General Meeting held on September 24, 2025.

b. Retirement by Rotations

Shri. Babak Bagherpour (DIN: 08341090), Shri. Mohammad Bagher Dakhili (DIN: 07704367) and Smt. Samieh Kokabi (DIN: 09066692) who are retiring Directors (Nominee of NICO) in the ensuing 60th Annual General Meeting, offer themselves to get re-appointed in pursuance of Section 152 of the companies Act, 2013 and pursuant to Regulation 17(1D) of SEBI (LODR), Regulations 2015.

c. Declaration by the Independent Directors

All the Independent Directors have given declarations that they meet the criteria of Independence as laid down under section 149(6) of the companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.

d. Boards opinion on the integrity, expertise and experience (Including the proficiency) of the Independent directors appointed during the year.

Being a Central Public Sector Undertaking, all the appointments of Independent Directors are being made by the Department of Fertilizers, Government of India having integrity, necessary experience and expertise.



16. CREDIT RATINGS

During the year under review, the credit ratings have reaffirmed as **'CARE BB+; Stable'** for long term borrowing and **'CARE A4+'** for short term borrowings.

17. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, your Directors hereby state that

1. In the preparation of the annual accounts for the year ended March 31, 2026, the applicable accounting standards (Ind AS) had been followed along with proper explanation relating to material departures.
2. The directors 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 at the end of the financial year and of the profit and loss of the company for that year;
3. The directors have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. The directors have prepared the annual accounts on a going concern basis.
5. The directors have laid down internal financial control to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
6. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Disclosure under section 134 (3) (ca) of the Companies Act 2013

Details in respect of frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government

Nil

18. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has zero tolerance for sexual harassment at the work place and has been following the provisions of the Sexual Harassment of Women at Workplace (Prevention, prohibition and Redressal) Act 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

Internal Complaints Committee (ICC) is in place at MFL to redress the complaints received regarding sexual harassment. All women associates (permanent, temporary, contractual and trainees) as well as any woman visiting the Company's premises are covered under this provision.

Summary of sexual harassment issues raised, attended and disposed of during the financial year 2025-26

No. of complaints received	NIL
No. of complaints disposed of	NIL
No. of cases pending for more than 90 days	NIL

19. THE CODE ON SOCIAL SECURITY, 2020 - MATERNITY BENEFIT

The Company is in compliance with the applicable provisions relating to maternity benefits as prescribed under the Maternity Benefit Act, 1961/ the Code on Social Security, 2020.

20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required in pursuant to provisions of Section 134 of Companies Act 2013 are given in the **Annexure – I** forming part of this report.

21. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Management's Discussion and Analysis is set out in this Annual Report as **Annexure – II**.



22. CORPORATE GOVERNANCE

The Company is committed to maintain the highest standard of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Board lays emphasis on transparency and accountability for the benefit of all stakeholders of the Company. The Report on "Corporate Governance" as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been enclosed as **Annexure – III**.

23. BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (BRSR)

In accordance with the Listing Regulations, the BRSR describes the performance of the Company on environmental, social and governance aspects. The disclosures on key performance indicators (KPIs) of BRSR Core and Independent Assurance Report on the identified sustainability information are enclosed as **Annexure - IV** forming part of the report.

24. CODE OF CONDUCT

Declaration affirming compliance with the code of conduct pursuant to the provisions of Regulation 17(5) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is enclosed as **Annexure - V** forming part of this report.

25. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

NIL

26. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR THE FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.

Not applicable

27. DECLARATION BY INDEPENDENT DIRECTORS:

The Independent Directors have submitted their declaration to the Board that they meet the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 25 of Listing Regulations so as to qualify as an Independent Director of the Company.

28. ANNUAL RETURN

As provided under Section 92 (3) of the Act, the form MGT-7 Annual Return is available in our company's [weblink](http://madrasfert.co.in/wp-content/uploads/2026/08/Draft-MGT-7-2025-2026.pdf) <http://madrasfert.co.in/wp-content/uploads/2026/08/Draft-MGT-7-2025-2026.pdf> in compliance with Rule 12(1) of the Companies (Management and Administration) Rules, 2014.

29. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company complies with all applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India.

30. STATUTORY AUDITORS

The Comptroller & Auditor General of India appointed M/s. Sundar Sridhar Associates, the Statutory Auditors of the Company for the year 2025-26. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer. The Notes to the financial statements referred in the Auditors' Report are self-explanatory and do not call for any further comments.

31. COST AUDITOR

The Board has appointed M/s. Aruna Prasad & Co., Cost Accountant, has been re-appointed as Cost Auditor of the Company for the year 2026 - 27 for conducting the audit of cost records of various products of the Company, for the financial year 2026-27. In accordance with the provisions of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, the Company has maintained cost records.

32. SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT

M/s SVJS & Associates, Practising Company Secretaries, was appointed as the Secretarial Auditor of the Company, for a term of 5 (five) consecutive financial years, commencing from the financial year 2025-26 to the financial year 2029-30, at the 59th AGM held on September 24, 2025. The Secretarial Audit Report for the financial year ended March 31, 2026 is annexed and marked as **Annexure – VI** to this Report.

The Secretarial Auditors Report contains few qualifications and reservations. The management has provided their responses and explanations to those qualifications and reservations, which have been annexed as **Annexure VI-A**.

M/s SVJS & Associates has confirmed that they are not disqualified from continuing as the Secretarial Auditor of the Company

**33. COMMITTEES**

The details pertaining to the composition of (i) Audit Committee, (ii) Nomination & Remuneration Committee, (iii) Stakeholders Relationship Committee, (iv) Risk Management committee are included in the Corporate Governance Report, which is a part of this report.

34. PUBLIC DEPOSIT

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

35. PARTICULARS OF LOANS, INVESTMENTS, GUARANTEES AND SECURITIES

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security provided are proposed to be utilized by the recipient are disclosed in the Standalone Financial Statement.

36. CONTRACT OR ARRANGEMENT WITH RELATED PARTIES

The transactions entered with related parties for the year under review were on arm's length basis and in the ordinary course of business. The disclosure in **Form No.AOC-2** for the transactions with related parties during the period under review is enclosed as **Annexure - VII** of the report. As none of the transaction is material in nature, hence no resolution is placed before the shareholder for their approval.

The Company's Policy on Related Party Transactions is available on the Company's weblink: <https://madrasfert.co.in/wp-content/uploads/2022/09/Related-Party-Transaction-Policy.pdf>

37. MAINTENANCE OF COST RECORDS AND ACCOUNTS

The Company, in terms of the provisions of Section 148 (1) of the Companies Act, 2013, is required to maintain cost records. Accordingly, the Company had maintained Cost Accounts and Records for the year ended March 31, 2026.

38. CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per Section 135 of Companies Act, 2013, the CSR Committee of the Board shall consist of 3 or more directors

out of which one director shall be an Independent Director. The Company is having 3 directors as members of CSR Committee and the Chairman of the Committee is an Independent Director.

The Company has carried out the CSR activities during the financial year 2025-26. The details of CSR activities carried out by the Company are contained in the Annual Report and is enclosed as **Annexure – VIII**, which forms part of this report.

39. LIQUIDITY

The Company has adequate cash and cash equivalents in its books as at March 31, 2026 to effectively take care of all current liabilities.

40. CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year, there is no change in the nature of the business of your Company – manufacturing of coated Urea, Ammonia.

41. MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments affecting the financial position of the Company between the end of financial year March 31, 2026 and the date of this report.

Significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

There were no significant and material orders that have been passed by any Court or Judicial Authority against the company during the Financial Year 2025-26 impacting the going concern status and Company's operations in future.

42. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which forms part of this report.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including



the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2025-2026.

43. AUDITOR'S REPORT

The Statutory Auditor's Report for the period under review does not contain any qualifications, reservations, adverse remarks, or disclaimers. Furthermore, no frauds have been reported by the auditors under Section 143(12) of the Companies Act, 2013, other than those reportable to the Central Government.

44. RISK MANAGEMENT

The Company has formulated a comprehensive Risk Management Policy and implemented the same effectively for identification, assessment, monitoring and mitigation of various risks associated with its operations and business activities. The risks which in the opinion of the Board, may pose a threat to the existence or growth of the Company if any, are dealt with in detail in the Management Discussion and Analysis Report forming part of this Annual Report.

The Company has also established and implemented various policies, procedures and control mechanisms to minimize risks and ensure achievement of organizational objectives. Some of the key initiatives undertaken in this regard are as follows:

- Timely convening and periodic review meetings of the Risk Management Committee for evaluation and monitoring of key business risks.
- Periodic assessment and review of the Business Continuity Plan by the Head of Departments, based on operational requirements and emerging business challenges.
- Strengthening and adherence to sound Corporate Governance practices to ensure transparency, accountability and effective risk oversight.

45. CERTIFICATION

As required by Regulation 17(8) of the SEBI Regulation, a Certificate on the Financial Statements and Cash Flow Statement of the Company for the year ended March 31, 2025 duly signed by the Chairman & Managing Director and CFO was submitted to the Board of Directors at their 343rd meeting held on 12th May 2026 is enclosed as **Annexure – IX** forming part of this report.

46. CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE PURSUANT TO CLAUSE 10 OF PART C OF SCHEDULE V OF SEBI (LODR) REGULATIONS, 2015.

The Certificate dated 10.08.2026 received from Mr. Subramanian Chandrasekar, Practicing Company Secretary, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board/Ministry of Corporate Affairs or any such Statutory Authority is enclosed as **Annexure X**.

47. VIGIL MECHANISM

MFL is having vigil mechanism for directors and employees to report their concerns. The Directors and employees can approach Chairman Audit Committee of the Board directly and report their concern in appropriate case. The vigil mechanism and whistle blower policy is published in the website of the Company: <https://madrasfert.co.in/wp-content/uploads/2022/09/Whistle-Blower-Policy.pdf>

48. PREVENTION OF INSIDER TRADING

No instances of insider trading have been reported on MFL shares till date. None of the directors and key managerial personnel is holding any shares in MFL. A code of conduct of prevention of insider trading and code for corporate disclosure is published in the website of the Company, the weblink: <https://madrasfert.co.in/wp-content/uploads/2025/05/Trading-Window-Policy.pdf>

In compliance with SEBI (Prohibition of Insider Trading) Regulations 2015, as amended, the Company has a comprehensive Code of Conduct to Regulate, Monitor and Report Trading by Insider and the same is being strictly adhered to by the designated persons (DP) while dealing in Company's securities in excess of the threshold limit as defined under this code. The company also has in place a Code of Practices and Procedures for fair disclosure of "Unpublished Price Sensitive Information" (UPSI).

The Company follows closure of trading window from the end of every quarter till 48 hours the UPSI made public. The Company has been advising the DPs covered by the Code not to trade in company's securities during the closure of trading window period. The Company has set up a mechanism for tracking of the dealings of equity shares of



the company by DPs and their immediate relatives having access to unpublished price sensitive information.

In addition, the Company is also closing the trading window for considering the UPSI at the Board meeting and advising the DPS connected with such UPSI. Further, In line with SEBI Circular, the Demat Account of the DPs is getting frozen at end of every quarter until the financial results are disclosed.

The Audit Committee also reviewed the Institutional Mechanism for Prevention of Insider trading and the system for internal control as per Regulation 9A if the SEBI (Prohibition of Insider Trading) Regulations 2015.

The Company has installed necessary software for maintaining a structured Digital Data Base as per the circulars issued by the SEBI. The Company regularly shares the importance of recording of UPSI to the DPs concerned. All DPs have been requested to share emails or any communication containing UPSI with others only for legitimate purposes.

49. CAUTIONARY STATEMENT

Statements in the Annual Report, particularly those which relate to Managements Discussions and Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Although the expectations are based on reasonable

assumptions, the actual results might differ.

50. ACKNOWLEDGEMENT

The Board places on record its deep sense of appreciation for the committed services by all the employees of the Company. The Board would also like to express its sincere appreciation for the assistance and co-operation received from the financial institutions, banks, government and regulatory authorities, stock exchanges, customers, vendors, members, during the year under review.

It is most appropriate to mention that the Directors convey their gratitude to the Department of Fertilizers for settlement of subsidy bills on priority basis and to the dealers and farmers for their sustained support to MFL's products.

By order of the Board
For Madras Fertilizers Limited

Chennai

Date: August 11, 2026

Sd/-
Manoj Kumar Jain
Chairman & Managing Director
(DIN:10690782)



MADRAS FERTILIZERS LIMITED

Annexure A

Particulars of Remuneration of Directors / Key Managerial Personnel / Employees

(Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

- a. The ratio of the remuneration of directors and KMP to the median remuneration of the employees of the Company for the Financial Year- 2025-26

(in lacs)

S No.	Particulars	Median Remuneration (₹)	Remuneration	Median Remuneration in %
1	Director	-	10.00	-
2	KMP	148.00	-	-

- b. The Percentage increase in remuneration of Director, Chief Executive Officer, Manager, Chief Financial Officer, Company Secretary in the Financial Year- 2025-26

(in lacs)

S No	Name	Designation	2024-25	2025-26	% of increase of salary	Date of Position Occupied
1.	Manoj Kumar Jain	Chairman and Managing Director	44.85	59.89	31.55	07-06-2024
2.	A Madhan Mohan	Chief Financial Officer	62.27	62.56	0.47	14-08-2024
3.	J Srinivasa Saraanan	Company Secretary	16.12	25.96	61.04	07-08-2024

- c. The percentage increase / (decrease) in the median remuneration of employees in the Financial Year 2025-26

(In lacs)

Particulars	2024-25 (₹)	2025-26 (₹)	Percentage Increase of Median salary
Total Salary	44.85	59.89	31.55%

- d. The number of permanent employees on the rolls of the Company

	2024-25	2025-26
No. of Employees	402	350



MADRAS FERTILIZERS LIMITED

ANNEXURE - I

THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF DIRECTORS) RULES 1988 FORM A

Disclosure of Particulars with respect to Conservation of Energy.

		Financial Year	Previous Year
		2025-26	2024-25
A. Power and fuel consumption			
1. Electricity			
(a) Purchased			
Unit (lakhs) *		1043.831	1097.326
Total amount (₹ in lakhs)		9976.676	10105.919
Rate / unit (₹)		9.56	9.21
* Includes power consumed at TTP, Kodungaiyur			
(b) Own generation			
(i) Through diesel generator			
Units (lakhs)		0.000	0.014
Diesel consumption (KL)		0.000	3.120
Units per ltr. of diesel oil		0.000	3.33
Cost/unit (₹)		0.00	28.42
2. Coal		Not applicable	Not applicable
3. RLNG, Furnace oil & LSHS			
Furnace Oil Quantity (tonnes)		1147	798
Total cost (₹ in lakhs)		645.247	532.437
Average rate (₹ per tonne)		56234.15	66754.02
RLNG Quantity (MMBTU)		14124106	15480098
Total cost (₹ in lakhs)		156589.651	182859.946
Average rate (₹ per MMBTU)		1108.67	1181.26
4. Others/generation:		Nil	Nil
B. Consumption per unit of production			
	FICC Norm	2025-26	2024-25
(a) Product : Ammonia			
Electricity (KWH) *	115.000	106.478	104.493
Fuel oil + LSHS (MT) Naphtha (MT)	0.2341	0.00199	0.00089
RLNG Process (MMSCM)		0.00089	0.00088
RLNG Boilers (MMSCM)		0.00014	0.00015
(b) Product: Urea			
Electricity (KWH)	202.000	142.705	143.081
Fuel oil + LSHS (MT)	0.1309	0.00164	0.00051
RLNG Boilers (MMSCM)		0.00013	0.00013
(c) Product: NPK*			
Electricity (KWH)	43.410	0.000	0.000
Fuel oil + LSHS (MT)	0.0069	0.000	0.000

* Yearly maintenance activities at the NPK plant consumed 34,416 units of power, whereas the Annual Turnaround in October 2025 accounted for 2,395,901 units.



MADRAS FERTILIZERS LIMITED

FORM – B

DISCLOSURE OF PARTICULARS WITH RESPECT TO RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

RESEARCH & DEVELOPMENT

1	Specific areas in which R&D carried out by the Company	Nil
2	Benefits derived as a result of the above R&D	
3	Future plan of action	
4	Expenditure on R&D Capital Recurring (in lacs) Total (in lacs) Total R&D expenditure as a percentage of total turnover	

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1	Efforts in brief made towards technology absorption, adaptation and innovation.	Nil
2	Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.	
3	Details of imported technology (imported during the last 5 yrs reckoned from the beginning of the financial year	

FOREIGN EXCHANGE EARNINGS AND OUTGO

	2025-26
1. Activities relating to export	Nil
2. Total Foreign Exchange used	(₹ Cr)
a. Raw Materials	Nil
b. Components & Spare Parts	4.19
c. Books & Periodicals / Travel	-
Total	4.19
3. Total Foreign Exchange earned	Nil

**MANAGEMENT DISCUSSIONS AND ANALYSIS****INDUSTRY STRUCTURE AND DEVELOPMENTS****INDUSTRY OVERVIEW**

Madras Fertilizers Limited (MFL), incorporated in 1966, is a Government of India Enterprise under the administrative control of the Department of Fertilizers, Ministry of Chemicals and Fertilizers. The Company manufactures Ammonia and Urea Fertilizers from its manufacturing facility located at Manali, Chennai. MFL also markets Organic Fertilizers under its flagship brand “VIJAY.”

The Indian fertilizer industry continues to play a pivotal role in ensuring food security and supporting sustainable agricultural growth. The sector remains significantly influenced by Government policies relating to nutrient subsidies, pricing mechanisms, balanced fertilization, soil health management and promotion of sustainable agricultural practices.

During FY 2025-26, favourable monsoon conditions, improved irrigation infrastructure, increased agricultural activity and continued Government support contributed to stable fertilizer demand across major agricultural regions. The Government's continued emphasis on enhancing farmers' income through irrigation development, crop insurance, Farmer Producer Organisations (FPOs), improved agricultural marketing and direct income support is expected to sustain fertilizer consumption over the medium term.

BUSINESS OVERVIEW

The Company continues to maintain a significant presence in the fertilizer market across Southern India through its established dealer network and strong brand recognition.

MFL manufactures Urea while also expanding its portfolio through Bio-fertilizers, Organic Fertilizers to cater to the evolving requirements of Indian agriculture.

The Company remains committed to ensuring timely availability of quality fertilizers to farmers while maintaining operational efficiency, environmental compliance and product quality.

ECONOMIC AND AGRICULTURAL ENVIRONMENT

Agricultural performance during FY 2025-26 remained largely favourable across Southern India. Rainfall distribution was generally satisfactory, resulting in improved reservoir storage and better irrigation availability in several states. The favourable climatic conditions supported both Kharif and Rabi cultivation, thereby sustaining fertilizer demand.

Farm-gate prices of several agricultural commodities, including paddy, cotton, coconut, rubber, spices and plantation crops, remained remunerative during the year, improving farmers' purchasing capacity. Although temporary shortages of specific fertilizer grades were witnessed during peak application periods in certain regions, overall fertilizer availability remained adequate.

AGRICULTURAL SITUATIONS PREVAILED IN SOUTHERN STATES**TAMIL NADU**

The State received actual rainfall of 1080.74 mm against the normal rainfall of 966.118 mm and CPLY of 1248.561 mm. Though the rains received during the year was higher by 11% than normal, it is 14% lesser than CPLY. Districts adjacent to Western Ghats & Southern districts like Tirunelveli, Kanyakumari & Coastal districts received good rains during South west monsoon. Some of the central districts like Karur, Krishnagiri, Dharmapuri, Virudhunagar etc. recorded below normal rains. Mettur reservoir was opened both for Kuruvai & Samba Crops this year, Likewise all the reservoirs in the state were opened



for two crops this year because of good storage, favorable Southwest Monsoon & heavy rains in the Western Ghats & catchment areas. The water storage level as on 31st Mar, 2026 is 79.008 TMC against the CPLY of 198.278 TMC. Summer Paddy crop coverage is expected to be Normal this year in Delta districts. Rains fed Maize acreages have come down to some extent in many of the districts due to delay and insufficient rains during sowing period (August- Sep.2025). Produce price for Paddy is Rs.2400-2500/Qtl, Maize is Rs1900- 2000/Qtl, Coconut is Rs 60-80/ Kg, Cotton is Rs 8110/ Qtl, Rubber is Rs.18500-20000/Qtl, Black Pepper- Rs 700-750/Kg, Cardamom is Rs.2700-2850/Kg, Ragi-Rs.4880/Qtl and Groundnut is Rs.7200/Qtl. Urea supply was surplus throughout the year, there was no much demand for Urea, but a Demand prevailed for DAP & NPK 20-20-0-13 during third quarter of the year & later supplies were made good.

PUDUCHERRY

Received 1556 mm of Actual rainfall against the normal of 1453.3 mm which is 7% higher than normal and 16 % less than the CPLY of 1818.50 mm. Major Sugarcane area was converted to Casuarina crop this year also. Agricultural Department reported 2074 acres under casuarina as annual crop. Paddy acreages were slowly coming down due to urbanization, industries & real estate etc. Sugarcane area was drastically reduced due to high operational cost and poor remunerative prices. Only 2000 acres cotton crop was covered in Karaikkal district. Produce price of Paddy was between Rs.2200 to 2300 throughout the year. No much demand was observed due to limited area under cultivation. No significant change was noticed in competitor's activities.

KERALA

Received 2617.450 mm of rainfall against the normal rainfall of 2948.600 mm, which is 11% less than the normal and 15% lesser than CPLY of 3085.450 mm. All the reservoirs including Malampuzha was having enough water throughout the year and water was released for agricultural purpose from 15th Nov 2025 to 15th Jan 2026. Shortage of Urea, DAP and other Complex Fertilizers were observed in many parts of the State during the season. During 2025-26, Farmers, received very good produce price for most of crops viz., Coconut, Rubber, Pineapple, Ginger, Banana, Coffee, Tea, Cardamom, Pepper, Nutmeg and this helped the farmers to earn more this year and to apply more fertilizer to crops.

TELANGANA

Received 1196.70 mm of rainfall against the normal of 876.30, which is 37% higher than the normal & 13% higher than the CPLY of 1056.10 mm. Agriculture in Telangana, largely dependent on monsoon rainfall, supported by major irrigation projects such as Kaleshwaram and Nagarjuna Sagar. Major Reservoir like Nagarjuna Sagar, Sriram Sagar and others recorded improved storage levels compared to last year. Produce price of Paddy is Rs.2369/quintal, Jowar is Rs.3699/quintal, Maize is Rs.2400/quintal, Blackgram (Urad) is Rs.7800/quintal, Greengram (Moong) is Rs.8768/quintal, Redgram (Tur) is Rs.8000/quintal, Groundnut is Rs.7263/quintal, Sunflower is Rs.7721/quintal, Cotton (Long Staple) is Rs.8110/quintal. Minimum supportive Price remains aligned with Government of India declarations & similar to AP. Fertilizer availability remained adequate overall, with intermittent demand spikes for Urea during peak agricultural activity periods (September–December).

ANDHRA PRADESH

Received 864.19 mm against normal of 953.58 mm (Deficit: 9.37%) and CPLY of 963.80 mm (Deficit:10%). Agriculture in Andhra Pradesh is predominantly dependent on the South-West Monsoon. During 2025, the South-West Monsoon set in earlier than normal and progressed satisfactorily across the state. The North-East Monsoon, which contributes significantly in southern districts, also performed above the normal and contributed approximately 28.9% of the state's rainfall. Area under crop coverage during Kharif is 27.75 lakh acres (89% of normal area of 31.16 lakh acres) and Rabi is 27.57 lakh acres (133% of normal area of 20.70 lakh acres). Produce price of Paddy is Rs.2369/quintal, Jowar is Rs.3699/quintal, Maize is Rs.2400/quintal, Blackgram is Rs.7800/quintal, Greengram is Rs.8768/quintal, Redgram is Rs.8000/quintal, Groundnut is Rs. 7263/quintal, Sunflower is Rs.7721/quintal and Cotton is Rs.8110/quintal. Overall Minimum Support Price has been increased reasonably when compared to the previous year. All fertilizer grades were generally available as per demand. However, Urea shortages were observed during peak consumption months Sep–Dec'25. Other complex fertilizers were adequately available.



KARNATAKA

During the year 2025-26, the State received an annual rainfall of 1351 mm against the normal rainfall of 1185 mm and CPLY of 1411 mm registering a positive deviation of 14%. Despite this, rainfall distribution remained uneven, with intermittent heavy rainfall followed by prolonged dry spells. All the major reservoirs were filled to satisfactory levels during the year.

Karnataka experiences three cropping seasons. Kharif Season contributes 65% of total cropped area, Rabi Season 25% and Summer Season the remaining area. The major crop area for Paddy is 25 lakh acres, Sugarcane 16 lakh acres, Maize 30 lakh acres, Ragi 15 lakh acres, Redgram 18 lakh acres, Groundnut 8 lakh acres, Coffee 5.75 lakh acres, Horticulture and Vegetable 16 lakh acres. The produce price of Maize fluctuated significantly Rs.1500–1700/quintal against Previous range of Rs.1900–2100/quintal. Vegetables: Prices remained below normal levels and Coffee (Arabica Parchment): Traded between Rs. 20,000 to 26,000 per 50 kg. Acute shortage of Urea observed during peak top-dressing period (Maize, Paddy, Ragi) and the movement and distribution were strictly monitored by the State Dept of Agriculture.

OPPORTUNITIES

The Company sees significant opportunities arising from:

- Growing demand for balanced nutrient management.
- Diversification through traded fertilizer products.
- Increasing adoption of environmentally sustainable agricultural practices.
- Improving operational efficiencies through process modernization and cost optimization.

THREATS

The fertilizer industry continues to face several external risks, including:

- Volatility in international prices of raw materials.
- Supply chain disruptions affecting imported inputs.
- Foreign exchange fluctuations.
- Vintage Plant
- Changes in Government subsidy policies.
- Climate variability affecting agricultural production and fertilizer demand.

STRENGTH, WEAKNESS, OPPORTUNITIES & THREATS

STRENGTHS

The Company derives its competitive strength from:

- Strong brand equity of the VIJAY fertilizer brand.
- Well-established marketing and distribution network across Southern India.
- Experienced and technically competent workforce.
- Strategic location with access to major logistics infrastructure.
- Reliable RLNG-based feedstock supply contributing to improved operational efficiency.



MADRAS FERTILIZERS LIMITED

WEAKNESSES

- The Company's operations continue to face certain inherent challenges, including:
- Foreign exchange fluctuations affecting input costs.
- Dependence on seasonal agricultural demand influenced by climatic conditions.
- Vintage Plant

FERTILIZER SECTOR:

[Lakh MT]

Product	Urea	
	2025-26	2024-25
Sales in MFL Marketing Territory	63.97	62.81
MFL Sales	4.95	5.23

The consumption of UREA has surged by 1.85% over CPLY due to favorable agricultural situation across the Southern territory.

- **For the 7th Consecutive year** since 2019-20, MFL products were marketed without any additional rebates & credit periods, thereby saved a huge financial outgo on marketing costs, whereas Competitors offered various rebates & extended credit periods liberally.
- **For the 8th consecutive year, achieved 100 %** on RTGS/online payments for all the sales transactions.

PRODUCTION, IMPORTS AND CONSUMPTION OF UREA (ALL INDIA BASIS)

In the landscape of India's Agricultural and Fertilizer sectors, the Fiscal Year 2025-26 stands out as a Challenging year to implement different Strategies for balanced fertilization by Ministry of Fertilizers, Govt of India. However, the nation has witnessed a marginal surge in consumption of Urea, maintaining the total production to 29.32 million tons.

The figures of Production, Imports and Consumption of Urea in India for the years 2024-25 and 2025-26 are given below:

[Lakh MT]

Product	Urea	
	2025-26	2024-25
Production	293.2	306.4
Imports	103.8	56.5
Consumption	396.4	387.7

ALL INDIA PRODUCT-WISE DEMAND FORECAST FOR 2024-25 TO 2026-27

[Lakh MT]

Period	Urea
2024-25	387.7
2025-26	396.4
2026-27 (Forecast)	406.8

**OUTLOOK**

The outlook for the Indian fertilizer industry remains positive, supported by favourable agricultural fundamentals, continued Government policy support and increasing emphasis on food security and sustainable farming practices.

Demand for fertilizers is expected to remain stable across Southern India, supported by improved irrigation facilities, healthy reservoir levels and normal monsoon expectations. The Company will continue to focus on operational excellence, cost optimization, product diversification, improved customer service and strengthening its market position.

RISKS AND AREA OF CONCERN

The Company continuously monitors strategic, operational and financial risks affecting its business.

Major areas of concern include:

- Timely availability of raw materials.
- Fluctuations in global energy prices.
- Regulatory changes impacting fertilizer pricing and distribution.
- Environmental and safety compliance requirements.

Appropriate mitigation measures, including continuous monitoring, efficient inventory management, financial discipline and robust operational controls, are implemented to minimise business risks.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has an Internal Control system designed to ensure security of the assets of the Company and efficiency of operations. The internal Control systems include proper delegation of authority, supervision, SAP (MM/FICO/SD/PP) & Online Integration System (OLIS), both having checks & procedures through documented policy guidelines and manuals.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2025-2026.

FINANCIAL PERFORMANCE

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

Particulars	2025-2026	2024-2025
Revenue from Operations	2300.35	2541.08
Other Income	73.20	43.96
Total Revenue (1)	2373.55	2,585.04
Cost of Materials Consumed	1233.12	1387.64
Purchase of Stock in Trade	15.93	15.07
Change in Inventories	40.93	4.32
Operating & Maintenance Expenses	757.29	844.67
Employee Benefits Expense	111.25	127.23



MADRAS FERTILIZERS LIMITED

Finance costs	58.85	62.37
Depreciation & Amortization Expense	13.54	11.63
Other Expenses	31.95	40.51
Total Expenses (2)	2,262.86	2,493.44
Profit Before Exceptional items and Tax	110.69	91.60
Less: Exceptional items	(8.38)	-
Profit/(Loss) Before Tax (3)	102.31	91.60
Tax Expense		
Provision for Tax (current and earlier years tax)	20.12	22.09
Deferred Tax	1.77	5.26
Total Tax Expense (4)	21.89	27.35
Profit/(Loss) After Tax (3) – (4)	80.42	64.25
Other Comprehensive Income (5)	43.85	93.17
Total Comprehensive Income (4+5)	124.27	157.42
Earnings per equity shares:		
• Basic	4.99	3.99
• Diluted	4.99	3.99

The Company delivered a strong financial performance during FY 2025–26, recording a Net Profit of ₹80.42 Crores as compared to ₹64.25 Crores in FY 2024–25, reflecting a robust growth of 25.17% over the previous financial year.

This significant improvement in profitability was achieved despite a decline in the Company's total turnover by ₹240.73 Crores, from ₹2,541.08 Crores in FY 2024–25 to ₹2,300.35 Crores in FY 2025–26. The improved financial results demonstrate the Company's focus on operational efficiency, prudent cost management, and effective financial discipline, which enabled it to enhance profitability notwithstanding the lower revenue during the year.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

The Company has proper human resource and industry relations policies, which are reviewed periodically. The human resource team conducts various training sessions for employees development on a going basis. These development programs are aimed at augmenting employee potential and represent an integral part of the overall business goals.

MANPOWER

The total manpower strength of MFL as on 31.03.2026 is 350 against 402 as on 31.03.2025.

TRAINING

228 employees and 33 contract workers have been trained during the year 2025-26 on Technical and Soft Skills.

INDUSTRIAL RELATIONS

During the year under review, industrial relations at all Company's units have continued to remain cordial and peaceful.

**RATIO ANALYSIS**

Particulars	FY 2025-26	FY 2024-25	Variance (in %)	Reasons for Significant Variance of 25% or more
(i) Debtors Turnover	11.23	51.15	(78.04)	Higher Average trade receivables
(ii) Inventory Turnover	2.08	1.84	13.04	---
(iii) Interest Coverage Ratio	2.74	2.47	10.93	---
(iv) Current Ratio	0.71	0.68	4.41	---
(v) Debt Equity Ratio	6.90	(20.56)	(133.56)	Improved shareholders' equity
(vi) Operating Profit Margin (%)	07.01	06.06	15.67	---
(vii) Net Profit Margin (%)	3.50	2.53	0.97	---
(viii) Return on Net worth	87.44	NA	NA	NA

RESOURCE AND LIQUITY

As on March 31st, 2026 the total net worth stood at Rs.91.97 Crore as against Rs.(32.30 Crore) at March 31st, 2025.

The Net debt to equity ratio of the company stood at 6.9% as on March 31st, 2026.



REPORT ON CORPORATE GOVERNANCE

In compliance with Regulation 34(3) with Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

1. COMPANY'S PHILOSOPHY

The Company adopts well-established corporate governance principles and practices developed over a period of time, which are constantly updated in the changing scenario. The Company's citizen charter provides for transparency, integrity and accountability in all spheres of corporate functions. The Company's Corporate Governance principle and practice include internal empowerment of middle level Officers.

2. BOARD OF DIRECTORS

As on 31st March 2026, there were 9 directors on the Board of the Company. At present, MFL Board strength is 9. Chairman and Managing Director (CMD) and Director (Technical) are Executive Directors and all other Directors are Non-Executive Directors. The Board of Directors comprise of One GOI Nominee Director and Two functional Directors viz. CMD and Director – Technical appointed by the Government of India. Our Co-Promoter, Naftiran Intertrade Co. Ltd (NICO) affiliated to National Iranian Oil Company (NIOC) has appointed three Nominee Directors. Three Non-official Independent directors are appointed by the Government of India.

A. COMPOSITION, CATEGORY, DETAILS REGARDING TENURE, NUMBER OF OTHER DIRECTORSHIPS/COMMITTEE MEMBERSHIPS (VIZ. AUDIT COMMITTEE AND SHAREHOLDERS GRIEVANCE COMMITTEE AS PER SEBI'S CORPORATE GOVERNANCE CODE) HELD BY DIRECTORS DURING THE YEAR 2025- 26 ARE TABULATED BELOW

Sl. No.	Director	Category	Tenure From	Tenure To	In Other Board Committees Directorship in Other Companies	In Other Board Committees Membership	In Other Board Committees Chairmanship	Directorship in Other Listed Entity
1	Shri Manoj Kumar Jain (DIN 10690782)	CMD	07.06.2024	Continuing	2	–	–	Fortune Biotech Ltd, The Fertilizer Association of India Ltd
2	Dr Tina Soni (DIN 07720240)	NED (GOI Nominee)	04.04.2024	24.07.2025	–	–	–	–
3	Shri. Amar Kushawha (DIN 11211580)	NED (GOI Nominee)	24.07.2025	Continuing	–	–	–	–
4	Dr K Jayachandran* (DIN 10062573)	Director – Technical	01.05.2023	31.05.2026	1	1	–	The Fertilizer & Chemicals Travancore Limited (FACT)
5	Shri Mohammad Bagher Dakhili (DIN 07704367)	NED NICO Nominee	18.02.2017	Continuing	1	–	–	Chennai Petroleum Corporation Limited (CPCL)



MADRAS FERTILIZERS LIMITED

Sl. No.	Director	Category	Tenure From	Tenure To	In Other Board Committees Directorship in Other Companies	In Other Board Committees Membership	In Other Board Committees Chairmanship	Directorship in Other Listed Entity
6	Shri Babak Bagherpour (DIN 08341090)	NED NICO Nominee	23.10.2018	Continuing	1	2	–	Chennai Petroleum Corporation Limited (CPCL)
7	Smt.Samieh Kokabi (DIN 09066692)	NED NICO Nominee	10.02.2021	Continuing	1	–	–	–
8	Dr Jatin Kumar Mohanty [^] (DIN 02660442)	Independent	20.06.2023	19.06.2026	2	–	–	–
9	Shri Sanjay Vishnu Shetye # (DIN 01089380)	Independent	17.04.2025	16.04.2026	3	1	–	–
10	Shri Alok Kumar Agrawal+	Independent	17.04.2025	16.04.2026	–	–	–	–

* Dr K Jayachandran ceased to be a Director (Technical) w.e.f 31.05.2026 due to superannuation

[^] Dr Jatin Kumar Mohanty ceased to be an Independent Director w.e.f 19.06.2026 on completion of tenure

Shri Sanjay Vishnu Shetye ceased to be an Independent Director w.e.f 16.04.2026 on completion of tenure

+ Shri Alok Kumar Agrawal ceased to be an Independent Director w.e.f 16.04.2026 on completion of tenure

B. BOARD MEETING AND ANNUAL GENERAL MEETING

During the year, Five (5) meetings of the Board were held on 28.05.2025, 12.08.2025, 11.11.2025, 11.02.2026 and 30.03.2026.

The 59th Annual General Meeting was held on 24th September 2025 through Video Conference(“VC”) / Other Audio Visual Means(“OAVM”).

Details of attendance of directors at the Board Meetings and Annual General Meeting are as follows:-

Sl. No.	Name of the Director	Category	From	To	Board Meetings Held	Board Meetings Attended	Attended Last AGM (24.09.2025)
1	Shri Manoj Kumar Jain	CMD	07.06.2024	Continuing	5	5	Yes
2	Dr. Tina Soni	NED (GOI Nominee)	04.04.2024	24.07.2025	1	0	No
3	Shri Amar Kushawha	NED (GOI Nominee)	24.07.2025	Continuing	4	3	Yes
4	Dr. K. Jayachandran*	Director – Technical	01.05.2023	03.05.2026	5	5	Yes
5	Shri Mohammad Bagher Dakhili	NED (NICO Nominee)	18.02.2017	Continuing	5	4	No
6	Shri Babak Bagherpour	NED (NICO Nominee)	23.10.2018	Continuing	5	4	Yes



MADRAS FERTILIZERS LIMITED

Sl. No.	Name of the Director	Category	From	To	Board Meetings Held	Board Meetings Attended	Attended Last AGM (24.09.2025)
7	Smt. Samieh Kokabi	NED (NICO Nominee)	10.02.2021	Continuing	5	3	Yes
8	Dr. Jatin Kumar Mohanty [^]	Independent	19.06.2026	Continuing	5	5	No
9	Shri Sanjay Vishnu Shetye [#]	Independent	17.04.2025	16.04.2026	5	5	No
10	CA Alok Kumar Agrawal ⁺	Independent	17.04.2026	16.04.2026	5	5	Yes

* Dr K. Jayachandran ceased to be a Director (Technical) w.e.f 31.05.2026 due to superannuation

[^] Dr Jatin Kumar Mohanty ceased to be an Independent Director w.e.f 19.06.2026 on completion of tenure

[#] Shri Sanjay Vishnu Shetye ceased to be an Independent Director w.e.f 16.04.2026 on completion of tenure

⁺ Shri Alok Kumar Agrawal ceased to be an Independent Director w.e.f 16.04.2026 on completion of tenure

C. DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE

There is no inter-se relationship with directors and KMP of the Company.

D. NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS

Nil

E. WEB LINK WHERE DETAILS OF FAMILIARIZATION PROGRAMMES IMPARTED TO INDEPENDENT DIRECTORS IS DISCLOSED

Familiarisation programme for Independent Directors of the Company was being conducted and the details of the familiarisation programme are uploaded on the website of the Company: <https://madrasfert.co.in/wp-content/uploads/2022/09/ID-Familiarization.pdf>

F. SKILLS/EXPERTISE/COMPETENCIES AVAILABLE WITH THE BOARD

In pursuance to Schedule V of the SEBI (LODR) Regulation, the chart setting out the core skills / expertise/ competencies identified by the Board of Directors as required by it in the context of the Company's business and sector for it to function effectively and those actually available with the Board of Directors and the names of directors who have such skills / expertise / competencies are as under

Name of Director	Skills/expertise/competencies				
	Corporate Governance and Legal Compliance	Accounting and Finance	Leadership and General Management	Industry Experience	Strategic Planning and Implementation
Shri Manoj Kumar Jain	√	√	√	√	√
Shri. Amar Kushawha	√	√	√	√	√
Dr K Jayachandran	√	√	√	√	√
Shri Mohammad Bagher Dakhili	√	√	√	√	√
Shri Babak Bagherpour	√	√	√	√	√
Smt. Samieh Kokabi	√	√	√	√	√
Dr Jatin Kumar Mohanty	√	√	√	√	√
Shri Sanjay Vishnu Shetye	√	√	√	√	√
CA. Alok Kumar Agrawal	√	√	√	√	√



G. CONFIRMATION OF INDEPENDENCE OF INDEPENDENT DIRECTORS

The Board is of the opinion that the independent directors fulfil the conditions specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and that the Company had received a certificate from all Independent Directors confirming their Independence

H. DETAILED REASONS FOR RESIGNATION OF AN INDEPENDENT DIRECTOR WHO RESIGNED BEFORE EXPIRY OF TENURE

Not applicable for period under review

3. AUDIT COMMITTEE

During the year 2025 - 26, the Audit Committee met Four (4) times on i.e.. 28.05.2025, 12.08.2025, 11.11.2025 and 11.02.2026 Details of Composition, name of members and Chairperson and attendance of the members of Audit Committee Meetings are as follows:-

Sl. No.	Name of the Audit Committee Members	Status	Tenure		No of Meeting Held during tenure	No of Meeting Attended
			From	To		
1	Shri Alok Kumar Agrawal+	Chairman - Independent	17.04.2025	16.04.2026	4	4
2	Dr Tina Soni	Member - GOI Nominee	04.04.2024	24.07.2025	1	0
3	Dr Jatin Kumar Mohanty^	Member - Independent	20.06.2023	19.06.2026	4	4
4	Shri Sanjay Vishnu Shetye#	Member - Independent	17.04.2025	16.04.2026	4	4
5	Shri. Amar Kushawha	Member - GOI Nominee	12.08.2025	Continuing	3	3
6	Shri Babak Bagherpour*	Member – NICO Nominee	17.04.2026	Continuing	-	-
7	Smt. Samieh Kokabi@	Member – NICO Nominee	29.06.2026	Continuing	-	-

+ Shri Alok Kumar Agrawal ceased to be an Independent Director w.e.f 16.04.2026 on completion of tenure

^ Dr Jatin Kumar Mohanty ceased to be an Independent Director w.e.f 19.06.2026 on completion of tenure

Shri Sanjay Vishnu Shetye ceased to be an Independent Director w.e.f 16.04.2026 on completion of tenure

* Shri Babak Bagherpour has been appointed as a member w.e.f 17.04.2026 and further appointed as Chairman w.e.f 29.06.2026

@Smt. Samieh Kokabi has been appointed as a member w.e.f 29.06.2026,

Terms of Reference

- (1) Oversight of financial reporting;
- (2) Recommendation for appointment, remuneration and terms of appointment of auditors;
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, including;
 - Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;



- Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions;
 - Modified opinion(s) in the draft audit report;
- (5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 - (6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.)
 - (7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 - (8) Approval or any subsequent modification of transactions of the Company with related parties;
 - (9) Scrutiny of inter-corporate loans and investments;
 - (10) Valuation of undertakings or assets, wherever it is necessary;
 - (11) Evaluation of internal financial controls and risk management systems;
 - (12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - (13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - (14) Discussion with internal auditors of any significant findings and follow up there on;
 - (15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 - (16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - (17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - (18) To review the functioning of the whistle blower mechanism;
 - (19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
 - (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee;
 - (21) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., and its shareholders;
 - (22) To carry on the duties and function as may be assigned by the Board from time to time;
-



4. NOMINATION AND REMUNERATION COMMITTEE

During the year 2025-26, the Nomination and Remuneration Committee (NRC) was not met. However the Details of Composition, name of members and chairperson and of NRC is as follows:-

Sl. No.	Name of the NRC Members	Status	Tenure	
			From	To
1	Shri Sanjay Vishnu Shetye#	Chairman - Independent	17.04.2025	16.04.2026
2	Dr Jatin Kumar Mohanty^	Member - Independent	20.06.2023	19.06.2026
3	CA Alok Kumar Agrawal+	Member - Independent	17.04.2025	16.04.2026
4	Shri Amar Kushawha	Member - GOI Nominee	17.04.2026	Continuing
5	Smt. Samieh Kokabi	Member – NICO Nominee	17.04.2026	Continuing
6	Shri Babak Bagherpour*	Member – NICO Nominee	29.06.2026	Continuing

^ Dr Jatin Kumar Mohanty ceased to be an Independent Director w.e.f 19.06.2026 on completion of tenure

Shri Sanjay Vishnu Shetye ceased to be an Independent Director w.e.f 16.04.2026 on completion of tenure

+ Shri Alok Kumar Agrawal ceased to be an Independent Director w.e.f 16.04.2026 on completion of tenure

* Shri Babak Bagherpour has been appointed as a member and Chairman w.e.f 29.06.2026

Terms of Reference

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- (2) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director;

The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may;

- use the services of an external agencies, if required;
- consider candidates from a wide range of backgrounds, having due regard to diversity;
- consider the time commitments of the candidates;

- (3) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (4) Devising a policy on diversity of board of directors;
- (5) Identifying persons who are qualified to become directors and who may be pointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
- (6) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (7) Recommend to the board, all remuneration, in whatever form, payable to senior management;



PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

The performance evaluation criteria for independent directors are participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behavior and judgment, upholding ethical standards of integrity and probity, his/her knowledge about the Company and external environment in which it operates,

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

During the year 2025-26, the Stakeholders Relationship Committee (SRC) met on November 11, 2025. Details of Composition, name of members and chairperson and attendance of the members of of SRC Meeting is as follows:-

Sl. No.	Name of the SRC Members	Status	Tenure		No of Meeting Held	No of Meeting Attended
			From	To		
1	Shri Mohammad Bagher Dakhili	Chairman - NICO Nominee	18.02.2017	Continuing	1	1
2	Shri Manoj Kumar Jain	Member - CMD	07.06.2024	Continuing	1	1
3	Shri Amar Kushawha	Member - GOI Nominee	24.07.2025	Continuing	1	0
4	Shri Sanjay Vishnu Shetye#	Member - Independent	17.04.2025	16.04.2026	1	1
5	Shri. Alok Kumar Agrawal+	Member - Independent	17.04.2025	16.04.2026	1	1
6	Dr K Jayachandran*	Director - Technical	01.05.2023	31.05.2026	1	1

Shri Sanjay Vishnu Shetye ceased to be an Independent Director w.e.f 16.04.2026 on completion of tenure

+ Shri Alok Kumar Agrawal ceased to be an Independent Director w.e.f 16.04.2026 on completion of tenure

* Dr K Jayachandran ceased to be a Director (Technical) w.e.f 31.05.2026 due to superannuation

The scope and function of the Committee is as per Clause 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is detailed below:-

The role of the committee shall inter-alia include the following:

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar to an Issue and Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- (5) Resolving grievances of debenture holders related to creation of charge, payment of interest/principal, maintenance of security cover and any other covenants.



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For the year 2025 - 26, 17 Share Transfer Committee Meetings have been held to consider are transfer and other share related matters.

Total number of complaints redressed by the Company and Share Transfer Agents during the period was 1009 which include attending Loss of Share Certificate, Issue of Duplicate Share Certificate, Nomination and Procedure for transmission of shares, general queries, etc. All the complaints were redressed in full and there is no pending as of March 31, 2026.

Name and Designation of the Compliance Officer

Mr, Srinivasa Saravanan J, Company Secretary is the compliance officer.

Details of shareholders' complaints received and pending during the year is as mentioned below:

Total number of complaints redressed by the Company and Share Transfer Agents during the period was 1009 which include attending Loss of Share Certificate, Issue of Duplicate Share Certificate, Nomination and Procedure for transmission of shares, general queries, etc. All the complaints were redressed in full and there is no pending as of March 31, 2026.

Details of complaints not solved to the satisfaction of the shareholders – Nil

6. RISK MANAGEMENT COMMITTEE

During the year 2025-26, the Risk Management Committee (RMC) met twice on June 04, 2025 and November 11, 2025. Details of Composition, name of members and Chairperson and attendance of the members of Risk Management Committee Meeting is as follows:-

The Risk Management Committee (RMC) consists of the following members:

Sl. No.	Name of the RMC Members	Status	Tenure		No of Meeting Held during the tenure	No of Meeting Attended
			From	To		
1	Dr Jatin Kumar Mohanty [^]	Chairman - Independent	20.06.2023	19.06.2026	2	2
2	Shri Manoj Kumar Jain ^{\$}	Member - CMD	07.06.2024	Continuing	2	2
3	Dr K Jayachandran [*]	Director - Technical	01.05.2023	31.05.2026	2	2
4	Shri Babak Bagherpour	Member - NICO Nominee	23.10.2018	Continuing	2	2
5	Shri Sanjay Vishnu Shetye [#]	Member - Independent	17.04.2025	16.04.2026	2	2
6	Shri. Alok Kumar Agrawal ⁺	Member - Independent	17.04.2025	16.04.2026	2	2
7	Smt. Samieh Kokabi	Member – NICO Nominee	29.06.2026	Continuing	-	-
8	Shri Amar Kushawha	Member - GOI Nominee	29.06.2026	Continuing	-	-

Shri Sanjay Vishnu Shetye ceased to be an Independent Director w.e.f 16.04.2026 on completion of tenure

+ Shri Alok Kumar Agrawal ceased to be an Independent Director w.e.f 16.04.2026 on completion of tenure

* Dr K Jayachandran ceased to be a Director (Technical) w.e.f 31.05.2026 due to superannuation

[^] Dr Jatin Kumar Mohanty ceased to be an Independent Director w.e.f 19.06.2026 on completion of tenure

^{\$} Shri Manoj Kumar Jain has been appointed as Chairman w.e.f 29.06.2026



Terms of Reference

- 1 (a) A framework for identification of internal and external risks specifically faced by Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
- (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
- (c) Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

7. SENIOR MANAGEMENT

Shri A Madhan Mohan, General Manager – F&A was appointed as CFO w.e.f 14.08.2024.

8. COMPLIANCE OFFICER

Shri J Srinivasa Saravanan has been appointed as the Company Secretary and Compliance Officer effective August 14, 2024.

9. REMUNERATION TO THE DIRECTORS

Being a Central Public Sector Undertaking, the Managerial Remunerations for the executives are fixed by the Government of India.

Payment of remuneration to the Chairman and Managing Director is as per the terms and conditions of appointment by the Government of India and approved by the Board.

The Company pays only sitting fees to the Non-Official Independent Directors, and no other monetary compensation is provided to them. No remuneration was paid during the year to the Nominee Director of the Government of India and the Nominee Directors of Naftiran Intertrade Co. Ltd. (NICO) for attending Board or Committee Meetings during the reporting period.

The aggregate value of the salary, incentives, perquisites and other benefits paid by the Company to the Directors is as detailed below:

Sl. No.	Name and Designation of the Director	Salary (Rs.)	Perquisites & Post Emp. Benefits (Rs.)	Other Allowances (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
1	Shri Manoj Kumar Jain, Chairman and Managing Director	35,26,918	22,28,275	2,33,697	-	59,88,890
2	Shri Alok Kumar Agrawal, Independent Director	-	-	-	3,50,000	3,50,000



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3	Shri Sanjay Vishnu Shetye, Independent Director	-	-	-	3,50,000	3,50,000
4	Dr Jatin Kumar Mohanty, Independent Director	-	-	-	3,25,000	3,25,000
	Total	35,26,918	22,28,275	2,33,697	10,25,000	70,13,890

10. GENERAL BODY MEETINGS

The venue and the starting time of the last three Annual General Meetings were :

Year	Venue	Date	Time
2024-2025	Meeting conducted through Video Conference ("VC")/Other Audio Visual Means ("OAVM")	24.09.2025 (Wednesday)	11.00 A.M.
2023-2024	Meeting conducted through Video Conference ("VC")/Other Audio Visual Means ("OAVM")	26.09.2024 (Thursday)	11.00 A.M.
2022-2023	Meeting conducted through Video Conference ("VC")/Other Audio Visual Means ("OAVM")	25.09.2023 (Monday)	11.00 A.M.

11. THE DETAILS OF SPECIAL RESOLUTIONS PASSED IN AGM / EGM IN THE LAST 3 YEARS ARE AS FOLLOWS

Date of AGM	Whether any Special Resolution was passed	Particulars
24.09.2025	Yes	1. Appointment of Mr. Sanjay Vishnu Shetye as Independent Director of the company. 2. Appointment of Mr. Alok Kumar Agrawal as Independent Director of the company.
26.09.2024	No	NA
25.09.2023	Yes	1. Appointment of Dr Jatin Kumar Mohanty as an Independent Director of the Company 2. To consider and authorize the Board of Directors to borrow upto Rs. 747.80 Crores under section 180(1) C of Companies Act, 2013 3. To consider and approve the creation of security in respect of borrowings made under Section 180 (1) (a) of Companies Act, 2013

12. POSTAL BALLOT

No resolutions were passed in the year 2025-26 through Postal Ballot.

There is no immediate proposal for passing any resolution through postal ballot. However, if required, the same shall be passed in compliance of provisions of the Companies Act, 2013, the Listing Regulations or any other applicable laws.

13. MEANS OF COMMUNICATION

Quarterly and Annual Results:

The Company has the ultimate responsibility of keeping the investors informed of the Financial performance of the Company. The quarterly results of the Company are approved and adopted by the Board within 45 (forty-five) days of the end of the quarter and the last quarter and annual results are approved and adopted by the Board within 60 (Sixty) days from the closure of the last quarter.

The results are disseminated immediately to the Stock Exchange where the Company's shares are listed and on the website of the Company.



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Quarterly Yearly Financial results are published in one National Daily - Financial Express and one Regional Daily - Maalaimalar. The financial results are made available on the Company's website: www.madrasfert.co.in.

Whether any presentation made to institutional investors or to the analyst:

No.

14. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting, Date, Time and Venue

AGM Date	:	September 24, 2026
Time	:	11,00 a.m.
Venue	:	Video Conferencing / AV means
Financial Year	:	April 2025 – March 2026
Book Closure Date	:	18.09.2026 to 24.09.2026 (both days inclusive) (Based on Board's decision on fixing date of AGM)
Dividend Payment	:	Nil
Whether Management Discussion and Analysis is part of this report	:	Yes
Listing on Stock Exchanges	:	National Stock Exchange of India Ltd
The Company has paid the listing fees to the stock exchange in time.		
National Stock Exchange of India Ltd	:	MADRASFERT

15. BOOK CLOSURE

The period of book closure is from September 18, 2026 to September 24, 2026 (Inclusive of both days). (Based on Board's decision on fixing date of AGM)

16. REGISTRAR TO AN ISSUE AND SHARE TRANSFER AGENTS & SHARE TRANSFER SYSTEM

M/s Integrated Registry Management Services Private Limited, a SEBI Registered Share Transfer Agent has been assigned the Share Transfer and Depository Registry related functions.

The shares of the company are dematerialized and registered in central depository services (India) Limited & National Securities Depository Limited (NSDL).

Share Transfer Committee attends to share transfer formalities every fortnight.

Share Transfer Agent & Depository Registry:

M/s Integrated Registry Management Services Private Limited
2nd Floor, Kences Towers,
No. 1, Ramakrishna Street, Off: North Usman Road,
T Nagar, Chennai 600 017
Phone 091-044 - 2814 0801 to 803
Email : einward@integratedindia.in



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17. DISTRIBUTION OF SHAREHOLDING

THE DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2026 IS AS FOLLOWS:

No	Category	Physical			Electronic				Total				
		No. of Hold-ers	% of Hold-ers	No. of Shares	% of shares	No. of Hold-ers	% of Hold-ers	No. of Shares	% of shares	No. of Hold-ers	% of Holders	No. of Shares	% of shares
1	BANKS	13	0.02%	34,600	0.02%	0	0.00%	0	0.00%	13	0.02%	34,600	0.02%
2	BODIES CORPORATE	76	0.13%	117500	0.07%	132	0.22%	607943	0.38%	208	0.35%	7,25,443	0.45%
3	CLEARING MEMBER	0	0.00%	0	0.00%	2	0.00%	4600	0.00%	2	0.00%	4,600	0.00%
4	EMPLOYEES	68	0.11%	56400	0.04%	0	0.00%	0	0.00%	68	0.11%	56,400	0.04%
5	FOREIGN PROMOT-ERS	0	0.00%	0	0.00%	1	0.00%	41516500	25.77%	1	0.00%	4,15,16,500	25.77%
6	GOVERNMENT/PRO-MOTERS	0	0.00%	0	0.00%	1	0.00%	95851700	59.50%	1	0.00%	9,58,51,700	59.50%
7	LLP	0	0.00%	0	0.00%	5	0.01%	6501	0.00%	5	0.01%	6,501	0.00%
8	MUTUAL FUND	1	0.00%	2400	0.00%	0	0.00%	0	0.00%	1	0.00%	2,400	0.00%
9	NRI	0	0.00%	0	0.00%	437	0.73%	639145	0.40%	437	0.73%	6,39,145	0.40%
10	HUF	0	0.00%	0	0.00%	583	0.97%	563117	0.35%	583	0.97%	5,63,117	0.35%
11	TRUST	0	0.00%	0	0.00%	1	0.00%	1600	0.00%	1	0.00%	1,600	0.00%
12	FORN.POFOL INV. CORP.1&2	0	0.00%	0	0.00%	2	0.00%	22338	0.01%	2	0.00%	22,338	0.01%
13	NBFCs	0	0.00%	0	0.00%	2	0.00%	40000	0.02%	2	0.00%	40,000	0.02%
14	RESIDENT INDIAN	6976	11.65%	3129046	1.94%	51573	86.13%	18487350	11.48%	58549	97.79%	2,16,16,396	13.42%
15	ASSOCIATION OF PERSONS & RESI-DENT - STOCK BRO-KER PROPRIETORY	0	0.00%	0	0.00%	2	0.00%	20560	0.01%	2	0.00%	20,560	0.01%
	TOTAL	7134	11.91%	3339946	2.08%	52741	88.09%	157761354	97.92%	59875	100	161101300	100

CATEGORY OF SHAREHOLDERS AS ON MARCH 31, 2026 IS AS FOLLOWS:



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S No	Category of Shares	PHYSICAL			NSDL			CDSL			TOTAL		
		Holder	Shares	%	Holder	Shares	%	Holder	Shares	%	Holder	Shares	%
1	Up to 500	5542	1533446	0.95%	13961	2039015	1.27%	32335	3106748	1.93%	51838	6679209	4.15%
2	501 - 1000	1396	1364100	0.85%	1755	1523648	0.95%	1993	1592338	0.99%	5144	4480086	2.78%
3	1001 - 2000	150	278200	0.17%	666	1041285	0.65%	836	1249659	0.78%	1652	2569144	1.59%
4	2001 - 3000	30	85300	0.05%	201	526162	0.33%	287	729483	0.45%	518	1340945	0.83%
5	3001 - 4000	2	7000	0.00%	81	295588	0.18%	99	353410	0.22%	182	655998	0.41%
6	4001 - 5000	12	59900	0.04%	75	362494	0.23%	74	351803	0.22%	161	774197	0.48%
7	5001 - 10000	2	12000	0.01%	117	898022	0.56%	117	850290	0.53%	236	1760312	1.09%
8	10001 and Above	0	0	0.00%	84	141580320	87.88%	60	1261089	0.78%	144	142841409	88.67%
	TOTAL	7134	3339946	2.08%	16940	148266534	92.03%	35801	9494820	5.89%	59875	161101300	100.00%

MODE-WISE SHAREHOLDINGS AS ON MARCH 31, 2026:

Mode	Count	Shares	%
Physical	7,134	33,39,946	2.08
NSDL	16,940	14,82,66,534	92.03
CDSL	35,801	94,94,820	5.89
GRAND TOTAL	59,875	16,11,01,300	100

CATEGORY OF SHAREHOLDERS AS ON MARCH 31, 2026 AS FOLLOWS:

Category	Count	Shares	%
Government of India	1	9,58,51,700	59.50
Naftiran Inter Trade Company (NICO) Ltd	1	4,15,16,500	25.77
Others	59,873	2,37,33,100	14.73
GRAND TOTAL	59,875	16,11,01,300	100

18. DEMATERIALISATION OF SHARES



MFL has connectivity with both NSDL and CDSL

ISIN No: INE 414A01015

15,77,61,354 equity shares (representing 97.92% of total shares) have been dematerialized as of March 31, 2026. In terms of number of shareholders, 88.09% of shareholders have dematted their shares.

Disclosure with respect to DEMAT suspense account / unclaimed suspense Account.

The company is taking necessary steps in this regard.

19. OUTSTANDING GDRS / ADRS / WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

As on date, the Company has not issued GDRs, ADRs or any other Convertible Instruments and as such, there is no impact on the equity share capital of the company.

20. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITY

Foreign exchange during the financial year 2025-26 is negligible and hence risk did not arise.

21. PLANT LOCATION: Manali, Chennai 600 068

22. THE ADDRESS FOR CORRESPONDENCE IS

Srinivasa Saravanan J

Company Secretary & Compliance Officer

Madras Fertilizers Limited

Manali, Chennai 600 068

Tel: 044 2594 2281 / 044 25945489

Mail: cs@madrasfert.co.in, cosec@madrasfert.co.in

23. OTHER DISCLOSURES

A. DISCLOSURE ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS THAT MAY HAVE POTENTIAL CONFLICT WITH THE INTERESTS OF LISTED ENTITY AT LARGE

All the material related party transactions have been listed out under AOC 2 which forms part of this report as **Annexure VII**.

B. RELATED PARTY TRANSACTIONS

A transaction with a related party shall be considered material, if either single transaction or together with all or any other transaction during a financial year with the company, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

All related party transactions entered during the year, were on arm's length basis and in ordinary course of business of the Company. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company.

The Policy on dealing with related party transactions are displayed in our website which is disclosed:-

www.madrasfert.co.in



C. DETAILS OF NON-COMPLIANCE BY THE LISTED ENTITY, PENALTIES, STRICTURES IMPOSED ON THE LISTED ENTITY BY STOCK EXCHANGE(S) OR THE BOARD OR ANY STATUTORY AUTHORITY, ON ANY MATTER RELATED TO CAPITAL MARKETS, DURING THE LAST THREE YEARS

The Company had received notice from NSE for non compliance in composition of Board of Directors for the last 3 years. However, the Company has not paid the fine and the Company has requested for waiver of fine on the ground that, it is a Central Public Sector Undertaking and all the members on the Board are nominated by the Government of India (Department of Fertilizers) and the non-compliance of provisions of Regulation 17 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were beyond the control of the Company.

The Listed Entity has also made representation before the Government of India (Department of Fertilizers) for taking necessary steps for appointment of Independent directors to the Board.

The Company had received notice from NSE for Delay in submission of Related Party Disclosures to NSE for the half year ended 31.09.2024 and levied a fine of Rs.45000/- plus GST@18%. The Company had informed NSE that the same was an inadvertent delay and the Company had paid the fine.

The Company had received notice from NSE for Delay in Appointment Of Company Secretary and levied a fine of Rs.20000/-, Rs.91000/- and Rs.44000/- for the quarter ended 31.03.2024, 30.06.2024 and 30.09.2024 respectively.

Shri R Ram Ganesh resigned as Company Secretary on December 12, 2023 and Shri J Srinivasa Saravanan was appointed as the Company Secretary and Compliance Officer effective August 14, 2024. Company Secretary was not the Compliance officer for the period 13.12.2023- 13.08.2024. The Company had paid the fine.

D. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM, WHISTLE BLOWER POLICY

The policy adopted by the Board is hosted on the website at <https://madrasfert.co.in/wp-content/uploads/2022/09/Whistle-Blower-Policy.pdf> further; no person has been denied access to the audit committee.

E. WHISTLE BLOWER / VIGIL MECHANISM

The Company has established a vigil mechanism and adopted a whistle blower policy, pursuant to which whistle blowers can report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The mechanism provides adequate safeguards against victimisation of persons who use this mechanism. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

During the year, the Company has fully complied with the mandatory requirements of the Listing Regulations to the extent applicable.

F. DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS

All the minimum information under Part A of Schedule II pursuant to Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) to the extent applicable to the Company were placed before the Board of Directors.

Your Company has fulfilled the following non mandatory requirements:

- a) The Auditors' Report on statutory financial statements of the Company containing the Audit opinion is unmodified.
- b) The Internal Auditors of the Company make presentations to the Audit Committee on their reports on a regular basis.

G. WEB LINK WHERE POLICY FOR MATERIAL SUBSIDIARY IS DISCLOSED

The Company does not have any material subsidiary. Hence policy is not applicable.



H. WEB LINK WHERE POLICY ON DEALING WITH RELATED PARTY TRANSACTION

The policy is hosted on the Company's website and can be viewed at <https://madrasfert.co.in/wp-content/uploads/2022/09/Related-Party-Transaction-Policy.pdf>

I. DISCLOSURE OF COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES

Your Company is not exposed to Commodity price during the year under review and hence the disclosure on commodity price risks and commodity hedging activities are not applicable.

J. DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT

Not applicable for the financial year 2025-26

K. CERTIFICATE FROM PRACTISING COMPANY SECRETARY CONFIRMING THAT DIRECTORS ARE NOT DEBARRED DISQUALIFIED

A certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority shall be obtained by the Company and such certificate has been obtained from Mr. Subramanian Chandrasekar, Practicing Company Secretary (Membership No. FCS 6773).

L. DETAILS WHEREIN RECOMMENDATION OF THE COMMITTEE IS NOT ACCEPTED BY THE BOARD

No such instances were observed during the financial year 2025-26.

M. FEES PAID TO STATUTORY AUDITORS

Total fees for all services paid to the statutory auditor by the Company for the FY 2025-26 was Rs.18.03 Lakhs.

N. DISCLOSURE IN RELATION TO SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has always believed in providing a safe and harassment-free workplace for every individual working in the Company. The Company has complied with the applicable provisions of the aforesaid Act and the Rules framed thereunder, including constitution of the Internal Complaints Committee.

- a. Number of complaints received during the financial year – Nil
- b. Number of complaints disposed of during the financial year – Nil
- c. Number of complaints pending as on end of the financial year – Nil

O. DISCLOSURE BY LISTED ENTITY AND ITS SUBSIDIARY WITH RESPECT TO LOANS AND ADVANCES TO COMPANIES/FIRMS IN WHICH DIRECTORS ARE INTERESTED:

No such Loans or advances were provided to the Companies/firms in which Directors are interested.

P. DETAILS OF MATERIAL SUBSIDIARIES OF THE LISTED ENTITY; INCLUDING THE DATE AND PLACE OF INCORPORATION AND THE NAME AND DATE OF APPOINTMENT OF THE STATUTORY AUDITORS OF SUCH SUBSIDIARIES

The Company does not have any subsidiaries. Hence, not applicable.

24. NON COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT OF SUB-PARAS (2) TO (10) ABOVE, WITH REASONS THEREOF SHALL BE DISCLOSED

In respect of appointment of requirement number of Independent Directors on the Board of MFL, the Company requested the Department of Fertilizers to appoint them at the earliest.



25. DISCLOSURE IN CONNECTION WITH EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II HAVE BEEN ADOPTED BY THE COMPANY

Your Company has fulfilled the following non mandatory requirements as

- a) The Auditors' Report on statutory financial statements of the Company containing the Audit opinion is unmodified.
- b) The Internal Auditors of the Company make presentations to the Audit Committee on their reports on a regular basis.

26. COMPLIANCE WITH THE REQUIREMENTS OF REGULATION 17 TO REGULATION 27 OF THE SEBI LISTING REGULATIONS AND CLAUSES TO OF REGULATION 46(2) TO THE EXTENT APPLICABLE TO THE COMPANY

The Company have been complied with as disclosed in this report.

27. DECLARATION BY CEO ON CODE OF CONDUCT

Annual compliance of the Code of Conduct for the financial year 2025-26 has been obtained from the Chairman and Managing Director of the Company.

28. COMPLIANCE CERTIFICATE FROM PRACTICING COMPANY SECRETARY REGARDING COMPLIANCE OF CORPORATE GOVERNANCE

A compliance certificate regarding compliance of Corporate Governance has been obtained from Mr. Subramanian Chandrasekar, Practicing Company Secretary (Membership No. FCS 6773).

29. DISCLOSURE OF CERTAIN TYPE OF AGREEMENTS BINDING LISTED ENTITIES

There are no agreement impacting management or control of the Company or imposing any restriction or create any liability upon the Company.

30. INDEPENDENT DIRECTOR'S MEETING

During the year under review, the Independent Directors met on February 11, 2026, inter alia discussed and reviewed the performance of the company and board with respect to the following, and found the affairs of the company were being carried out effectively in a satisfactory manner.

- The performance of non-independent directors and the board as a whole;
- The performance of the chairperson of the company, taking in to account the views of the company, taking in to accounts the views of executive directors and non-executive directors;
- Assess the quality, quantity and timeliness of the flow of information between the company and the management and the board that is necessary for the board to effectively and reasonably perform their duties;

Accordingly, as authorized at the meeting, the chairman of the Board and chairman of the Audit Committee appraised and evaluated the performance of all the Directors including Executive/Whole time Directors for the year under review and the chairman's performance evaluated by the Board collectively.

All the Independent Director of the company got empanelled themselves in the Data bank maintained and administrated by the Indian Institute of Corporate Affairs in terms of Circular dated October 22, 2019, issued by the ministry of Corporate Affairs.

**31. CREDIT RATING OBTAINED BY CARE EDGE**

Facilities	Amount(` Crore)	Rating	Rating Action
Long Term Bank	350.00	CARE BB+; Stable	Reaffirmed
Short Term Bank Facilities	397.80	CARE A4+	Reaffirmed

32. CEO/CFO CERTIFICATION

The Managing Director and Chief Financial Officer of the Company gives Annual Compliance Certificate in accordance with Regulation 17(8) read with Part B of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The annual Compliance Certificate given by Managing Director and Chief Financial Officer forms part of this Annual Report.

Place: Chennai
Date: August 11, 2026

For and on behalf of the Board
Sd/-
MANOJ KUMAR JAIN
Chairman and Managing Director
DIN: 10690782



MADRAS FERTILIZERS LIMITED

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

[Pursuant to Regulation 34 (3) and Clause E of Schedule V of SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Members,
Madras Fertilizers Limited
Manali, Chennai 600 068

I have examined the compliance of conditions as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to Corporate Governance by Madras Fertilizers Limited, for the year ended March 31, 2026.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof adopted 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 my opinion and to the best of my information and according to the explanation given to me and the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except that the Composition of the Board of Directors, Composition of Committees during the period under review are not in accordance with the provisions of SEBI (LODR) Regulations, the casual vacancies in the office of Independent Directors arising during the period under review remained unfilled beyond three months, the Company has not obtained shareholders' approval in the first General Meeting held after 31 March 2024 for the continuation of Director(s) who had completed five years or more on the Board and no meeting of the Nomination and Remuneration Committee was held during the financial year under review. However, being a Government Company, it has taken up the matter with the Department of Fertilizers, Government of India to appoint sufficient number of Independent Directors to comply with the SEBI (LODR) Regulations.

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

Place: Chennai
Date: 10.08.2026

Subramanian Chandrasekar
Practising Company Secretary
FCS No.6773/ COP No.13761
UDIN: F006773H001058065
Peer Review Certificate No.2902/2023



MADRAS FERTILIZERS LIMITED

ANNEXURE IV

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (BRSR)

SECTION A: GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

1	Corporate Identity Number (CIN) of the Listed Entity	:	L32201TN1966GOI005469
2	Name of the Listed Entity	:	MADRAS FERTILIZERS LIMITED
3	Year of incorporation	:	1966
4	Registered office address	:	Post Bag No.2, Manali, Chennai 600068
5	Corporate address	:	Post Bag No.2, Manali, Chennai 600068
6	E-mail	:	cs@madrasfert.co.in/cosec@madrasfert.co.in
7	Telephone	:	044 - 25945203 / 25942489
8	Website	:	www.madrasfert.co.in
9	Financial year for which reporting is being done	:	2025-26
10	Name of the Stock Exchange(s) where shares are listed	:	National Stock Exchange (NSE)
11	Paid-up Capital	:	₹ 161.10 Cr
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	:	Company Secretary & Compliance Officer Madras Fertilizers Limited Manali, Chennai 600068 Phone : 044-25942281 / 25945489
13	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).	:	Standalone basis

II. PRODUCTS / SERVICES

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacture & Marketing Fertilizers	Production and Marketing of Urea/ BIO/Agro/ Organic and city Compost	100%

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.	Urea	20121	99%

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	1	13*	14
International	-	-	-

* Regional Officers inclusive of Sales offices in Puducherry & Bio Plant at Jigani office.



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17. Markets served by the entity

a. Number of locations

Locations	Number
National (No. of States)	7 (5 States and 2 Union Territories)
International (No. of Countries)	Nil

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

MFL is selling its products in Southern States of India by having the network of around 5384 dealers in different categories which are detailed below :

Gen	SC	ST	Unemp	Institution		Ex-Ser	PH	Coop	Bulk Buyer	Others	Total
				Govt	Pvt						
3492	1407	220	32	5	0	8	6	211	2	1	5384

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)	250	228	91.20%	22	8.8%
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total employees (D + E)	250	288	91.20%	22	8.8%
WORKERS						
4.	Permanent (D)	100	194	94%	6	6%
5.	Other than Permanent (E)	0	0	0	0	0
6.	Total workers (D + E)	100	94	94%	6	6%

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)	4	4	100%	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	4	4	100%	0	0
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	0	0	0	0	0
5.	Other than permanent (G)	0	0	0	0	0
6.	Total differently abled workers (F + G)	0	0	0	0	0



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19. Participation/Inclusion/Representation of Women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors (as on 31.03.2026)	9	1	11.11
Key Managerial Personnel (as on 31.03.2026)	3	Nil	Nil

20. Turnover rate for permanent employees and workers

	FY 2025-26 (Turnover rate in current FY)			FY 2024-25 (Turnover rate in current FY)			FY 2023-24 (Turnover rate in previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	0.04	0.09	0.04	-0.06	0.08	-0.05	0.13	0.04	0.12
Permanent Workers	0.36	0.00	0.34	0.27	0.29	0.28	0.03	0.00	0.13

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)
Not Applicable				

VI. CSR DETAILS

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) Yes

- (ii) Turnover (in Rs.) : 2373,54,54,101
 (iii) Net worth (in Rs.) : 91,96,78,470
 (iv) CSR spent (in Rs.) : 1,07,21,156

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)	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	(If Yes, then provide *web-link for grievance redress policy)	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
Communities	Nil	Nil	Nil	Nil	Nil	Nil	Nil



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Employees and workers	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Other (please specify)	Nil	04 (Retired employees)	Nil	Nil	Nil	Nil	Nil

* <https://madrasfert.co.in/wp-content/uploads/2024/10/CS-Update.pdf>

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)	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Plant Reliability due to aging of plant	Risk: Aging equipment may lead to frequent breakdowns, reduced plant availability, and lower production efficiency.	Implement preventive and predictive maintenance, replace critical equipment in a phased manner, maintain essential spares, and undertake new greenfield projects.	Loss of production and revenue, increased maintenance cost, reduced profitability and Liquidity constraints.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive towards all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect and make efforts to restore the environment
P7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner



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P1	P2	P3	P4	P5	P6	P7	P8	P9
Ethics & Transparency	Product Responsibility	Human Resources	Responsiveness to Stakeholders	Respect for Human Rights	Responsible Lending	Public Policy Advocacy	Inclusive Growth	Customer Engagement
Policy and Management Process								

1. 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
Has the policy been approved by the Board? (Yes/No) {Refer Note 1}	Policies of the Company have been approved or competent authorities as per the Delegations of the Board								
Web link of the policies, if available	www.madrasfert.co.in Some policies may also include a combination of internal policies of the Company which are accessible to all internal stakeholders and policies placed on the Company's website.								
Whether the entity has translated the policy into procedures. (Yes / No)	Yes. The Company has translated the policies as applicable and imbibed the same into procedures and practices in all spheres of activities that the Company undertakes.								
Do the enlisted policies extend to your value chain partners?	Yes. The Company's Code of Conduct largely imbibes the above-mentioned principles and the Company expects its stakeholders to adhere to the same								
Name the national and international codes/ certifications/ labels/ standards	Not Applicable								

2. Specific commitments, goals, targets set by the entity

1. Trading of all types of finished Fertilizers products
2. New Greenfield Ammonia / Urea Plant

3. Performance of the entity against specific commitments, goals and targets

The Company has been taking effective steps in achieving the targets set Governance, leadership and oversight

4. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements

The Company's key objective is to increase production of High Quality Fertilizers across the country. Also the Company is increasing its due diligence on environmental and social risks and discourages wasteful usage of natural resources. . There is a recognition of the medium to long-term benefits that accrue from renewables and the Company endeavours to reduce its carbon footprint.



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5	Details of the highest authority responsible for implementation and oversight of the Business Responsibility Policy (ies).	Company Secretary and Compliance Officer
6	Does the entity have a specified committee of the board/director responsible for decision making on sustainability related issues?	Yes. The directors and senior management of the Company monitor various aspects of social, environmental, governance and economic responsibilities of the Company on a continuous basis. The Company's business responsibility performance is reviewed by the Board of Directors on an annual basis. The BR performance of the Company is assessed by the following committees of the board: i. The Audit Committee ii. The Corporate Social Responsibility Committee iii. The Stakeholders Relationship Committee iv. Risk Management Committee v. Nomination and Remuneration Committee

7. Details of Review of the National Guidelines on Responsible Business Conduct (NGRBC)

Subject for Review	Review of principles undertaken by and frequency
Performance against above policies and follow up action	As a practice, BR policies of the Company are planned to be reviewed periodically or on a need basis.
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	The Company is in compliance with the extant regulations as applicable.

8. 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.

Yes, The processes and compliances, is subject to scrutiny by internal auditors and regulatory compliances, as applicable.

9. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated

Not Applicable

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.

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

Essential Indicators

Segment	Total number of training and awareness programmes held	Topics/Principles covered under the training and impact	%age of persons in respective category covered by the awareness programs
Board of Directors	-	-	-
Key Managerial Personnel	03	CSR Monitoring System, FAI Annual Seminar 2025, Finance for Non-Finance Professionals	75
Employees other than BoD and KMPs	21	Team Building, Capacity Building, Safety, POSH, Retirement Planning, GeM, Disciplinary Rules and Procedures	92.02
Workers	6	Crane Operations, Safety, Retirement Planning, POSH, GeM	21.31

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				
	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (in INR)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	National Stock Exchange	2755300 (incl. of GST)	Constitution of Board as per SEBI (LODR)	The Company has not remitted the penalty, as the appointment of Independent Directors falls within the purview of the DoF. Accordingly, the Company has requested the competent authority to consider granting a waiver of the penalty.



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Settlement	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Compounding fee	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Non-Monetary				
	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (in INR)	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil

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.

Yes

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	FY 2024-25
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest

	FY 2025-26		FY 2024-25	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	Nil	NA

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



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 covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
Others	Nil	Nil

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

The Board of MFL consists of a well-balanced mix of executive and non-executive Directors. The Chairman & Managing Director and one functional director are appointed by the Government of India through the selection process of the Public Enterprise Selection Board. Additionally, Independent Directors are also appointed by the Government of India. Notably, these Directors are not required to hold any shares in MFL. Details of other directorships are communicated to the Board at the time of appointment and at the start of each financial year.

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 process 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	Nil	Nil	-
Capex	9.66%	Nil	-

2. a). Does the entity have procedures in place for sustainable sourcing? (Yes/No)

b). If yes, what percentage of inputs were sourced sustainably? Not Applicable

3. Describe the processes in place to safely reclaim your product 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.

The details of recycle/ reuse/disposal at the end of life are provided below

- Plastics (including packaging) – MFL has obtained its EPR certificate for Plastic packaging under Brand Owner category. The target given by CPCB for recycling and End of life of category- II plastic waste will be achieved through recyclers available in the market.
- E-waste – All our e waste are being taken by vendor under buy back system.
- Hazardous waste – Hazardous waste generated in MFL are being disposed to authorized recyclers only.
- Other waste – Wooden waste, Metal Scrap and paper waste are being sold by e-auction.



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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.

Extended Producer Responsibility (EPR) is applicable for MFL. We have obtained EPR registration certification for the year 2025-26 and the Extended Producer Responsibility (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.
Nil					

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
Nil		

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	FY 2024-25
Nil	-	-

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)	Nil	Nil	Nil	Nil	Nil	Nil
E-waste	Nil	Nil	Nil	Nil	Nil	Nil
Hazardous waste	Nil	Nil	34.98 MT	Nil	Nil	Nil
Other waste	Nil	Nil	Nil	Nil	Nil	Nil



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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
Nil	Nil

PRINCIPLE - 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

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

% of employees covered by										
Category	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
	No.	cover	No.	cover	No.	cover	No.	cover	No. (B)	cover
Permanent employees										
Male	322	322	322	322	NA	NA	12	3.73	NIL	
Female	28	28	28	28	2	0.07	NA	NA		
Total	350	350	350	350	2	0.07	12	3.73		

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	-	NA	100	-	NA
ESI	-	100	Y	-	100	Y
Others – Please specify	Retirement medical reimbursement, Superannuation, PF & LIC pension & Benevolent fund	100	NA	Retirement medical reimbursement, Superannuation, PF & LIC pension & Benevolent fund	NA	NA

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.



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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.

Yes.

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

	Permanent Employees	
Gender	Return to work rate	Retention rate
Male	100%	100%
Female	100%	100%
Total	100%	100%

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	Yes 1. Internal Grievance Committee (IGC) 2. Internal Complaints Committee (ICC) for redressal of grievances of women employees against Sexual Harassment
Other than permanent workers (Contract Workers engaged through contractors)	Yes - Internal Complaints Committee (ICC) for redressal of grievances of women contract workers against Sexual Harassment
Permanent Employees	Yes 1. Internal Grievance Committee (IGC). 2. Internal Complaints Committee (ICC), for redressal of grievances of women employee against Sexual Harassment
Other than permanent Employees (Contract Workers engaged through contractors)	Yes - Internal Complaints Committee (ICC) for redressal of grievances of women contract workers against Sexual Harassment

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 or Unions (B)	% (B/A)	Total employees / workers in respective category(C)	No. of employees / workers in respective category who are part of association or Unions (D)	% (D/C)



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Male	228	196	85.96	237	218	91.98
Female	22	17	77.27	24	24	100
Total Permanent Employees	250	213	-	261	242	-
Male	94	94	100	138	138	100
Female	6	6	100	6	3	100
Total Permanent Employees	100	100	-	144	141	-

8. Details of training given to employees and workers

Category	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	154	50	32.47	104	67.53	156	31	19.87	125	80.13
Female	48	28	58.33	20	41.67	65	20	30.77	45	69.23
Total	202	78	38.61	124	61.39	221	51	23.08	170	76.92
Workers										
Male	19	17	89.47	2	10.52	55	23	41.82	32	58.18
Female	7	4	57.14	3	42.86	9	4	44.44	5	55.56
Total	26	21	80.77	5	19.23	64	27	47.19	37	57.81

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 (A)	No. (B)	% (B/A)
Employees						
Male	228	228	100	237	237	100
Female	22	22	100	24	24	100
Total	250	250	100	261	261	100
Workers						
Male	94	86	91.48	135	132	97.82
Female	6	6	100	6	6	100
Total	100	92	97.00	141	138	97.87

10. Health and safety management systems

- a. Whether an occupational health and safety management system has been implemented by the entity? (yes / No.)
If yes, the coverage such systems?



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Yes. The Company has a policy on health and safety for its employees. Periodic internal communication and alerts are sent out to employees and awareness sessions are conducted on safety related aspects. Employees are given periodic training on basic and advanced fire safety, including evacuation drills.

- 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 recognises the risks of infections that could take place in the office premises. To minimise these risks, the Company took necessary precautions at the offices, which included sanitisation of all office premises, removal of biometric scanners, installation of thermal scanners, daily communication updates, and restricted movements in common areas, closure of recreational facilities and avoidance of large gatherings. The Company also adhered to all the government directives and issued travel and health advisories to its employees.

- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Yes/ No)

Yes, the Company has necessary protocols and systems in place to ensure employees' safety.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No) : Yes

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	3.06	Nil
	Workers	1.14	1.83
Total recordable work-related injuries	Employees	2	Nil
	Workers	3	1
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

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

The Company emphasises on the importance of maintaining a safe and healthy workplace for all employees and contract employees who work on its premises. The Company assesses the health, safety and environmental performance across all its premises. For employees and workers Trainings/Safety Awareness programs are conducted on fire safety and evacuation drills. Fire drills, mock drills and audits are conducted in the premises to ensure maintenance of safety standards

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	-
Health & Safety	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% Frequent Visit by Joint Director of Industrial Safety & Health (JDISH)
Working Conditions	100% On-site mock drill conducted at regular intervals. The recent Onsite Mock Drill was conducted on 15.12.2025.

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.

Safety Audit done in December 2025 and the report submitted to the Director of Industrial Safety & Health (DISH) with a copy to the Joint Director of Industrial Safety & Health (JDISH).

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)

Yes.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company ensures that statutory dues as applicable to the transactions within the remit of the Company are deducted and deposited in accordance with extant regulations. This activity is also reviewed as part of the internal and statutory audit.

3. 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.

Category	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 Year)	FY 2024-25 (Previous Year)	FY 2025-26 (Current Year)	FY 2024-25 (Previous Year)
Employees	Nil	Nil	Nil	Nil
Workers	Nil	1	Nil	1



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? (Yes/ No)

Not Applicable

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	The Company expects all its value chain partners to follow extant regulations, including health and safety practices and working conditions.
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.

Not Applicable

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.

Any individual or group of individuals or institution that adds value to the business chain of the Company is identified as a core stakeholder and this inter alia includes employees, shareholders and investors, customers etc

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stake-holder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), other	Frequency of engagement (Annually/Half yearly/ Quarterly/others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders/ Investors	No	Email, SMS, newspaper advertisement, notice board, website, Annual General Meetings, intimation to stock exchanges, annual/ quarterly financials and investor meetings/ conferences	Annually	To stay abreast of developments in the Company
Customers	No	Multiple channels – physical and digital	Frequent and need based	Helps to increase reach and enhance business
Employees	No	Direct & other communication mechanisms	Regular	To stay abreast of developments in the Company and for day to day operations



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 has always maintained that a constant and proactive engagement with our key stakeholders enables the Company to better communicate its strategies and performance. A continuous engagement helps align expectations, thereby enabling the Company to better serve its stakeholders.

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.**

It is still in a 'learning phase' on various evolving aspects of ESG and hence stakeholder interactions are important.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

Nil

PRINCIPLE 5

Business should respect and promote human rights

Essential Indicators

1. **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 (D)	No. of employees / workers covered (B)	% (D/C)
Workers						
Other than permanent	Nil	Nil	Nil	Nil	Nil	Nil
Male	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil

2. **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 Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Workers										
Permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Other than Permanent	967	967	100			1670	1670	100	-	-
Male	930	930	100			1600	1600	100	-	-
Female	37	37	100			70	70	100	-	-



3. Details of remuneration / salary / wages in the following format

	Male		Female	
	Number	Median remuneration / salary / wages of respective category (Rs in lacs)	Number	Median remuneration / salary / wages of respective category (Rs in lacs)
Board of Directors(Executive)	1	59.89	0	0
KMP	2	44.26	0	0
Supervisors	196	39.41	22	33.22
Non -Supervisors	115	20.90	6	19.79

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 / No)

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company regards respect for human rights as one of its fundamental and core values and strives to support, protect and promote human rights to ensure that fair and ethical business and employment practices are followed. The Company is committed to maintain a safe and harmonious business environment and workplace for everyone, irrespective of the ethnicity, region, sexual orientation, race, caste, gender, religion, disability, work, designation and such other parameters.

6. 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
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. Mechanism to prevent adverse consequences to the complainant in discrimination and harassment cases

The Company is committed to providing equal opportunities to all individuals and is intolerant towards discrimination and / or harassment based on race, sex, nationality, ethnicity, origin, religion, age, disability, sexual orientation, gender identification and expression (including transgender identity), political opinion, medical condition, language as protected by applicable laws.

8. Do human rights requirements from part of yours business agreements and contracts?

Yes, wherever, applicable

**9. Assessments for the year**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100% by statutory authorities and third party.
Forced / Involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Nil

Leadership Indicators**1. Details of a business process being modified / introduced as a result of addressing human rights grievances / complaints.**

No deviation in the business process.

2. Details of the scope and coverage of any human rights due-diligence conducted.

100% by the Statutory authorities and third parties by correcting all employees.

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?

Yes

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	No specific assessment in respect of value chain partners has been carried out other than certain covenants where some of these parameters are being monitored closely in certain lending arrangements.
Discrimination at workplace	
Child labour	
Forced Labour / Involuntary Labour	
Wages	
Others – please specify	

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

Not Applicable



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

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total electricity consumption (A) Gcal/MT	0.5960	0.5812
Total fuel consumption (B) Gcal/MT	1.8185	1.8963
Energy consumption through other sources (C)Gcal/MT	4.3988	4.3971
Total energy consumption (A+B+C) Gcal/MT	6.8133	6.8747

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.

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.

Not Applicable

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 Kilolitres)		
i. Surface water	Nil	Nil
ii. Ground water	Nil	Nil
iii. Third party water	163326.392	201578.007
iv. Sea water / desalinated water	330446.392	306410.007
v. Others (Sewage+TTRO)	3724269	4201298
Total Volume of water withdrawal (in Kilolitres) (i + ii + iii+ iv + v)	4054715.392	4507708.007

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.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

In our Company, we have the following Effluent Treatment Plants for treating the Effluents generated in the Plants.

a. Cooling Water Blowdown Treatment Plant (Cap. 3840 Klpd)

We use UF membrane technology to remove salts and reduce TDS. The outlet from this plant is fed into RO membranes (B stream) for further reduction of Chlorides and other salts. The permeate from this plant is directly fed into the CW system.



b. Common Effluent Treatment Plant (Cap. 480 Klpd)

The Sanitary overflow and Effluents from both Staff and Labour Canteens are being treated in this plant. The BOD and the COD are reduced by Aeration method and the Clarifier Overflow after passing through DMF, The outlet of Treated Water are used for gardening purpose.

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

Utility Boiler

Parameter	Please specify unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
NOx	Mg / nm ³	41	15.5
Sox	Mg / nm ³	<1.0	<1.0
Particulate Matter (PM)	Mg / nm ³	9	13

110ATA Boiler

Parameter	Please specify unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
NOx	Mg / nm ³	45	36
Sox	Mg / nm ³	<1.0	<1.0
Particulate Matter (PM)	Mg / nm ³	9	8.8

#PC-Boiler

Parameter	Please specify unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
NOx	Mg / nm ³	65	35
Sox	Mg / nm ³	<1.0	<1.0
Particulate Matter (PM)	Mg / nm ³	10	6.7

Urea Prill Tower Demister

Parameter	Please specify unit	FY 2025-26	FY 2024-25
NOx	mg/Nm3	NA	NA
SOx	mg/Nm3	NA	NA
Particulate matter (PM)	mg/Nm3	8	6
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – NH ₃		158	140



NPK-C Train

Parameter	Please specify unit	FY 2025-26	FY 2024-25
NOx	mg/Nm ³	NA	NA
SOx	mg/Nm ³	NA	NA
Particulate matter (PM)	mg/Nm ³	Plant Shut Down	Plant Shut Down
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – NH ₃	mg/Nm ³	Plant Shut Down	Plant Shut Down
Others – F	mg/Nm ³	Plant Shut Down	Plant Shut Down

All these analysis were carried out by MoEFCC authorized lab

6. 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)	Metric tonnes of CO ₂ equivalent	3.46 Lakhs MT	2.4 Lakhs MT
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)	Metric tonnes of CO ₂ equivalent	Nil	Nil

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Yes, Project for expansion of green belt area is in progress to reduce the Green House Gas emission. We have planted 1 acre of land with 400 saplings as Phase I under Tamil Nadu's Kurunkadugal Scheme development inside MFL and around 500 saplings are being planted in Kurunkadugal Phase II. Another 2 acres of land will be developed in a phased manner.

Our Feedstock and fuel for Boilers were converted to RLNG from fuel oil to reduce emissions.

8. 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)	Nil	Nil
E- waste (B)	Recycled	Recycled
Bio-medical waste (C)	Nil	Nil
Construction and demolition waste (D)	Reused for Land filling	Reused for Land filling
Battery waste (E)	Nil	Nil



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Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Radioactive waste (F)	Nil	Nil
Other Hazardous waste. (G)		
i .Spent Catalyst	Nil	Nil
ii. Used Oil	33.39 MT	9.05 MT
iii. Residue containing Oil	1.59 MT	12.9 MT
iv. Chemical Drum	Nil	500 Nos.
Other Non-hazardous waste generated (H).	Nil	Nil
Total (A+B+C+D+E+F+G+H)	34.98 MT	21.95 MT
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	Nil	Nil
(ii) Re-used	Nil	Nil
(iii) Other recovery operations	Nil	Nil
Total	Nil	Nil
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	Nil	Nil
(ii) Landfilling	Nil	Nil
(iii) Other disposal operations	Sold to recycler: Used Oil -33.39 MT Residue containing Oil -1.59 MT Chemical Drum -Nil	Sold to recycler: Used Oil -5.65 MT Residue containing Oil -25.57 MT Chemical Drum- 1864nos
Total	34.98MT	31.22 MT

9. 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.

Method of Disposal	a	Shredding and selling - Used paper & useless wood scrap.
	b	Sale by auction: - Metal scraps, damaged equipment parts, usable wood and spent catalysts.
	c	Composting:- Wet garbage from canteens
	d	Spent catalyst are generated during annual turnaround (once in 24 to 60 months depending on the need for replacement of catalyst) and spent oil are carefully stored in closed drums and sold thru Pollution Control Board authorized vendors having valid authorization from both SPCB and MOEF. Wastes / residues containing Oil & discarded containers /Barrels / liners contaminated with HW chemicals are also sold through in the same.

10. 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 the details in the following format.



MADRAS FERTILIZERS LIMITED

S.No.	Location of operations / offices	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.
Yes			

11. 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	Relevant Web link
Not Applicable					

12. 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.

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
	Nil	Nil	Nil

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

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	Nil	Nil
Total fuel consumption (B)	Nil	Nil
Energy consumption through other sources (C)	Nil	Nil
Total energy consumed from renewable sources (A+B+C)	Nil	Nil
From non-renewable sources		
Total electricity consumption (D)	102257844 /Year 0.5960GCal/MT	107386658 /Year 0.58124 GCal/MT
Total fuel consumption (E) (FO+RLNG)	1363.35MT/ Year + 102.40232 MMSCM / Year (0.0266 Gcal/MT+ 1.7920 Gcal/MT = 1.8185 Gcal/MT)	533.28 MT/ Year + 114.92188 MMSCM / Year +2.36 MT (0.00964 Gcal/MT+ 1.88666 Gcal/MT +0.00005 Gcal/MT = 1.89635 Gcal/MT)



MADRAS FERTILIZERS LIMITED

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Energy consumption through other sources (F) -RLNG	251.365 MMSCM/Year 4.3988 Gcal/MT	267.843 MMSCM/Year 4.39714 Gcal/MT
Total energy consumed from non-renewable sources (D+E+F)	6.8133 GCal/MT	6.8747 GCal/MT

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.

2. Provide the following details related to water discharged

Parameter	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	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
ii. To Ground water	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
iii. To Sea water	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of treatment		
iv. Sent to third-parties	220999 KL	162310 KL
- No treatment	220999 KL	162310 KL
- With treatment – please specify level of treatment		
v. Others	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	220999 KL	162310 KL

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.

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

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

- Name of the area
- Nature of operations
- Water withdrawal, consumption and discharge in the following format



MADRAS FERTILIZERS LIMITED

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
i. Surface water	Nil	Nil
ii. Ground water	Nil	Nil
iii. Third party water	163326.392	201578.007
iv. Sea water / desalinated water	330446.392	306410.007
v. Others (Sewage+TTRO)	3724269	4201298
Total volume of water withdrawal (in kilolitres)	4054715.392	4507708.007
Total volume of water consumption (in kilolitres)	3819953	4281479
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
i. Into Surface water	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of treatment		
ii. Into Ground water	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of treatment		
iii. Into Sea water	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of treatment		
iv. Sent to third-parties	220999 KL	162310 KL
- No treatment	220999 KL	162310 KL
- With treatment – please specify level of treatment		
v. Others	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	220999 KL	162310 KL

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.

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)	Metric tonnes of CO ₂ equivalent	Nil	Nil
Total Scope 3 emissions per rupee of turnover	Nil	Nil	Nil
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	Nil	Nil	Nil

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.



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.

Not Applicable

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

S.No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along with summary)	Outcome of the initiative
NA			

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words / web-link.

The Manufacture, Storage and Import of Hazardous Chemicals (MSIHC) Rules, 1989 and the Chemical Accidents (Emergency Planning, Preparedness and Response) [CA (EPPR)] Rules, 1996 provide a statutory structure for controlling major hazards posed by hazardous chemicals. The rule 14(1) of MSIHC Rules requires the District Authorities to prepare an Off-site Emergency Plan.

It is a customary practice of industries to conduct Off-site Mock Drill as per MSIHC Rules, to ensure readiness and preparedness to handle any kind of emergency or disaster that may happen in an industrial area.

Prior to Off-site mock drill we conducted On-site mock drill on 16.06.2022 & 21.06.2022. Further off-site mock drill was conducted on 22.06.2022 under the able guidance of JD-DISH, Regional Deputy Commissioner (North), NDRF & District Crisis Group formed by Commissioner of Greater Chennai Corporation and including Manali Industries Association (MIA).

An **On-site Emergency Mock Drill** is a vital safety exercise designed to test an organization's readiness to handle unexpected workplace emergencies. Under standard industrial safety and factory regulations, fire evacuation drill and hazardous materials drill are periodically conducted in MFL and the following jobs are also done in MFL.

Unannounced (Surprise) Emergency Drills are conducted on 30.06.2023, 06.03.2024, 20.03.2025 & 05.12.2025 without prior notice to evaluate the actual response time, operational readiness under emergency conditions, and the overall effectiveness of the organization's emergency response procedures. During the drill, the emergency will be announced through the Red Telephone System and the Emergency Siren. The Emergency Response Crew (ERC) members from various departments will be mobilized to respond to the simulated emergency. Upon completion of the exercise, the drill will be evaluated and documented, and a detailed report will be submitted to the Joint Director of Industrial Safety and Health (JDISH), Thiruvottiyur, to ensure regulatory compliance and maintain transparency in the organization's emergency preparedness and safety standards.

8. 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.

NA

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

NA



MADRAS FERTILIZERS LIMITED

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.

List the top 10 trade and industry chambers / associations (determined based on the total members of such body) for which 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	Federation of Indian Chambers of Commerce and Industry	National
2	The Fertiliser Association of India	National
3	Institute of Directors	International
4	Employers Federation of Southern India	National
5	Indian Council of Fertilizer and Fertilizer Technology Research	National
6	RNZ-Indian Fertilizer Industry Directory	National
7	Standing Conference of Public Entreprises	National
8	Internal Fertilizer Association	International

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		

Leadership Indicators

1. Details of public policy positions 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
Members of the senior management are associated with various bodies from time to time, including for the purpose of legislating regulations related to capital markets and corporate governance.					

PRINCIPLE 8

Business 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
Not Applicable					



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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	Amounts paid to PAFs in the FY (in INR)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community
The Company has various mechanisms to receive and redress grievances of various stakeholders

4. 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	Not Applicable	
Sourced directly from within the district and neighbouring districts		

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
Not Applicable	Not Applicable

2. (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? Not Applicable

(c) What percentage of total procurement (by value) does it constitute? Not Applicable

3. 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
Not Applicable				

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

Name of authority	Brief of the case	Corrective action taken
Not Applicable		



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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.

Details of Toll free number, customer care email id and address of Grievance Redressal officer are printed on product bags MFL is producing and marketing across Southern Territory.

Company will get complaints through this kind of mechanism and all complaints received will be addressed suitably.

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	100
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)		Remarks	FY 2024-25 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at 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	1	Nil	Nil	Nil	Nil	Nil
Other	Nil	Nil	Nil	Nil	Nil	Nil

4. Details of instances of product recalls on account of safety issues

	Number	Reasons for recall
Voluntary recalls	Nil	
Forced recalls		

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

CERT-In Empanelled agency viz:- GRM Technology Private Limited conducted the Information System and Security Audit and observed that security posture of the environment is Good. There is periodic monitoring of IT implemented solutions and the data center is meeting requirement of TIA standard.



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.

Not Applicable

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

www.madrasfert.co.in

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Different types of Agro Service programs were organized to educate the consumers about the usage of our products such as :

- Kisan Sangoshtih:** Promoting the Objective of "Reducing the use of Chemical Fertilizers & increase the usage of Organic Fertilizers, MFL organizing KISAN SANGOSHTHI under PM PRANAM (PM Programme for Restoration, Awareness, Nourishment and Amelioration of Mother Earth) across southern states to create awareness on FOM & PROM products and emphasis the balanced fertilization & more usage of Organic products.
- Field Demonstration:** MFL conducts demonstrations to promote its products like Organic Manure, City Compost, FOM, PROM & PDM in its territory Demonstrating the quality, usage and benefits of products at field level by selecting a farmer's field in a particular village by performing live demonstrations
- Soil Samples:** Collecting samples by technical approach from farmers and educate them about various fertilizers applications and package of practices based on soil health card recommendation
- Farmer Contact Program:** MFL field officials contact farmers on regular basis and explain about the cultivation practices by distributing handouts based on the present Agricultural situation & seasonal conditions
- Exhibitions:** MFL participates in exhibitions by arranging stalls and distributes Pamphlets to all farmers to promote the importance of our products.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Company uses both physical and digital forum to inform consumers of any risk of disruption/discontinuation of essential services.

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. 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. The information on the product is displayed on the packet.

5. Provide the following information relating to data breaches:

- Number of instances of data breaches along-with impact – Not Applicable
- Percentage of data breaches involving personally identifiable information of customers –
Not Applicable



Declaration affirming Compliance with the Code of Conduct in terms of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board had laid down a code of conduct for all Board Members and Senior Management of the Company. The code of conduct is posted on the website of the Company.

All the Board Members and Senior Management personnel affirmed compliance with the code for the financial year 2025-26.

Place : Chennai
Date : May 12, 2026

Sd/-
Manoj Kumar Jain
Chairman & Managing Director
DIN:10690782



**Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2026**

*[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]*

To

The Members

Madras Fertilizers Limited

Manali, Chennai 600 068,

We, SVJS & Associates, Company Secretaries, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MADRAS FERTILIZERS LIMITED [CIN: L32201TN1966GOI005469]** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the 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, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31.03.2026 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 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 thereunder
- (iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent applicable
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - 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
 - d) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
 - e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015



(vi) As informed to us, the following other laws are specifically applicable to the Company:

1. The Fertiliser (Control) Order, 1985;
2. The Manufacture, Storage and Import of Hazardous Chemical Rules, 1989;
3. The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008;
4. The Batteries Waste Management Rules, 2022;
5. The Industries (Development and Regulation) Act, 1951 and the Regulations and Bye-laws framed there under;
6. The Water (Prevention and Control of Pollution) Act, 1974 and the Regulations and Bye-laws framed there under;
7. The Air (Prevention and Control of Pollution) Act, 1981 and the Regulations and Bye-laws framed there under;
8. The Environment (Protection) Act, 1986 and the Regulations and Bye-laws framed there under;
9. The Factories Act, 1948 and the Regulations and Bye-laws framed there under;
10. The Indian Boilers Act, 1923 and the Regulations and Bye-laws framed there under;
11. Legal Metrology Act and Legal Metrology (Packaged Commodities), Rules, 2011
12. Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010;

In respect of other laws specifically applicable to the Company we have relied on information / records produced by the Company during the course of our audit and the reporting is limited to that extent.

We have also examined compliance with the applicable provisions and clauses of the following, to the extent applicable and subject to the observations and qualifications contained in this Report:

- (i) Secretarial Standards relating to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreement entered into by the Company with National Stock Exchange of India Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above, except as follows

1. During FY 2025–26, the Company was non-compliant with Regulation 17(1)(b) of the SEBI (LODR) Regulations, 2015, as the Board lacked the requisite number of Independent Directors in the absence of a regular Non-Executive Chairperson. Consequently, the composition of the Audit Committee (from April 1, 2025, to April 17, 2025) and the Nomination and Remuneration Committee (during the year under review) did not meet the two-thirds Independent Director majority required under Regulations 18(1)(b) and 19(1)(b), respectively.
2. The Company has not complied with Regulation 17(1E) of the SEBI (LODR) Regulations, 2015, as the casual vacancies in the office of Independent Directors arising during the period under review remained unfilled beyond the statutory timeline of three (3) months.
3. The Company has not complied with Regulation 17(1D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as it failed to obtain shareholders' approval in the first General Meeting held after 31 March 2024 for the continuation of Director(s) who had completed five years or more on the Board without such approval.



MADRAS FERTILIZERS LIMITED

4. The Company failed to hold any meeting of the Nomination and Remuneration Committee during the financial year under review, in non-compliance with Regulation 19(3A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
5. The Company has not complied with Regulation 20(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as the Chairperson of the Stakeholders' Relationship Committee has not attended the Annual General Meeting held on 24 September 2025 to answer queries of the security holders.
6. The annual declaration under Regulation 31(4) read with Regulation 31(5) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, from Naftiran Intertrade Co. Ltd., being a Promoter of the Company, for the financial year ended 31 March 2025, was not received within the prescribed timeline.
7. We have observed certain instances where the disclosures contained in the Annual Report for the Financial Year ended 31st March, 2025 were not fully in accordance with the requirements of the Companies Act, 2013, the Companies (Accounts) Rules, 2014 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, the management has taken steps in the current year to rectify the same.

Except for the non-compliances reported herein regarding the filling up of vacancies in the office of Independent Directors under Regulation 17(1E) and the approval for continuation of Directors under Regulation 17(1D) of the SEBI (LODR) Regulations, 2015, the Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board during the period under review were otherwise carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance (and at shorter notice in certain cases in accordance with the provisions of the Act and Secretarial Standards), 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.

There were no dissenting views on the decisions of the Board, as recorded in the minutes of the Board Meetings.

We further report that, as represented by the Management and relied upon by us, there are adequate systems and processes in the company commensurate with size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

During the financial year under review, the following fines were imposed by the National Stock Exchange of India Limited (NSE) on the Company for non-compliance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Sl. No.	Authority	Provision	Nature of non-compliance	Quarter	Fine Imposed*	Status
1	National Stock Exchange of India Limited (NSE)	Regulation 17(1) read with Regulation 18(1) and Regulation 19(1) & (2)	Non-compliance relating to composition of the Board, Audit Committee and Nomination & Remuneration Committee.	Quarter ended 30 June 2025	₹6,17,140 (including GST)	Fine not paid; waiver requested by the Company.
2	National Stock Exchange of India Limited (NSE)	Regulation 17(1)	Non-compliance relating to composition of the Board	Quarter ended 30 September 2025	₹5,42,800 (including GST)	Fine not paid; waiver requested by the Company.



MADRAS FERTILIZERS LIMITED

Sl. No.	Authority	Provision	Nature of non-compliance	Quarter	Fine Imposed*	Status
3	National Stock Exchange of India Limited (NSE)	Regulation 17(1)	Non-compliance relating to composition of the Board	Quarter ended 31 December 2025	₹5,42,800 (including GST)	Fine not paid; waiver requested by the Company.

* As per the records made available to us.

We further report that during the audit period there were no instances of:

- (i) Public / Right / Preferential issue of shares / debentures / sweat equity
- (ii) Redemption / buy-back of securities
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations

This Report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

Place: Chennai
Date: 03.08.2026

For SVJS & Associates
Company Secretaries

Sd/-

Rohini Varma. K

Partner

FCS. 8161

CP. No. 8594

Peer Review Certificate No.: 6229/2024

UDIN: F008161H001006884



MADRAS FERTILIZERS LIMITED

‘Annexure A’

To
The Members
Madras Fertilizers Limited
Manali
Chennai – 600068.

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

1. Maintenance of the Secretarial records is the responsibility of the management of the Company. Our responsibility as Secretarial Auditors is to express an opinion on these records, based on our audit.
2. During the audit, we have followed the practices and process as were appropriate, to obtain reasonable assurance about the correctness of the contents of the Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our report.
3. The correctness and appropriateness of financial records and Books of Accounts of the Company have not been verified.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards etc. is the responsibility of management. Our examination was limited to the verification of the procedures and compliances on test basis.
6. While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31st March, 2026 but before issue of the Report.
7. We have considered actions carried out by the Company based on independent legal/ professional opinion as being in compliance with law, wherever there was scope for multiple interpretations.
8. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For SVJS & Associates
Company Secretaries

Sd/-

Rohini Varma. K
Partner

FCS. 8161

CP. No. 8594

Peer Review Certificate No.: 6229/2024

UDIN: F008161H001006884

Place: Chennai
Date: 03.08.2026



Management Reply to the Observations in The Secretarial Audit Report 2024-25

Sl. No	Observations	Management Response
1.	During FY 2025-26, the Company was non-compliant with Regulation 17(1)(b) of the SEBI (LODR) Regulation, 2015, as the Board Lacked the Requisite number of Independent Directors in the Absence of a Regular Non-Executive Chairperson. Consequently, the Composition of the Audit Committee (From April 1 st 2025 to 17 th April 2025) And the Nomination and Remuneration Committee (During the year under review) Did not meet the two –thirds Independent Director majority required under the regulation 18(1)(b) and 19(1)(b), respectively.	a) No fine is paid and the Company has requested for waiver of fine on the ground that, it is a Central Public Sector Undertaking and all the members on the Board are nominated by the Government of India (Department of Fertilizers) and the non-compliance of provisions of Regulation 18 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were due to reasons beyond the control of the Listed entity. b) The Listed Entity has also made representation before the Government of India (Department of Fertilizers) for taking necessary steps for appointment of directors to the Board. The Company has been requesting the Department of Fertilizers, GOI to appoint Independent Directors on the Board of MFL in order to comply with the Regulation and decision from the Government is awaited.
2.	The Company has not complied with Regulation 17(1E) of the SEBI (LODR) Regulations, 2015, as the casual vacancies in the office of Independent Directors arising during the period under review remained unfilled beyond the statutory timeline of three (3) months.	a) The Company is a Central Public Sector Undertaking and all the members on the Board are nominated by the Government of India (Department of Fertilizers) and the non-compliance of provisions of Regulation 17 (1E) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were due to reasons beyond the control of the Listed entity. b) The Listed Entity has also made representation before the Government of India (Department of Fertilizers) for taking necessary steps for appointment of directors to the Board.
3.	The Company has not complied with Regulation 17(1D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as it failed to obtain shareholders' approval in the first General Meeting held after 31 March 2024 for the continuation of Director(s) who had completed five years or more on the Board without such approval.	As per clause no. 86 (C) (All the Directors of the Company other than those appointed as provided above in Article 86(a) and (b) and the Managing Director/ Functional Director of the Company shall be appointed annually by the Shareholders of the Company in the Annual General Meeting.) However, the Company is taking necessary steps for obtaining approval of shareholders for Directors appointed by NICO at the ensuing 60th AGM



MADRAS FERTILIZERS LIMITED

4.	The Company failed to hold any meeting of the Nomination and Remuneration Committee during the financial year under review, in non-compliance with Regulation 9(3A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Being a Central Public Sector Undertaking (CPSU), the Company has represented that the appointment of Board of Directors / KMP / Senior Management and their remuneration including all emoluments are fixed by the Department of Fertilizers, Government of India. We would like to inform that there were no appointments of Key Managerial Personnel/ Senior Management/Executive Directors during the year. Considering the above fact, the Company had not convened a meeting of Nomination and Remuneration Committee during the year. However, the Company acknowledges that, in terms of applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the NRC is required to meet at least once in a financial year. The Company has taken note of the observation and has initiated necessary steps to ensure that NRC meetings are convened as per Regulation 19 of SEBI (LODR).
5.	The Company has not complied with Regulation 20(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as the Chairperson of the Stakeholders' Relationship Committee has not attended the Annual General Meeting held on 24 September 2025 to answer queries of the security holders.	Due to technical issue the Chairperson of the Committee was not able to join the AGM Meeting via VC.
6.	The annual declaration under Regulation 31(4) read with Regulation 31(5) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, from Naftiran Intertrade Co. Ltd., being a Promoter of the Company, for the financial year ended 31 March 2025, was not received within the prescribed timeline.	The Company shall take necessary action to comply with the Regulation in future.
7.	We have observed certain instances where the disclosures contained in the Annual Report for the financial year ended 31st March, 2025 were not fully in accordance with the requirements of the Companies Act, 2013, the Companies (Accounts) Rules, 2014 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, the management has taken steps in the current year to rectify the same.	a) MFL has ensured that the Annual Report has been duly reviewed and suitably revised to incorporate all applicable mandatory disclosures as prescribed under the relevant provisions of the Companies Act, 2013 and the rules made thereunder for the Financial Year 2025-2026. b) MFL will continue to exercise due care to ensure that future Annual Report are prepared in accordance.



MADRAS FERTILIZERS LIMITED

ANNEXURE – VII

MADRAS FERTILIZERS LIMITED

MANALI, CHENNAI 600 068

FORM NO. AOC – 2

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

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm length basis.

S.No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	Nil
b)	Nature of contracts/arrangements / transaction	Nil
c)	Duration of the contracts/arrangements/ transaction	NA
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
e)	Justification for entering into such contracts or arrangements or transactions	NA
f)	Date of approval by the Board	NA
g)	Amount paid as advances, if any	NA
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

2. Details of contracts or arrangements or transactions at Arm's length basis

S.No.	Particulars	Details
a)	Name (s) of the related party	MFL Employees contributory Provident fund Trust
	Nature of relationship	Employee Benefit Trust Managed by MFL
b)	Nature of contracts/ arrangements/ transaction	Contribution to MFL Employees Contributory PF Trust
c)	Duration of the contracts/ arrangements/transactions	Continuous basis
d)	Salient terms of the contracts or arrangements or transactions	Contribution of Employees PF amount to Trust and Managing of the Trust
e)	Date of approval by the board	On going
f)	Amount paid as advances, if any	Nil
g)	Amount incurred during the year	₹ 4.19 Cr.

Chennai
August 11, 2026

Sd/-
Manoj Kumar Jain
Chairman & Managing Director
DIN : 10690782



MADRAS FERTILIZERS LIMITED

MANALI, CHENNAI 600 068

Annual Report on CSR Activities of MFL

(Pursuant to Rule 9 of the Companies (Accounts) Rules 2014)

1. A brief outline on Companies CSR Policy

Social Responsibility is one of the many responsibilities of a corporate to contribute some thing from its earnings for the development of the society without any anticipation. In order to ensure and streamline such social and economic development of the society at large especially the development of Rural and Semi urban Local Regional Areas in which the company is operating, and also to ensure all citizens including corporate's participation along with the Government, corporate social activities is brought under the regulatory frame work under the relevant statute- Companies Act, 2013. Accordingly, the regulatory framework stipulates 2% of the average net profit of the preceding three years should be spent by the Corporate under the CSR policy framed by the corporate concerned every year. The Corporates are expected to spend such amount for the social and upliftment of the society in and around the Corporate concerned and also society at large, in order to upliftment of literacy level of the people by way of extending educational assistance, development of infrastructure facilities of the educational Institutions, society in and around the Corporate, Health care programmes to the needy people, skill development through sponsorship of nationally recognized sports activities etc.

2. Composition of CSR Committee as on 31.03.2026 & CSR Policy are disclosed on the website of the Company.

The CSR Committee consists of the following members

SI No	Name	Designation
1.	Dr Jatin Kumar Mohanty	Chairperson
2.	Shri Manoj Kumar Jain	Member
3.	Dr K Jayachandran	Member
4.	Shri Sanjay Vishnu Shetye	Member
5.	CA Alok Kumar Agrawal	Member

CSR Policy is disclosed on the website of the Company the below stated link:
<https://madrasfert.co.in/wp-content/uploads/2025/11/MFL-CSR-PolicyNew.pdf>

3. 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, is not applicable

"The impact assessment of CSR projects is not applicable to the Company as the average CSR obligation in the three immediately preceeding financial years is less than ₹10 crore".

4. Details of 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, is any

Since the Average Net Profit of the Company for the last three financial years is positive (116.62 crores), the excess CSR amount of ₹0.98 Crores available from the previous financial years is being set off against the CSR obligation of the current financial year, in pursuance of the Rule 7 of the companies (Corporate Social Responsibility Policy) Rules, 2014.



MADRAS FERTILIZERS LIMITED

5. Average net profit of the Company for the last 3 FY : ₹ 116.62 Crs

Net profit/loss of the company for the last three years		
S.no	Financial Years	Net Profit
1	2022-2023	247.70
2	2023-2024	11.74
3	2024-2025	90.43

6. (a) Two percent of average net profit of the Company as per Section 135(5) of the Act is ₹2.33 Crs

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

Nil

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

₹ 0.98 Crs

(d) Total CSR obligation for the financial year (a+b-c)

₹ 1.35 Crs

7. (a) CSR amount spent or unspent for the financial year

Total Amount spent for the financial year in ₹	Amount unspent in ₹.				
	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 in ₹	Date of transfer	Name of the fund	Amount	Date of transfer
1,07,21,156.00	Nil	Nil	PM's National Relief Fund	27,78,844	10.08.2026



MADRAS FERTILIZERS LIMITED

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

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 (in years)	Amount allocated for the project in fiscal 2026	Amount spent in the current financial year (₹)	Amount transferred to unspent CSR account for the project as per Section 135(6)	Mode of implementation - Direct (Yes / No)	Mode of implementation - Through implementing agency
				State	District				Name	CSR registration number
1	ICAR – Indian Institute of Soil Science (Research on "Nano-Urea")	1	No	Madhya Pradesh	Bhopal	1,05,21,156	1,05,21,156	-	Not Applicable	Not Applicable
Total						1,05,21,156	1,05,21,156	-	-	-

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

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 (in years)	Amount spent for the project (₹)	Mode of implementation Direct (Yes/No)	Mode of Implementation –Through implementing agency	CSR registration number
				State	District			Name	Not Applicable
1	Welfare measures for CAPF & CMPF veterans and dependents	1	Yes	TN	Chennai	2,00,000.00	Yes	Not Applicable	Not Applicable
Total						2,00,000.00	-	-	-



MADRAS FERTILIZERS LIMITED

(d). Amount spent in Administrative Overheads

Nil

(e). Amount spent on Impact Assessment, if applicable

Nil

(f). Total amount spent for the Financial Year (8b+8c+8d+8e)

₹ 1,07,21,156.00

(g). Excess amount for set off, if any

SI No.	Particulars	Amount in `
(i)	2% of average net profit of the Company as per Section 135(5)	2.33 Crs
(ii)	Total amount spent for the financial year	1.07 Crs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Not Applicable
(iv)	Excess amount spent in previous years available for Set off	0.98 Crs
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	Not Applicable
(v)	Amount available for set off in succeeding financial years	Nil

8. (a) Details of Unspent CSR amount for the preceding three financial years

SI No.	Preceding financial year	Amount transferred to unspent CSR account under Section 135 (6)	Amount spent in the reporting financial year	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
				Name of the fund	Amount	Date of Transfer	
1	2022-2023	Nil					
2	2023-2024	Nil					
3	2024-2025	Nil					

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

SI No.	Project ID	Name of the Project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting financial year	Cumulative amount spent at the end of reporting financial year	Status of the project – Completed / Ongoing
01	-	ICAR – Indian Institute of Soil Science (Research on “Nano-Urea”)	2025-2026	5 yrs	2,67,32,000	1,05,21,156.00	1,05,21,156.00	On going



9. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)

(a) Date of creation or acquisition of the capital asset(s)

Not Applicable

(b) Amount of CSR spent for creation or acquisition of capital asset

Not Applicable

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc

Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)

Not Applicable

10. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per Section 135(5) of the Act

Not Applicable

11. Details of CSR Expenditure for the financial year 2025-26

Total amount spent for the financial year : ₹ 1,07,21,156.00

Chennai
August 11, 2026

Sd/-
Manoj Kumar Jain
Chairman & Managing Director
DIN : 10690782



**CERTIFICATION UNDER REGULATION 17(8) OF SEBI
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

The Board of Directors

Madras Fertilizers Limited

Manali, Chennai 600 068

This is to certify that :

- a) We have reviewed the financial statements and the cash flow statement for the year ended 31.03.2026 and that to the best of our knowledge and belief,
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) 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.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) 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 Company 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.
- d) We have indicated to the Auditors and the Audit Committee:
 - i) significant changes in internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) 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 company's internal control system over financial reporting.

Place : Chennai
Date : May 12, 2026

Sd/-
Manoj Kumar Jain
Chairman & Managing Director
DIN :10690782

Sd/-
A Madhan Mohan
General Manager(F&A)
Additional Charge



MADRAS FERTILIZERS LIMITED

ANNEXURE - X

CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34 (3) and Schedule V - Para C 10 (i) of
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

**The Members,
Madras Fertilizers Limited
Manali, Chennai 600 068**

I have examined the relevant registers, records, forms, returns, declarations and disclosures received from the Directors of Madras Fertilizers Limited, having CIN: L32201TN1966GOI005469 and having registered office at Manali, Chennai 600 068 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) and Schedule V - Para C 10(i) in SEBI (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 portal www.mca.gov.in of Ministry of Corporate Affairs) 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 ended March 31, 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 such other Statutory Authority. However, DIN of Shri Mohammed Bagher Dakhili and Shri. Babak Bagherpour are deactivated as per MCA records.

Sl. No.	Name of the Director	Director Identification Number (DIN)	Date of Appointment
1	Manoj Kumar Jain	10690782	01.07.2024
2	Krishnanunni Jayachandran	10062573	01.05.2023
3	Amar Kushawha	11211580	24.07.2025
4	Mohammad Bagher Dakhili	07704367	18.02.2017
5	Samieh Kokabi	09066692	10.02.2021
6	Babak Bagherpour	08341090	23.10.2018
7	Jatin Kumar Mohanty	02660442	20.06.2023
8	Alok Kumar Agrawal	09395495	17.04.2025
9	Sanjay Shetye	01089380	17.04.2025

Ensuring the eligibility for appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. My responsibility is only to express an opinion based on my 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.

Sd/-

Subramanian Chandrasekar

Practising Company Secretary

FCS No.6773/ COP No.13761

UDIN: F006773H001058076

Peer Review Certificate No.2902/2023

Place : Chennai
Date: 10.08.2026



MADRAS FERTILIZERS LIMITED

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT , 2013 ON THE FINANCIAL STATEMENTS OF MADRAS FERTILIZERS LIMITED FOR THE YEAR ENDED 31 MARCH 2026

The Preparation of financial statements of Madras Fertilizers Limited for the year ended 31 March 2026 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 12th May 2026.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary Audit of the financial statements of Madras Fertilizers limited for the year ended 31 March 2026 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view necessary for enabling a better understanding of the financial statements and the related audit report:

A .Comments on Financial Position

A.1 Trade receivable (current)- (Note 8): ₹472.34 crore.

An amount of ₹61.99 crore was recognized as Trade Receivables towards inventory carrying cost (ICC) of Re-Gasified Liquefied Natural Gas (RLNG) paid to M/s Indian Oil Corporation Limited (IOCL), which had accumulated since FY 2021-22. Although the Department of Fertilizers directed IOCL in January 2026 to discontinue recovery of ICC with effect from 01.04.2026, no documentary evidence establishing the admissibility or reimbursement of the claim of ₹ 61.99 crore pertaining to ICC for the period 2021-22 to 2025-26 was available. Accordingly, in the absence of reasonable assurance of recovery as required under Paragraph 7 of Ind AS 20- Accounting for Government Grants and Disclosure of Government Assistance, recognition and continued retention of the receivable were not justified, resulting in the overstatement of Trade Receivables and Retained Earnings by ₹ 61.99 crore.

Place: New Delhi

Date: 29.07.2026

For and on behalf of the
Comptroller & Audit General of India
Sd/

(Tanya Singh)

Principal Director of Audit, Central Expenditure,
(Agriculture, Food & Water Resources)



REPLY TO THE COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA (C&AG) BY MADRAS FERTILIZERS LIMITED MANAGEMENT ON THE FINANCIAL STATEMENT OF THE COMPANY FOR THE YEAR ENDED MARCH 31, 2026

COMMENTS OF THE CAG	REPLY
A. Comments on financial Position A.1 Trade Receivable (Current) – (Note 8) : ₹ 472.34 crore. An amount of ₹ 61.99 crore was recognized as Trade Receivables towards inventory carrying cost (ICC) of Re-Gasified Liquefied Natural Gas (RLNG) paid to M/s Indian Oil Corporation Limited (IOCL), which had accumulated since FY 2021-22. Although the Department of fertilizers director IOCL in Jan 2026 to discontinue the recovery of ICC with effect from 01/04/2026, no documentary evidence establishing admissibility or reimbursement of the claim of 61.99 Cr pertaining to ICC for the period 2021-22 to 2025-26 was available. Accordingly, in the absence of reasonable assurance of recovery as required under paragraph 7 of IndAs 20. Accounting for Government Grants and disclosure of government Assistance, recognition and continued retention of the receivables were not justified, resulting in the overstatement of trade Receivable and Retained Earning by ₹ 6.99 crs.	The findings of comptroller and Audit General of India (C&AG) is non settlement of subsidy portion due towards inventory carrying cost (ICC) by Department of Fertilizers, Gol. The Company's decision is based on the following factors: 1. The cost of Regasified Liquefied Natural Gas (RLNG) for fertilizers production is determined in accordance with the pricing guidelines prescribed by the Government of India (Gol), and such cost forms the basis for computation of fertilizer subsidy. 2. Inventory carrying cost (ICC) was levied by Indian oil corporation Limited (IOCL) as part of the RLNG pricing mechanism. The said amount was reimbursed to the Company as part of the fertilizers subsidy up to FY 2021-22. 3. From FY 2021-22 onwards, reimbursement of the ICC component under the fertilizers subsidy mechanism was kept in abeyance by the Fertilizer Industry Coordination Committee (FICC). However, the Company has consistently maintained that ICC, being an integral component of the RLNG cost, is admissible under the subsidy framework and has been continuously representing the matter before the Department of Fertilizers (DoF), Fertilizers Industry Coordination Committee (FICC), and IOCL for reimbursement of the amounts withheld. 4. Pursuant to the Company's representation, the Department of Fertilizers, vide its communication issued in January 2026, advised IOCL to discontinue the levy of Inventory Carrying Cost. In compliance with the said direction, IOCL discontinued levying ICC with effect from 1 April 2026. 5. Since the Department of Fertilizers has accepted the Company's representation with regard to discontinuance for the levy, the management has a reasonable expectation that the amounts levied during earlier periods would also be considered for reimbursement. Accordingly, based on the available facts and circumstances, the Company has recognized the receivables in its books of account and the amount has been separately disclosed under Trade Receivables in the financial statements pending settlement by the appropriate authority. 6. Inventory Carrying Cost is considered to be an integral component of the RLNG cost and, accordingly is eligible for reimbursement through the fertilizer subsidy mechanism. Alternatively, if the Department of Fertilizers concludes that ICC does not form part of the admissible RLNG cost for subsidy purposes, the amount recovered by IOCL would become refundable by IOCL to the Company. In view of the above, the Company will pursue its claim before the Department of Fertilizers for settlement of the Inventory Carrying Cost component of subsidy amounting to ₹ 61.99 crore. In the event the Department determines that Inventory Carrying Cost is not an admissible component of RLNG cost for subsidy purposes, the Company shall take appropriate steps to recover the said amount from IOCL.



INDEPENDENT AUDITOR'S REPORT

To

The Members of Madras Fertilizers Limited

Report on Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying financial statements of Madras 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 then ended, and notes to the financial statements, including a summary of the 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 prescribed under section 133 of the Act ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). 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 independence 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter:

We draw attention to:

- a. Note 30(14)(b) to the Financial Statements regarding the recognition of a subsidy for Neem coated urea under revenue from operations(net) of Rs.1,834.78 crores for the year ended March 31, 2026 (read with Note No 30(15)(b). This recognition is on a provisional basis and is subject to variation upon the determination of final rates by the Government of India (GOI) under the new pricing scheme. The financial impact due to any variation in the subsidy rate, if any, will be recognized in the period in which the final approved rate is communicated by GOI.
- (b) Note 30(15)(b) to the Financial Statements regarding the financial impact during the year ended March 31, 2026 on the account of notification of final rates for Neem coated urea subsidy and freight subsidy for the period pertaining to FY 2023-24 in respect of subsidy for neem coated urea and for FYs 2021-22, 2022-23 and 2023-24 in respect of freight subsidy.
- (c) Note 30(3) to the Financial Statements pertains to the request submitted by the Company to the Department of Fertilizers (DOF), Government of India (GOI), seeking waiver of accrued interest and penal interest on loans extended by the GOI, along with conversion of the principal loan amount into borrowings repayable over a period at zero percent interest, as part of the proposed revival package. The DOF has communicated to the Company that, in light of the new Public Sector Enterprise (PSE) policy under Atmanirbhar Bharat, the requested financial revival proposal has been temporarily placed on hold. The Company has been advised to submit a fresh proposal.

Subsequent to this communication, the Company has reiterated to the DOF, with detailed reasoning, that the benefits envisaged under the earlier revival package would remain unchanged. Pending receipt of approval, the Company has continued to recognise interest costs on the loans obtained from the GOI, and no repayments have been made during the year ended March 31, 2026. As per the terms of sanction, GOI reserves right to levy penal interest at the rate of 2.75% in case of default in repayment. As no communication in this regard has been received from the Government, as on date, the penal interest of Rs. 443.33 crores (PY- Rs. 394.68 crores) is reported as contingent liability.



- (d) Note 30(15)(a) to the Financial Statements regarding the request placed by the Company before GOI for extending the existing energy norm of 8.337 Gcal/MT of Urea (w.e.f July 18, 2024) until the energy reduction measures are implemented. Pending the approval of the above request, as a prudent measure, the Company has recognised the subsidy income for the year ended March 31, 2026 after considering the maximum penalty of 10% from the existing energy norm of 8.337 Gcal/MT. For the year ended March 31, 2026, penalties of Rs.164.25 crores have been considered.
- (e) Note 30(16) to the Financial Statements which describe that slow/non-moving inventory of Stores & spares aggregating to Rs. 30.64 crores as at the year-end, are valued based on technical appraisal made by the Technical Committee (Plant Group) on serviceability and good condition of said inventories on which we have placed reliance. Further, raw materials held by the Company for manufacturing NPK as at the year ended is Rs. 27.89 crores. According to the Management, the NPK production has been under suspension since December 2022, and the materials are of stable/natural characteristics and are not prone to significant degradation under normal storage conditions. The technical condition of the materials is being periodically assessed by an experienced inhouse team. The feasibility of utilization in the event of resumption of production, as well as disposal/alternative use, has been examined and is under consideration for value realization, and at present, no material loss of value is envisaged.
- (f) Note 30(23) to the Financial Statements regarding in the absence of the requisite number of independent directors and women director, the composition of Board of Directors as required in terms of provisions of Section 149 of the Act and Regulation 17 read with Schedule II of the Listing Regulations as such have not been complied with. The Company is yet to fulfil the requirements leading to penalties imposed by the stock exchange which has been reported as part of contingent liabilities, since the appointment of independent directors is beyond the control of the Company, and the Company has requested the Department of Fertilizers to appoint such directors.
- Further, the Financial Statements for the year ended March 31, 2026, have been approved on 12th May 2026 by the Board of Directors of the Company on the recommendation of the Audit Committee of the Company,
- being reconstituted without having the requisite number of independent directors as required in terms of the Listing Regulations, since the term has been completed for two of the Company's independent directors on 16th April 2026.
- (g) Note 27A to the Financial Statements regarding the exceptional items accounted for the year ended March 31, 2026 which includes recognition of the enhanced gratuity cost along with interest of Rs. 2.36 crores based on the Order passed by the Honourable High Court of Madras during the year against the suit filed by certain retired employees who have retired from 01.01.2007 to 23.05.2010. Further, the exceptional items include the service cost of Rs. 6.02 crores in respect of the change in the gratuity plan by increasing the benefits limit to Rs. 0.25 crore from Rs. 0.20 crore consequent to the Pay Revision Order passed during the year.
- (h) Note No. 30(26) to the Financial Statements, the Statutory Auditors of "Madras Fertilizers Limited Employees Contributory Provident Fund" (MFLECPF) have issued a modified opinion in respect of the financial statements of MFLECPF for the year ended March 31, 2025 in respect of a matter concerning realisability of overdue investments in certain debt instruments of two companies which are currently under CIRP/resolution process. A sum of Rs. 6.33 crores including interest accrued of Rs. 0.85 crore are overdue for more than three years. However, as the companies in question are still under CIRP, the exact amount of the deficiency which shall be made good by MFL cannot be accurately assessed or provided for at this time. Consequently, this fact has been reported as a contingent liability.
- (i) Note 30(29) to the Financial Statements regarding regrouping/reclassification/re-presentation of some of the items appearing in the Financial Statements pertaining to the year ended March 31, 2025.
- Our opinion on the Statement is not modified in respect of these matters.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the Financial Statements and our auditor's report thereon. The other information as stated above is expected to be made available to us after the date of this report.



Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2026. These matters were addressed in the context of our audit of the standalone financial statements as a whole,

and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S No	Key Audit Matter	How our Audit procedures addressed the key audit matter
1	Recognition / de-recognition and measurement of Subsidy income and recoverability of subsidy receivables <i>(Refer to Note No. 1.G and 18 to the financial statements).</i> Subsidy income pertaining to Urea is recognized on the basis of the rates notified by the Department of Fertilizers from time to time in accordance with the New Pricing Scheme (NPS) and Nutrient Based Subsidy (NBS) policy on the quantity of fertilizers sold by the Company, after adjusting for increase / decrease on account of annual escalation / de escalation in input prices in accordance with policy parameters in this regard. Adjustments, if any, for differences between the subsidy as per the Statement of Profit and Loss and the approved rate are subsequently accounted for during the year in which the final notification is received from GOI. During the year ended March 31, 2026, the company has recognised subsidy income of Rs. 1,907.76 crores which constitute significant portion of its revenue from operations. The recognition and realisation of subsidy income depend on the rates and the period for which approval is issued by the GOI. While recognising income from subsidy, the company also needs to keep penalty for non achievement of energy norms as a prudent measure. Government Subsidy Receivables forms a significant part of the Company's current assets. amounting to Rs. 468.64 crores as at March 31, 2026	Our audit procedure included: Accounting policies and principles: We have reviewed the Company's accounting policy for recognising Subsidy Income as mentioned in Note No. 1G under Material Accounting policies of the Ind AS financial statements. Tests of controls: We have evaluated the design, implementation and operating effectiveness of key controls over recognition of subsidy income. Evaluated the management's assessment of the recoverability of outstanding subsidy. Tests of details: (a) Evaluated the management's assessment regarding reasonable certainty of complying with the relevant conditions as specified in the notifications / policies. (b) We also reviewed the calculation of subsidy income including escalation / de-escalation adjustments as per relevant policy parameters in this regard. (c) We also verified whether the quantities sold as reflected in the records of the company were in agreement with the quantities reflected in customer acknowledgements as appearing in the IFMS portal of the Department of Fertilizers on a selective sampling basis and tested the DBT claims (Subsidy claim) made by the company. (d) In respect of Subsidy recoverable from Government of India, as no confirmation of balance is on record, we have relied on the management's assertion and estimates on the recoverability. (e) As subsidy receivable is outstanding from Department of Fertilizer, Government of India (i.e. Sovereign Authority) and is backed by the legitimate claims duly certified, amount outstanding as at balance sheet date has been considered as recoverable.



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		(f) We assessed the reasonableness of the recoverability of subsidy receivable by reviewing the management's analysis and information used to determine the recoverability of subsidy receivable, ageing of receivables and historical collection trends and evaluated adequacy of disclosures in the financial statements. Based on the above procedures performed, we ensured that the recognition of Subsidy Income and recoverability of subsidy receivable is in accordance with applicable financial reporting framework and relevant notifications issued by the Department of Fertilizers, GOI and fairly presented in the financial statements.
2.	Estimation of Provision & Contingent Liabilities (Refer to Note No. 1.R , 1.V.b, and 30.1(a) to the financial statements). In the recognition and measurement of provisions, there is uncertainty about the timing or amount of the future expenditure required to settle the liability. In respect of contingent liabilities, there are estimates and assumptions made to determine the amount to be disclosed. As at the year ended 31 March 2026, the amounts recognised are material. There is a high degree of judgement required for the recognition and measurement of provisions and disclosure of contingent liabilities. There is a risk of material misstatement that the estimates are incorrect and that the provisions or contingent liabilities are materially misstated.	Our audit procedure included: (a) Our audit process involved understanding of identification process relating to litigations, claims and contingent liabilities. (b) We have evaluated the design and testing the operating effectiveness of controls in respect of process. (c) We have evaluated management's assessment of the likely outcome and potential exposures arising from significant contingencies subject to ongoing court cases and arbitration proceedings and considered the requirements for any provision as per the best estimate of the possible expenditure. (d) In respect of significant claims, we checked the amount of claim, nature of issues involved, management submissions and corroborated the same with external evidence, where ever available. (e) We have assessed the adequacy and appropriateness of presentation and disclosure of contingent liabilities in the financial statements

Our opinion on the Financial Statements does not cover the other information and we will 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 identified above and in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Directors' Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance

and take appropriate action as applicable under the relevant laws and regulations.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud

may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls 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 system 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.

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

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

Other Matters

1. During the audit, we observed that most of charges already satisfied are still appearing in the records of 'Index of charges' under Ministry of Corporate Affairs (MCA) portal. The company has to take appropriate measures in order to clear the charges which are not live as on date.
2. The financial statements for the year ended March 31, 2025 were audited by M/s Chandran and Raman, who issued an unmodified opinion vide their report dated May 28, 2025.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements:

1. Based on verification of books of accounts of the company and according to information and explanations given to us, we give in "Annexure A" a report on the directions issued by The Comptroller and Auditor General of India in terms of sub-section (5) of Section 143 of the Companies Act, 2013".
2. As required by the Companies (Auditors' Report) Order, 2020 ('the Order'), issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in the "Annexure B", a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
3. 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), the

Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) In view of exemption given vide notification no. G.S.R. 463(E) dated June 5, 2015, as amended vide notification no. G.S.R 582(E) dated June 13, 2017, issued by Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualification of directors, are not applicable to the Company.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- (h) Being a Government Company, the provisions of section 197 of the Act with respect to the matters to be included in the Auditors' Report is not applicable vide notification no. G.S.R. 463(E) dated June 5, 2015, as amended vide notification no. G.S.R 582(E) dated June 13, 2017, issued by Ministry of Corporate Affairs; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31st March 2026 on its financial position in its financial statements - Refer Note No. 30(1)(a) to the financial statements;
 - ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts; and
 - iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company except the following



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The Company is in possession of the three deposits amounting to Rs.0.005/- crore, having maturity value of Rs.0.006/- crore which were seized by the Income Tax department in the course of search and seizure operations carried at the premises of the depositor. The said deposits had matured during 2001, however due to the intimation received from the department, these are neither encashed nor transferred to the fund in accordance with the Companies Act, 2013.

- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The Company has not declared or paid any dividend during the year.
- vi. Based on the representation received from the Management and on our examination carried out in accordance with the Implementation Guidance on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (Revised 2024 Edition) issued by the Institute of Chartered Accountants of India, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with. Additionally, audit trail has been preserved by the company as per the statutory requirements for record retention. Our examination of the audit trail was in the context of an audit of financial statements carried out in accordance with the Standard of Auditing and only to the extent required by Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

**For Sundar Srini & Sridhar
Chartered Accountants**

Firm Registration Number: 004201S

Sd/-

**S Sridhar
Partner**

Membership No: 025504

UDIN: 26025504MYUSBG7906

Place: Chennai
Date: 12/05/2026



ANNEXURE – A TO THE AUDITOR'S REPORT

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

Report on Directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013.

PART- I - DIRECTIONS

- 1. Assess the fair valuation of all the investments, both quoted and unquoted, made directly by the Company or through Trusts, for Post retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation. The auditor shall provide a brief note on the valuation approach, its reasonability, and compliance with applicable regulations, reporting any material deviations or misstatements.**

The Company does not hold any investments in its books of account towards post retirement benefits of employees. However, it has established a Fund titled 'Madras Fertilizers Limited Employees Contributory Provident Fund' (MFLECPF) under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The said Fund is governed by the Preliminary Provident Fund Rules, deemed applicable from March 1, 1971, and is not controlled by the Company.

The audited financial statements of the Fund for the year ended March 31, 2026 were not made available to us as of the date of signing this Report. As disclosed under the Emphasis of Matter paragraph, the Statutory Auditors of MFLECPF have issued a modified opinion in respect of the financial statements of the Fund for the year ended March 31, 2025, relating to the realisability of overdue investments in certain debt instruments of two companies presently under CIRP/resolution process. A sum of Rs. 6.33 crores, including accrued interest of Rs. 0.85 crore, has remained overdue for more than three years.

As the companies in question are still under CIRP, the exact deficiency, if any, that may be required to be made

good by MFL cannot be presently assessed or provided for. Further, we were unable to independently verify the valuation methodologies applied for all investments to comment on any material deviations.

- 2. Whether the Company has a system in place to process all the accounting transactions through IT system? If yes, whether review of this system and controls that are significant to the Companies financial reporting process as well as cyber security has been done by Information Security Auditing Organisations empanelled by Cert-In at a minimum frequency of once in a year and material discrepancies found, if any, have been suitably reported? The implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications may also be reported.**

The Company has implemented the SAP system to achieve fully integrated and centralized information processing. The system enables integrated processing of most accounting transactions. However, certain transactions relating to subsidy income and certain year end provisions are processed directly in the financial module. These transactions and balances are adequately supported by relevant documentation and calculations maintained in Excel workbooks. Accordingly, the integrity of the accounts is considered to be maintained, and no financial implications are envisaged.

We have been informed that during the year, no review of the SAP system and related controls significant to the Company's financial reporting process, as well as cyber security, has been carried out by any Information Security Auditing Organization.

- 3. Whether funds (grants/ subsidy etc.) received/ receivable for specific schemes from Central/ State Government or its agencies were properly accounted for as per the applicable accounting standards or norms and whether the received funds were utilised as per its terms and conditions? Whether accounting of interest earned on grants received has been done as per terms and conditions of the Grant. List the cases of deviation.**



According to the information and explanations given to us and based on our examination of books of accounts of the company, the company has not received any funds for specific schemes from Central/State Government or its agencies.

4. Whether the Company has identified the key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risks? If yes, (a) whether the Risk Management Policy has been formulated considering global best practices? (b) whether the Company has identified its data assets and whether it has been valued appropriately?

Based on the information and explanations provided by the unit management, the Company has identified key risk areas and has formulated a Risk Management Policy to mitigate such risks. Risks have been identified and grouped under categories such as input, operational, utilities, environmental, project implementation, regulatory, business, competition, market, asset, financial, HR, MIS, legal, and internal control risks. A detailed Risk Management Policy exists, outlining identification, classification, indicators, mitigation strategies (short term and long term), reporting practices, and review mechanisms. The policy is comprehensive and tailored to the fertilizer industry. While policy recognizes MIS risks (server failure, hacking, intrusion, communication network failure), the Company has not formally identified or valued its data assets other than software recognised under Intangible Assets.

5. Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable? If not, the cases of deviation may be highlighted.

Based on the information, explanations and representations provided by the Management, we report that the Company is, in general, complying with the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT IN, Ministry of Electronics and Information Technology, and National Payments Corporation of India, wherever applicable.

However, the composition of the Board of Directors has not been complied with in terms of Section 149 of the Companies Act, 2013 and Regulation 17 read with Schedule II of the Listing Regulations, due to the absence of the requisite number of independent directors and a woman director. The Company is yet to fulfil these requirements, which has resulted in penalties imposed by the Stock Exchange.

SUB-DIRECTIONS

NIL for the current Financial Year

**For Sundar Srini & Sridhar
Chartered Accountants**

Firm Registration Number: 004201S

Sd/-

S Sridhar

Partner

Place: Chennai

Date: 12/05/2026

Membership No: 025504

UDIN: 26025504MYUSBG7906



ANNEXURE - B TO THE AUDITOR'S REPORT

Referred to in Paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report to the Members of the Company of even dated

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) (a) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
- (A) The Company has maintained proper records showing full particulars with respect to including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Property, Plant and Equipment (including Right of Use Assets) were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and based on examination of the records of the Company, the title deeds of immovable properties disclosed in the financial statements are held in the name of the company.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use Assets) during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) In respect of company Inventories:
- (i) Physical verification of inventories inside factory premises (including stores and spares) and at Chennai Port has been carried out by management at the year-end. As explained to us, the physical verification

of inventories was carried out by the management as at the year-end only and there were no material discrepancies of 10% or more in the aggregate for each class of inventory.

In our opinion the physical verification of inventories conducted by the management is not consistent with the requirements of this clause with regard to reasonable intervals, as the inventory count generally takes place only at the year-end.

(ii) The Company has been sanctioned working capital limits (i.e. both Fund and non-Fund based facilities) in excess of Rs. 5 crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of the security of inventories and book debts including GOI subsidy receivable.

On the basis of examination of relevant records, the quarterly returns or statement filed by the company with bank are not in agreement with books of accounts. The particulars of difference are furnished in note 30(24)(g) to the Financial Statements.

Quarter ended	As per Books	As per returns filed with bank	Variation*
June 30, 2025			
Inventories	213.59	414.81	(201.22)
Trade receivables	46.86	494.12	(447.26)
Trade payables	279.75	343.43	(63.68)
September 30, 2025			
Inventories	165.78	176.99	(11.21)
Trade receivables	1.06	231.58	(230.52)
Trade payables	211.28	170.45	40.83
December 31, 2025			
Inventories	177.08	244.12	(67.04)
Trade receivables	79.43	357.27	(277.84)
Trade payables	314.82	199.68	115.14
March 31, 2026			
Inventories	167.14	275.04	(107.90)
Trade receivables	472.33	711.29	(238.96)
Trade payables	316.72	246.78	69.94

*Variance primarily arises on account of filing the Statements before completely closing the books of account for that quarter concerned.



(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any secured or unsecured advances in the nature of loans, to companies, firms, limited liability partnerships or any other parties or made any investments during the year. However, the Company has granted advances in the nature of loans during the year to employees in respect of which the requisite information is as below.

a. According to the information and explanations given to us and on the basis of our examination of the records of the Company during the year, the Company has provided advances in the nature of interest free loans to employees and aggregate amount granted during the year is Rs. 0.67 crore and balance outstanding as at Balance Sheet date is Rs. 4.43 crores.

b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the terms of the loans provided during the year are not prejudicial to the interest of the Company.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans to employees, the terms of the loans are governed by the Company's policies. The principal is recovered at periodical intervals as laid down in such policies.

d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no material overdue amounts as at the Balance Sheet date. Accordingly, reporting under clause 3(iii)(d) of the Order is not applicable.

e. According to the information and explanations given to us and on the basis of our examination of the

records of the Company, there were no cases where the loans have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties in respect of loans which had fallen due during the year.

f. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loan which is repayable on demand or without specifying any terms or period of repayment. Accordingly, reporting under the other requirements of clause 3(iii)(f) is not applicable.

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments made. Further, the Company has not entered into any transaction covered under Section 185.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable. However, the Company is in possession of the three deposits amounting to Rs. 0.005/- crore, having maturity value of Rs.0.006/-crore which were seized by the Income Tax department in the course of search and seizure operations carried at the premises of the depositor. The said deposits had matured during 2001, however due to the intimation received from the department, these are not repaid.

(vi) The company is maintaining the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act for its fertilizer's products.

We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under subsection (1) of Section 148 of the Companies Act, 2013 and are of the opinion that,



prima facie, the prescribed cost records have been made and maintained.

We have, however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2026 for a period of more than six months from the date they became payable.

According to the information and explanations provided to us, a sum of Rs.1.02 crores, being the amounts payable to the Contractors withheld by the Company pending for confirmation from the Contractors for having remitted the dues towards Provident Fund and Employee State Insurance, and further no communications were received from the concerned authorities demanding any amounts of such nature.

(b) According to the information and explanations given to us and from the examination of books of account and records of the Company, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2026 on account of disputes are given below:

Name of the Statute	Nature of Dues	Amount (In Crores)		Period to which the amount relates	Forum where dispute is pending
		Disputed	Deposited		
Goods & Service Tax	GST along with Interest & Penalty – Tamil Nadu	2.08	0.08	2017-18	Appeal before Appellate Authority.
Goods & Service Tax	GST along with Interest & Penalty – Tamil Nadu	131.92	-	2018-19	Before Hon'ble High Court of Madras by way of Writ Petition
Goods & Service Tax	GST along with Interest & Penalty – Tamil Nadu	125.20	-	2019-20	Before Hon'ble High Court of Madras by way of Writ Petition
Goods & Service Tax	GST along with Interest & Penalty – Karnataka	1.34	0.04	2021-22	Before Appellate Authority
Keralam Value Added Tax Act, 2003	VAT	1.71	-	Assessment Year 2009-10	Hon'ble Supreme Court of India
		3.40	-	Assessment Year 2010-11	
Customs Act, 1962	Differential Customs Duty, Redemption fine u/s 125(1) & Penalty u/s 114(A)	65.86	0.05	NA	Hon'ble High Court of Madras

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) The Company has not defaulted in repayment of loans or borrowings to any financial institutions, banks, or dues to debenture holders except default committed in respect of repayment of the loans taken from the Government of India (GOI) Loans as detailed below:



MADRAS FERTILIZERS LIMITED

Nature of borrowing	Amount of Default (Rs. in Crores)	Whether principal or interest	Period of Default
Plan Loans	411.17	Principal	From FY 2004-05 to till the date
Non-Plan Loans	20.77		
Revamp Loans	122.30		
Total (A)	554.24		
Plan Loans	756.54	Interest	From FY 2004-05 to till the date
Non-Plan Loans	46.84		
Revamp Loans	196.91		
Total (B)	1,000.29		
Grand Total (A+B)	1,554.53		

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Unit, we report that no funds have been raised on short-term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.

(e) The Company does not have any subsidiaries, associates or joint ventures at any point of time during the year. Hence reporting on clause 3(ix)(e) of the Order is not applicable.

(f) The Company does not have any subsidiaries, associates or joint ventures. Hence reporting on clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Thus, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on the examination of the records of the Company, transactions with the related parties are in compliance with section 177 and section 188 of the Act where applicable and details of such related party transactions have been disclosed in the financial statements as required by the applicable Ind AS.

(xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business. However, we recommend that the internal audits be conducted on a half yearly basis and that the scope be widened to include detailed ledger scrutiny as well as an evaluation of the Company's supervisory controls over the long outstanding payables and receivables.

(b) We have considered the internal audit reports for the year under audit, issued to the company for the year ended in determining the nature, timing and extent of our audit procedures.

(xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into any non-cash transactions with directors or persons connected



with him. Accordingly, the Paragraph 3(xv) of the Order is not applicable.

- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- (b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) In our opinion, the Company is not a core investment company as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 and accordingly reporting under clause 3(xvi)(c) of the Order is not applicable.
- (d) In our opinion, there is no core investment company within the Group as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable

The Company has not incurred any cash losses for the financial year ended 31st March 2026 or for the year ended 31st March 2025.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payments of financial liabilities, and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet date as and when they fall due within a period of one year from the balance sheet date except the Government of India loan including accrued interest of Rs. 1,554.53 crores which has fallen overdue as on March 31, 2026 for which the Company

has submitted a financial revival proposal which is pending for approval. 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) On the verification of books of accounts and other relevant records, it was observed that there was no unspent amount which is required to be transferred to a Fund specified in Schedule VII to the Companies Act, 2013 within a Period of six months of the expiry of the financial year.

(b) An amount of Rs. 0.28 crore remains unspent in respect of ongoing projects. Further, the Company has not transferred the said unspent amount to a Special Account as required under sub section (6) of Section 135 of the Companies Act, 2013 as on the date of signing this Report.

(xxi) There are no entities whose financial statements have been consolidated with the financial statements of the Company and accordingly, requirements as to the reporting under this (xxi) does not arise

**For Sundar Srini & Sridhar
Chartered Accountants**

Firm Registration Number: 004201S

Sd/-

**S Sridhar
Partner**

Place: Chennai
Date: 12/05/2026

Membership No: 025504
UDIN: 26025504MYUSBG7906



ANNEXURE – C 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 Madras Fertilizers Limited of even date)

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

We have audited the internal financial controls over financial reporting of Madras Fertilizers Limited (“the Company”) as of 31st March 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's and Board of Directors' Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 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 were 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 financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial controls 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 controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 controls 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 Institute of Chartered Accountants of India.

**For Sundar Srini & Sridhar
Chartered Accountants**

Firm Registration Number: 004201S

Sd/-

**S Sridhar
Partner**

Place: Chennai
Date: 12/05/2026

Membership No: 025504
UDIN: 26025504MYUSBG7906



BALANCE SHEET **as at March 31,2026**

₹. in Crores

Particulars	Note No.	As at March 31st	
		2026	2025
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	209.25	199.24
Right of use assets	2.1	-	-
Intangible Asset	2.1.2	5.69	6.37
Capital Work-in-progress	2.2	26.81	19.80
Intangible Asset Under Development	2.3	-	-
Investment Property	3	1.30	1.31
Financial Assets			
i) Investments	4	574.65	524.87
ii) Loans	4.1.a	1.82	0.41
iii) Other Financial Assets	4.2.a	20.83	19.86
Deferred Tax Assets (net)	5.1.a	-	-
Non Current Tax Assets (net)	5.1.b	2.61	2.55
Other Assets	6.1.a	0.51	0.01
Total Non-Current Assets		843.47	774.42
Current Assets			
Inventories	7	167.15	209.60
Financial Assets			
i) Trade Receivables	8	472.34	382.93
ii) Cash and Cash Equivalents	9	141.91	139.88
iii) Bank Balances other than (ii) above	9.a	514.01	513.93
iv) Loans	4.1.b	2.61	10.18
v) Other Financial Assets	4.2.b	14.11	21.12
Current Tax Assets (net)	5.1.c	10.47	27.43
Other Current Assets	6.1.b	166.09	153.86
Total Current Assets		1,488.69	1,458.93
Non Current Assets held for Sale	10	0.39	0.00
TOTAL ASSETS		2,332.55	2,233.35



MADRAS FERTILIZERS LIMITED

BALANCE SHEET as at March 31, 2026

₹. in Crores

Particulars	Note No.	As at March 31st	
		2026	2025
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11	162.14	162.14
Other Equity	12	(70.17)	(194.44)
Total Equity		91.97	(32.30)
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
i) Borrowings	13.1.a	-	-
ii) Other Financial Liabilities	14.1.a	-	-
Employee Benefit Obligation	15.1.a	49.40	41.35
Deferred Tax Liability (net)	5.1.a	96.04	86.57
Total Non-current Liabilities		145.44	127.92
Current Liabilities			
Financial Liabilities			
i) Borrowings	13.1.b	634.24	664.16
ii) Trade Payables			
Total outstanding dues of micro enterprises and small enterprises	16	24.21	29.81
Total outstanding dues of creditors other than micro enterprises and small enterprises		292.51	351.70
iii) Other Financial Liabilities	14.1.b	1,073.30	1,020.42
Other Liabilities	17	63.73	56.52
Employee Benefit Obligation	15.1.b	7.15	15.12
Total Current Liabilities		2,095.14	2,137.73
TOTAL EQUITY AND LIABILITIES		2,332.55	2,233.35

Notes forming part of Financial Statements 1 to 30

/ For and on behalf of Board of Directors Madras Fertilizers Limited CIN: L32201TN1966GOI005469

Sd/-
Manoj Kumar Jain
Chairman and Managing Director
DIN: 10690782

Sd/-
Dr. K. Jayachandran
Director - Technical
DIN: 10062573

Sd/-
A. Madhan Mohan
Chief Financial Officer

Sd/-
J Srinivasa Saravanan
Company Secretary &
Compliance Officer

/As per our Report of even date/

For **Sundar Sridhar & Sridhar**
Chartered Accountants
Firm Regn. No.: 004201S
Sd/-

(S Sridhar)
Partner
Membership No. 025504

Place: Chennai
Date: May 12, 2026



STATEMENT OF PROFIT AND LOSS

for the year ended March 31,2026

₹ in Crores

Particulars	Note No.	Year Ended March 31st	
		2026	2025
Revenue			
Revenue from Operations	18	2,300.35	2,541.08
Other Income	19	73.20	43.96
Total Income		2,373.55	2,585.04
Expenditure			
Cost of Materials Consumed	20	1,233.12	1,387.64
Purchases of Stock-in-Trade	21	15.93	15.07
Changes in Inventories	22	40.93	4.32
Operating and Maintenance Expenses	23	757.29	844.67
Employee Benefits Expense	24	111.25	127.23
Finance Costs	25	58.85	62.37
Depreciation and Amortization Expense	26	13.54	11.63
Other Expenses	27	31.95	40.51
Total Expenses		2,262.86	2,493.44
Profit/(Loss) before Exceptional items and Tax		110.69	91.60
Exceptional Items - Income / (Expense)	27 A	(8.38)	-
Profit/(Loss) before Tax		102.31	91.60
Current Tax		24.74	23.20
Deferred Tax		1.77	5.26
Earlier years Tax - Short / (Excess)		(4.62)	(1.11)
Tax Expenses /(Income)		21.89	27.35
Profit/(Loss) for the Year (A)		80.42	64.25



STATEMENT OF PROFIT AND LOSS

for the year ended March 31,2026

₹ in Crores

Particulars	Note No.	Year Ended March 31st	
		2026	2025
Other Comprehensive Income ('OCI')			
Items that will be reclassified to Profit or Loss:			
Items that will not be reclassified to Profit or Loss:		-	-
Net fair value (loss) / gain on investments in equity instruments at FVTOCI	28	49.78	70.09
Re-measurement of defined benefit obligation		1.77	(4.70)
Less: Tax (expenses)/benefit on the above, net		(7.70)	27.78
Total Other Comprehensive Income (B)		43.85	93.17
Total Comprehensive Income (A+B)		124.27	157.42
Earnings per Equity Share(EPS) (Par value Rs.10/- each)			
Basic and Diluted EPS per share		4.99	3.99
Number of Shares used in computing earning per share		16,11,01,300	16,11,01,300

Notes forming part of Financial Statements 1 to 30

/ For and on behalf of Board of Directors Madras Fertilizers Limited CIN: L32201TN1966GOI005469

Sd/-
Manoj Kumar Jain
Chairman and Managing Director
DIN: 10690782

Sd/-
Dr. K. Jayachandran
Director - Technical
DIN:10062573

Sd/-
A. Madhan Mohan
Chief Financial Officer

Sd/-
J Srinivasa Saravanan
Company Secretary &
Compliance Officer

/As per our Report of even date/

For **Sundar Sridhar**
Chartered Accountants
Firm Regn. No.:004201S
Sd/-

(S Sridhar)
Partner
Membership No. 025504

Place: Chennai
Date: May 12, 2026



STATEMENT OF CASH FLOW for the year ended March 31,2026

₹ in Crores

Particulars	Year Ended March 31st	
	2026	2025
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax from Continuing Operations	102.31	91.60
Add/(Less) Adjustment for :		
Depreciation and Amortisation Expense	13.54	11.63
Finance Costs	58.85	62.37
Interest Income	(54.62)	(37.64)
Dividend Income	(3.17)	(1.19)
Income from Investment Properties	(2.95)	(1.83)
Provision No Longer required/Written Back of Accounts	(7.52)	(2.81)
Provisions for Loss / Write offs	4.81	14.05
Loss on derecognition of Property Plant and equipment/CWIP	0.57	0.02
Profit on sale of Property, Plant and Equipment & Asset held for sale	(3.71)	-
Operating Cash Flow before Working Capital Changes	108.11	136.20
Adjustment for :		
(Increase)/Decrease in Inventories	39.84	(4.43)
(Increase)/Decrease in Trade Receivables	(89.36)	(61.62)
(Increase)/Decrease in Loans	6.16	10.82
(Increase)/Decrease in Other Assets	(7.74)	(6.71)
Increase/(decrease) in Provisions	1.85	(6.86)
Increase/(decrease) in Trade Payables	(57.32)	101.07
Increase/(decrease) in Other Liabilities	5.50	(16.21)
Cash Generated from Operations	7.04	152.26
Direct Tax paid (Net of refunds)	(1.75)	(38.22)
Net Cash from Operating Activities	5.29	114.04
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(16.66)	(9.86)
(Increase)/Decrease in Capital Work in Progress	(14.16)	(3.37)
Interest Received (Gross)	51.99	36.21
Income from Investment Properties	2.95	1.83
Dividend Income	3.17	1.19
Movement in Other Bank Balances	(0.08)	(200.00)
Proceeds from sale of Property, Plant and Equipment	3.71	-
Net Cash from Investing Activities	30.92	(174.00)



MADRAS FERTILIZERS LIMITED

STATEMENT OF CASH FLOW for the year ended March 31,2026

₹ in Crores

C CASH FLOW FROM FINANCING ACTIVITIES		
Net proceeds from Working capital and Short-term borrowings	(29.92)	(43.51)
Interest Paid	(4.26)	(7.79)
Net Cash from Financing Activities	(34.18)	(51.30)
Net Increase/(Decrease) in Cash and Cash Equivalents	2.03	(111.26)
Cash and Cash Equivalents at the beginning of the year	139.88	251.14
Cash and Cash Equivalents at the end of the year - Refer Note 9	141.91	139.88

Notes forming part of Financial Statements 1 to 30

/ For and on behalf of Board of Directors Madras Fertilizers Limited CIN: L32201TN1966GOI005469

Sd/-
Manoj Kumar Jain
Chairman and Managing Director
DIN: 10690782

Sd/-
Dr. K. Jayachandran
Director - Technical
DIN:10062573

Sd/-
A. Madhan Mohan
Chief Financial Officer

Sd/-
J Srinivasa Saravanan
Company Secretary &
Compliance Officer

/As per our Report of even date/

For **Sundar Srini & Sridhar**
Chartered Accountants
Firm Regn. No.:004201S
Sd/-

(S Sridhar)
Partner
Membership No. 025504

Place: Chennai
Date: May 12, 2026



MADRAS FERTILIZERS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2026				
A) Equity Share Capital			₹ in Crores	
Balance as at April 1, 2025	Changes in Equity Share Capital due to prior period errors	Restated balance as at April 1, 2025	Changes in Equity share capital during the year	Balance as at March 31, 2026
161.10	0.00	161.10	0.00	161.10
Balance as at April 1, 2024	Changes in Equity Share Capital due to prior period errors	Restated balance as at April 1, 2024	Changes in Equity share capital during the year	Balance as at March 31, 2025
161.10	0.00	161.10	0.00	161.10

B) Other Equity				
Reserves & Surplus				
Particulars	Securities Premium	Retained Earnings	Items of OCI - Equity Instruments through OCI & Remeasurement of Defined Benefit Obligations	Total
Balance as at April 1, 2025	12.39	(652.30)	445.47	(194.44)
Changes in accounting policy / prior period errors	-	-	-	-
Restated balance as at April 1, 2025	12.39	(652.30)	445.47	(194.44)
Profit/(Loss) for the year	-	80.42	-	80.42
Other Comprehensive Income (Net of tax)	-	-	43.85	43.85
Balance as at March 31, 2026	12.39	(571.88)	489.32	(70.17)
Balance as at April 1, 2024	12.39	(716.55)	352.30	(351.86)
Changes in accounting policy / prior period errors	-	-	-	-
Restated balance as at April 1, 2024	12.39	(716.55)	352.30	(351.86)
Profit/(Loss) for the year	-	64.25	-	64.25
Other Comprehensive Income (Net of tax)	-	-	93.17	93.17
Balance as at March 31, 2025	12.39	(652.30)	445.47	(194.44)

Notes forming part of Financial Statements 1 to 30

/ For and on behalf of Board of Directors Madras Fertilizers Limited CIN: L32201TN1966GOI005469

Sd/- Manoj Kumar Jain Chairman and Managing Director DIN: 10690782	Sd/- Dr. K. Jayachandran Director - Technical DIN: 10062573	Sd/- A. Madhan Mohan Chief Financial Officer	Sd/- J Srinivasa Saravanan Company Secretary & Compliance Officer
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/As per our Report of even date/

For **Sundar Sridhar**
Chartered Accountants
Firm Regn. No.: 004201S
Sd/-

(S Sridhar)
Partner
Membership No. 025504

Place: Chennai
Date: May 12, 2026



NOTE 1: MATERIAL ACCOUNTING POLICIES

For the year ended March 31, 2026

Corporate Information

Madras Fertilizers Limited ("MFL" or "the Company"), is a Public Sector Undertaking ('PSU') under the administrative control of the Department of Fertilizers ('DOF'), Ministry of Chemicals & Fertilizers, Government of India ('GOI') and is incorporated under the provisions of the Companies Act applicable in India with its registered office located at Manali Industrial Area, Chennai -600 068.

The Company's equity shares are listed on the National Stock Exchange ('NSE'). MFL is engaged in the manufacture of Urea and Complex Fertilizers. It is also engaged in manufacturing Bio-fertilizers and trading eco-friendly Agro Chemicals, Organic Manure and City Compost under the brand name 'Vijay'.

1. Basis of preparation and Statement of compliance

- a. These financial statements have been prepared in accordance with applicable Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 (the 'Act') and the relevant provisions of the Act and Rules thereunder, as amended time to time.
- b. The financial statements have been prepared on a going concern basis, using the historical cost basis and on accrual method of accounting except for the items which are specifically indicated in the concerned accounting policies.
- c. These financial statements are prepared in Indian Currency (INR) which is also the company's functional currency. All amounts disclosed in the financials have been rounded-off to the nearest crores unless otherwise stated.
- d. Fair Value Measurement:

The Company's accounting policies and disclosures require the measurement of fair values for financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments. In cases where fair values are to be computed by third parties, the Company assesses the evidence obtained by such third parties to support the conclusions that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- a. **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b. **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- c. **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Material Accounting Policies

1.A. Property, Plant and Equipment (PPE):

Freehold land is carried at historical cost. All other items of Property, Plant and Equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items, net of recoverable taxes. Spare Parts are capitalized when they meet the definition of PPE.



Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognized when replaced. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Profit or Loss within other gains/(losses).

Capital Work in progress consists of costs incurred on projects and other capital works under feasibility/ commission stage. Cost includes expenses attributable to the work-in progress, net of recoverable taxes. Advances paid towards acquisition of Property, Plant and Equipment outstanding at each Balance sheet date is classified as capital advances under 'Other non-current assets. Assets under construction/ Capital Work in Progress included under Property, Plant and equipment are not depreciated as these assets are not yet available for use. However, they are tested for impairment if any.

Depreciation:

Depreciation on property, plant & equipment provided for under Straight Line Method in conformity with the estimated useful life as specified in Schedule II to the Companies Act, 2013 other than Plant & Equipment. In respect of plant and equipment, the depreciation is provided estimating the useful life as detailed hereunder.

Life Extension of Plant and Equipment:

With the feedstock conversion from Naphtha to RLNG, a technical assessment of the useful life of plant and machinery was made. As a result of the said assessment, from 01/04/2021 the useful life of Plant and Equipment was extended for a further period of 15 years, except for NPK Plant for which life was extended for 10 years from the said date and depreciation is provided on the extended useful life of the plant and equipment.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives best represent the period over which management expects to use these assets.

Assets costing less than INR 5,000 are capitalized and charged to the statement of profit and loss in the year of purchase by retaining a residual value of INR 1.

In respect of plant and equipment, buildings, roads & bridges and railway siding and capital spares, residual value is considered at 5% of the cost and INR 1 in respect of other property, plant and equipment include asset acquired out of Govt Grant.

In the year of commissioning / retirement of assets, depreciation is calculated on pro-rata basis, for which the period the asset is available for use.

De-recognition

An item of property, plant & equipment and intangible assets, is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

1.B. Intangible Asset:

Recognition and Measurement: Intangible assets acquired separately are measured on initial recognition at cost, net of recoverable taxes. Intangible assets are measured on initial recognition at cost and subsequently are carried at cost less



accumulated amortisation and accumulated impairment losses, if any.

The intangible assets with a finite useful life are amortised using straight line method over their estimated useful lives. The management's estimates of the useful lives for various class of Intangibles are as given below:

Computer Software	Technical evaluation of life or 10 Years, whichever is lower
Other intangible assets	5-10 Years

The estimated useful life is reviewed annually by the management. The Company has no intangible assets with infinite useful lives.

Expenditure on internally generated intangibles, excluding development costs, is not capitalized and is charged off in Statement of Profit and Loss in the period in which such expenditure is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally generated intangible assets is the sum of the expenditure incurred from

the date when the intangible asset first meets the recognition criteria listed above. Recognition of costs as an asset is ceased when the project is complete and available for its intended use, or if these criteria are no longer applicable. Where development activities do not meet the conditions for recognition as an asset, any associated expenditure is treated as an expense in the period in which it is incurred.

Cost incurred on computer software/licenses purchased/ developed resulting in future economic benefits, other than specific software that is integral part of the related hardware, are capitalized as Intangible Asset. However, where such computer software/ license is under development or is not yet ready for use, accumulated cost incurred on such items are accounted as "Intangible Assets Under Development"

1.C. Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset, which is the greater of its value in use and its net selling price. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

1.D. Leases:

The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.



Company as a Lessee:

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently amortised using the straight-line method from the commencement date to the end of the lease term. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if not readily determinable, using the Company's incremental borrowing rate.

It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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 Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

Company as a Lessor:

At the inception of the lease, the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income over the lease term on a straight-line basis.

1.E. Investment properties:

Properties held to earn rentals and/or capital appreciation are classified as investment property and are measured and reported at cost, including transaction costs and borrowing cost capitalised for qualifying assets, in accordance with the Company's accounting policy.

Depreciation is recognised using straight-line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/ residual value is accounted on prospective basis. Freehold land is not depreciated.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

1.F. Inventories:

Inventories are measured at the lower of cost and net realizable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In case of manufactured goods (finished goods) and work in progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

The method of determination of cost of various categories of inventories is as follows:

1. Raw materials and packing materials Weighted Average Cost:



2. Stores and Spares and Catalyst (yet to be issued) – Monthly Moving Weighted Average Cost;
3. Finished goods – At Cost or NRV whichever is lower
4. Work-in-process (including Ammonia and Manufactured Bulk Urea) – Cost of production. Which comprises of direct material costs, direct wages and applicable overheads.;
5. Traded goods Weighted Average Cost;
6. Goods in transit/under inspection are valued at cost;
7. Off-Spec Manufactured products are Estimated at Net Realizable values.

Catalyst issued to production is charged off over its useful life as assessed by the Technical Department.

Net realizable value represents the estimated selling price, including subsidy income where ever applicable, of inventories less all estimated costs of completion and costs necessary to make the sale.

Non-moving/obsolete stores and spares: The Technical Committee will review the spares once a year and shortlist such spares as are considered obsolete /non - moving, the same is written off from the books with due approvals of the Board. Provision for obsolete / non-moving stores and spares are made upon the review by the Technical Committee once in a year, to reflect the impact of obsolescence, damage or other diminution in value of such items.

1.G. Revenue Recognition:

Revenue from sale of goods is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions, incentives, and returns, if any, as specified in the contracts with the customers.

Sale of Goods

Revenue from sale of goods including subsidies is recognised upon transfer of the control over the goods to the customers. The performance obligation in case of sale of goods is satisfied at a point in time i.e., when the goods are shipped to the customers or on delivery to the customer, as per applicable terms.

Sale of Services

Income from services rendered is recognised based on the agreements/arrangements with the concerned parties and

when services are rendered by measuring progress towards satisfaction of performance obligation for such services

Accounting of Subsidy

The Company recognizes subsidy income as per Ind AS 20 'Accounting for Government Grants and Disclosure of Government Assistance' on the basis of the rates notified from time to time by the Government of India in accordance with the notified policies. The subsidy so recognised by the company is considered under 'Revenue from Operations'.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in the statement of profit and loss in the period in which they become receivable in accordance with the notified policies as under:

- i. Subsidy due on urea sales is recognized on the basis of the rates notified from time to time by the Government of India on the quantity of urea sold by the Company for the period for which notification has been issued after adjusting for increase /decrease on account of annual escalation/ de-escalation in input prices as estimated by the Management considering the policy parameters and norms prescribed from time to time. Adjustments are effected in respect of difference, if any, in the Statement of Profit and Loss for the year in which the final notification is received from the Government of India by carrying out the said adjustments in the subsidy income for the current year
- ii. Subsidy on Phosphatic and Potassic (P&K) fertilizers is recognized as per concession rates notified by the Government of India under Nutrient Based Subsidy (NBS) Scheme from time to time on the quantity of fertilizers sold by the Company for the period for which notification has been issued;
- iii. Uniform freight subsidy on Urea, P&K fertilizers and Imported Urea has been accounted in accordance with the parameters and notified rates;
- iv. Subsidy on City Compost is recognized based on rates, as notified by the Government of India
- v. Special Compensation due on conversion of feedstock to LNG is recognised in accordance with the policy and guidelines notified by Government of India.



Other Income

- a. Income from rentals for properties given on lease to third parties are recognized on accrual basis.
- b. Income from sale of scrap (revenue and capital) is recognised on accrual basis.
- c. Insurance claims are recognised in the books when the claim is accepted by Insurance Company's Surveyor in their report.
- d. All other claims are recognised when there is a reasonable certainty of recovery.

1.H. Government Grants (Others):

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in statement of profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Government grants relating to the purchase /construction/ acquisition of property, plant and equipment are deducted in the carrying amount of the respective PPEs.

1.I. Borrowing Costs:

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

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

Capitalisation of borrowing costs is suspended when active development activity on the qualifying assets is interrupted other than on temporary basis and charged to the Statement of Profit and Loss during such extended periods.

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

1.J. Foreign Currency Translation:

Functional and Presentation Currency:

Items included in the financial statement of the Company are measured using currency of the primary economic environment in which the entity operates ('the functional currency').

India being the primary economic environment of the Company, the Financial Statements are presented in Indian Rupee (INR), which is Company's functional and presentation currency.

Transactions and Balances:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in Profit or Loss.

1.K. Financial Instruments:

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in statement of profit and loss.

Financial Assets:

At initial recognition trade accounts receivables (in accordance with Ind AS 115) are measured at their transaction price.

For the purpose of subsequent measurement, financial assets are classified into the following categories:

- amortised cost
- financial assets at fair value through profit or loss (FVTPL)



- financial assets at fair value through other comprehensive income (FVOCI)

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date.

Investments in equity instruments are recognized and subsequently measured at fair value. The Company's equity investments are not held for trading. In general, changes in the fair value of equity investments are recognized in the income statement. However, at initial recognition the Company elected, on an instrument-by-instrument basis, to represent subsequent changes in the fair value of individual strategic equity investments in other comprehensive income (loss) ("OCI").

Cash and Cash Equivalents:

The Company considers all highly liquid financial instruments which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and Cash Equivalents consist of balances with banks which are unrestricted for withdrawal and usage. Restricted cash and bank balances are classified and disclosed as other bank balances.

Financial Assets at Amortised cost:

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

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

Financial Assets at FVOCI:

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive

income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to statement of profit and loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in statement of profit and loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in statement of profit and loss are included in the 'Other income' line item.

Financial Assets at FVTPL:

Financial assets at FVTPL include financial assets that are either do not meet the criteria for amortised cost classification or that are equity instruments held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments also fall into this category. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Impairment of Financial Assets:

The Company applies the expected credit loss model for



recognising impairment loss on financial assets measured at amortised cost, lease receivables, trade receivables and other contractual rights to receive cash or another financial asset. The expected credit loss approach requires that all impacted financial assets will carry a loss allowance based on their expected credit losses. Expected credit losses are a probability-weighted estimate of credit losses over the contractual life of the financial assets.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

The impairment provisions for trade receivables are based on reasonable and supportable information including historic loss rates, present developments such as liquidity issues and information about future economic conditions, to ensure foreseeable changes in the customer-specific or macroeconomic environment are considered.

Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial Liabilities:

The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest

expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in the statement of profit and loss

Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

1.L. Fair Value Measurement:

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. Fair value measurement is the use of fair value (i.e., 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 in measuring the assets and liabilities of an entity. The Company opts to follow fair value measurement as per Ind AS 113 viz, in respect of financial assets and financial liabilities as stated in the notes no. 30(11).

**1.M. Earnings Per Share:**

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares. The Company did not have any potentially dilutive securities in the years presented.

1.N. Employee Benefits:**Short term employee benefits:**

Short term employee benefits include wages, salaries, incentives, short term leave salary etc. The liability towards employee benefits over and above the emoluments payable as per the terms and conditions of the employment are reckoned as a liability in the year in which the approval for the said benefits is approved by the competent authority.

Post-employment benefits:**a. Defined Contribution Plans:**

Contributions paid/payable to defined contribution plans comprising of Superannuation and Provident Funds for employees covered under the respective Schemes are recognised in the profit or loss each year when employees have rendered service entitling them to the contributions.

b. Defined benefit plans:

Contributions towards gratuity and provident fund trust are considered as defined benefit plans and provided for in accordance with the Guidelines issued by Department of Public Enterprises. Out of the defined benefit plans in the Company only gratuity is a funded defined benefit plan.

The Company makes Provident fund contributions to the Trust set up by the company, at a specified percentage of the employees' salary. The rate at which the annual interest is payable to the beneficiaries by the trust is being administrated by the government. The company has an obligation to make good the short fall, if any, between the return from the investment of the trust and the notified interest rate.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by

estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of the plan assets.

The amount of defined benefit obligations is computed annually by an independent actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in Other Comprehensive Income (OCI). Net interest expense / income, service cost and other expenses related to defined benefit plans are recognized in the statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain / loss on curtailment is recognized immediately in the statement of profit and loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

c. Other long-term employee benefits:

Benefits under the Company's earned leave, post-retirement medical benefits and service awards constitute other long term employee benefits and are recognized based on an actuarial valuation using the projected unit credit method. These actuarial gains or losses are recognized in the statement of profit and loss in the period in which they arise.

1.O. Income Taxes:

Income tax expense comprises current and deferred tax. It is recognized in the statement of profit and loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

Current Tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received



that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred Tax:

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and loss;
- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are adjusted accordingly.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

1.P. Non-Current Assets held for Sale:

Non-current assets and disposal group are classified as "Held for Sale" if their carrying amount is intended to be recovered

principally through sale rather than through continuing use. The condition for classification of "Held for Sale" is met when the non-current asset or the disposal group is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as "Held for Sale".

Non-current assets and disposal group held for sale are measured at the lower of carrying amount and fair value less cost to sell. The same are not depreciated or amortized while they are classified as held for sale.

Non-current assets and disposal group that ceases to be classified as "Held for Sale" shall be measured at the lower of carrying amount before the non-current asset and disposal group was classified as "Held for Sale" adjusted for any depreciation/ amortization and its recoverable amount at the date when the disposal group no longer meets the "Held for Sale" criteria.

1.Q. Operating Segments:

In accordance with Ind AS 108 Operating Segments, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance.

The CMD is the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. The indicators used for internal reporting purposes may evolve in connection with performance assessment measures put in place.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

1.R. Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows. The unwinding



of the discount is recognized as finance cost. Expected future operating losses are not provided for.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognized. They are disclosed only when an inflow of economic benefit is probable from such assets.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

1.S. Exceptional Items:

Exceptional items are disclosed separately in the Financial Statements where it is necessary to do so to provide further understanding of the financial performance of the company. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

1.T. Current and Non-Current classification:

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Ind AS 1 Presentation of Financial Statements.

Operating cycle : Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

1.U. Cash flow statement

Cash flow statement is prepared in accordance with the indirect method prescribed under Ind AS 7 Statement of Cash Flows.

Cash flows are reported using the indirect method, whereby profit / (Loss) 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.

1.V. Critical Accounting estimates and judgments:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets, liabilities and related disclosures concerning the items involved as well as contingent assets and liabilities on the date of the financial statements and the reported amount of income and expense during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes, requiring a material adjustment in the carrying amounts of assets or liabilities in future periods. Difference between the actual results and estimates are recognized in the period in which the results are known or materialized.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

a) Defined benefit plans

The cost of the defined benefit plans viz. gratuity, superannuation for the eligible employees of the Company are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. 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. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with



the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rate. Further details about gratuity obligations are given in Note 30(10).

b) Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

c) Property Plant and Equipment

Property, plant and equipment 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 values of Company's assets are determined by management at the time the asset is acquired. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

d) Revenue Recognition

Price and Freight Subsidy is measured based on principle/notifications received from Fertilizer Industry Coordination Committee (FICC), an office of the Government of India which regulates

such subsidy and the bills are raised based on such notifications. Escalation/ De - escalation in notified rates is estimated taking into account the effect of guidelines, policies, instructions and clarifications given by the Government. The difference, if any, based on final notification received, is treated as current year income or expenditure and the effect of change in estimate, if material, is disclosed separately. The recognition of subsidy on Nitrogenous (urea) Fertilizers manufactured by the company is governed by New Urea Policy (NUP)-2015, notified by the Department of Fertilizers, Ministry of Chemicals and Fertilizers and its amendments from time to time. Subsidy on other traded Phosphatic and Potassic (P&K) Fertilizers are governed by Nutrient Based Subsidy (NBS) policy 2010, notified by the Department of Fertilizers, Ministry of Chemicals and Fertilizers and its amendments from time to time.



MADRAS FERTILIZERS LIMITED

FY 2025-26
₹ in Crores

NOTES TO THE FINANCIAL STATEMENTS

2 : Property, Plant and Equipment

Particulars	Land	Buildings	Road, bridges and other facilities	Railway Siding	Plant & Machinery	Automotive and service equipment	Lab equipment	Office equipment	Furniture and fittings	Air Conditioner & Water Coolers	Total
Gross Block											
Balance as on April 1, 2024	0.58	7.84	3.33	2.32	336.74	2.61	3.17	5.52	0.67	0.60	363.38
Additions	-	-	2.94	-	8.38	0.10	-	0.56	-	0.03	12.01
Deletions/Adjustments	-	-	0.01	-	-	-	-	0.33	-	-	0.34
Reclassified as held for sale	-	-	-	-	-	-	-	-	-	-	-
Balance as on March 31, 2025	0.58	7.84	6.26	2.32	345.12	2.71	3.17	5.75	0.67	0.63	375.05
Additions	-	-	0.83	-	22.90	-	-	-	-	0.01	23.74
Deletions/Adjustments	-	-	-	-	6.63	-	-	-	0.01	-	6.64
Reclassified as held for sale	-	-	-	-	0.39	-	-	-	-	-	0.39
Balance as on March 31, 2026	0.58	7.84	7.09	2.32	361.00	2.71	3.17	5.75	0.66	0.64	391.76
Depreciation/Amortisation											
Balance as on April 1, 2024	-	1.76	2.68	0.17	150.94	1.47	2.23	4.85	0.52	0.35	164.97
Additions	-	0.41	0.14	0.14	9.72	0.19	0.13	0.37	0.03	0.05	11.18
Deletions/Adjustments	-	-	0.01	-	-	-	-	0.33	-	-	0.34
Balance as on March 31, 2025	-	2.17	2.81	0.31	160.66	1.66	2.36	4.89	0.55	0.40	175.81
Additions	-	0.39	0.50	0.14	11.01	0.19	0.13	0.41	0.03	0.05	12.85
Deletions/Adjustments	-	-	-	-	6.14	-	-	-	0.01	-	6.15
Balance as on March 31, 2026	-	2.56	3.31	0.45	165.53	1.85	2.49	5.30	0.57	0.45	182.51
Net Block											
As at March 31, 2025	0.58	5.67	3.45	2.01	184.46	1.05	0.81	0.86	0.12	0.23	199.24
As at March 31, 2026	0.58	5.28	3.78	1.87	195.47	0.86	0.68	0.45	0.09	0.19	209.25

Notes:

- The Company has elected the previous GAAP carrying amounts as deemed cost on the date of transition for Property, plant & equipment. Hence, net block as at March 31, 2016 is considered as opening gross block as at April 1, 2016.
- Land : As per the company's records, out of the 329.40 acres assigned to MFL, payment had already been made in respect of 297.75 acres , for which the costs were finalised as per the Joint Valuation Report. Cost in respect of balance 31.65 acres is yet to be finalised by the Government of Tamil Nadu and this has been brought to the attention of the Government several times. Of the above, the land measuring about 6 acres {550 meters of length and 46 meters of breadth (550X46)} has been used by TANTRANSCO for erecting 400 KV DC transmission line. The project is conceived by TANTRANSCO for public purpose.
- Railway Siding Includes ₹ 0.08 Cr representing 5/24 share of total cost of the Railway Siding commonly used by Chennai Petroleum Corporation Limited, Madras Fertilizers Limited, Madras Petrochem Limited, Steel Authority of India Limited and Rashtriya Ispat Nigam Limited.
- As indicated in the material accounting policy, the useful life of the Plant & Equipment was extended for a period of 15 years (other than NPK Plant which has an extended life of 10 years) w.e.f 01.04.2021 consequent upon the technical assessment of the useful life of the Plant & Equipment on conversion of feedstock from Naptha to RLNG.



NOTES TO THE FINANCIAL STATEMENTS

₹ in Crores

2.1: Right of use assets

Particulars	
Gross Block	
Balance as on April 1,2024	1.71
Additions	-
Deletions/Adjustments	-
Balance as on March 31,2025	1.71
Additions	-
Deletions on completion/termination of lease	(1.71)
Balance as on March 31,2026	-
Depreciation/Amortisation	
Balance as on April 1,2024	1.71
Additions	-
Deletions / Adjustments	-
Balance as on March 31,2025	1.71
Additions	-
Deletions on completion/termination of lease	(1.71)
Balance as on March 31,2026	-
Net Block	
As at March 31,2025	-
As at March 31,2026	-

2.1.2 Intangible Asset

Particulars	Software	Total
Gross Block		
Balance as on April 1,2024	-	-
Additions	6.81	6.81
Deletions / Adjustments	-	-
Balance as on March 31,2025	6.81	6.81
Additions	-	-
Balance as on March 31,2026	6.81	6.81
Amortisation		
Balance as on April 1,2024	-	-
Additions	0.44	0.44
Deletions / Adjustments	-	-
Balance as on March 31,2025	0.44	0.44
Additions	0.68	0.68
Deletions / Adjustments	-	-
Balance as on March 31,2026	1.12	1.12
Net Block		
As at March 31,2025	6.37	6.37
As at March 31,2026	5.69	5.69

**NOTES TO THE FINANCIAL STATEMENTS**

₹ in Crores

Particulars		As at March 31st	
		2026	2025
2.2	Capital Work-in-progress (Refer Note No.29 (A) (i))		
	Capital Work in Progress -Tangible Assets		
	Balance as at beginning of the year	19.80	21.02
	Add: Additions during the year	14.16	3.38
	Less: Transfer to Property, Plant and Equipment (Note 2)	(7.08)	(4.60)
	Less: written off/de-recognised during the year,if any	(0.07)	-
	Total	26.81	19.80
2.3	Intangible Asset under development		
	Balance as at beginning of the year	-	4.39
	Add: Additions during the year	-	2.42
	Less: Transfer to Intangible Assets (Note 2.1.2)	-	(6.81)
	Total	-	-
3:	Investment Property		
	Particulars	Land	Buildings
	Gross Block		
	Balance as on April 1,2024	1.27	0.33
	Additons	-	-
	Deletions / Adjustments	-	-
	Reclassified as held for sale	-	-
	Balance as on March 31,2025	1.27	0.33
	Additons	-	-
	Deletions/Adjustments	-	-
	Reclasified as held for sale	-	-
	Balance as on March 31,2026	1.27	0.33
	Depreciation/Amortisation		
	Balance as on April 1,2024	-	0.28
	Additons	-	0.01
	Deletions/Adjustments	-	-
	Balance as on March 31,2025	-	0.29
	Additons	-	0.01
	Deletions / Adjustments	-	-
	Balance as on March 31,2026	-	0.30
	Net Block		
	As at March 31,2025	1.27	0.04
	As at March 31,2026	1.27	0.03



NOTES TO THE FINANCIAL STATEMENTS

₹ in Crores

Particulars	As at March 31st	
	2026	2025
4 : Financial Assets -Investments		
Unquoted Equity Instruments at FVTOCI		
(a) Indian Potash Limited	572.36	523.33
15,84,000 Equity Shares (P.Y 15,84,000) of ₹ 10 each fully paid.		
 (b) Fortune Bio-Tech Ltd	2.29	1.54
12,50,000 Equity shares (P.Y 12,50,000) of ₹ 10 each fully paid.		
Total	574.65	524.87
<i>Aggregate Amount of unquoted investments</i>	524.87	454.77
<i>Aggregate Amount of impairment in value of investments</i>	-	-
4.1.a: Loans (Non-current)		
Interest free Advances to Employees		
Considered good- Unsecured	1.82	0.41
Total	1.82	0.41
4.1.b: Loans (Current)		
Interest free Advances to Employees		
Considered good- Unsecured	2.61	10.18
Total	2.61	10.18
4.2.a: Other Financial Assets (Non-current)		
Rental Deposits	0.18	0.28
Security Deposits - with Govt Dept and Others	20.65	19.58
Total	20.83	19.86
4.2.b: Other Financial Assets (Current)		
Receivables towards Rent/Scrap	3.70	5.13
Claims recoverable	3.15	5.12
Less: Expected Credit Loss Allowance	(2.51)	(1.39)
Interest accrued on Bank deposit	9.77	12.26
Total	14.11	21.12

**NOTES TO THE FINANCIAL STATEMENTS**

₹ in Crores

Particulars	As at March 31st	
	2026	2025
5.1.a: Deferred Tax Assets/(Liability) (Net)		
A. Deferred Tax Asset		
i. Employee Benefit Obligations	14.49	14.21
ii. ECL Allowances	1.64	-
Total	16.13	14.21
B. Deferred Tax Liability		
i. Property, Plant & Equipment	28.74	26.25
ii. Investments in Equity Instruments	83.43	74.53
Total	112.17	100.78
Total	(96.04)	(86.57)
5.1.b: Tax Assets (Net) (Non-current)		
TDS Receivable & Advance Tax Paid (Net of Tax Provisions)	2.61	2.55
Total	2.61	2.55
5.1.c: Tax Assets (Net) (Current)		
TDS Receivable & Advance Tax Paid (Net of Tax Provisions)	10.47	27.43
Total	10.47	27.43
6.1.a: Other Assets (Non -current)		
Prepaid Expenses	0.50	-
Others	0.01	0.01
Total	0.51	0.01
6.1.b : Other Assets (Current)		
Unsecured, considered good unless otherwise stated		
Prepaid expenses	18.04	11.00
GST Input Credit	195.00	190.57
Advances to Suppliers, Employees, etc.,	3.55	2.33
Deposit / Fess paid under dispute	0.23	0.50
	216.82	204.40
Less: Provision for un-utilised GST ITC	(50.54)	(50.54)
Less: Provision on Advances	(0.19)	-
Total	166.09	153.86



NOTES TO THE FINANCIAL STATEMENTS

₹ in Crores

Particulars	As at March 31st	
	2025	2024
7 : Inventories		
For Operations		
(a) Raw materials	34.61	37.33
Add : Raw materials in transit	-	-
	34.61	37.33
(b) Work in progress	27.47	53.75
(c) Finished goods		
- Fertilizers	12.45	27.10
- Agro Chemicals	-	-
(d) Stores and Spares	86.73	86.20
Less: Provision for obsolete Stores / Spares	-	(1.08)
	86.73	85.12
(e) Catalysts		
- In use	0.77	0.19
- Not in use (available in Stores)	2.06	2.78
(f) Packing Materials	3.06	3.33
Total	167.15	209.60
8 : Trade Receivables (Current)		
(Refer Note No.29 (A) (ii))		
Towards Subsidy		
(a) Considered Good Unsecured*	468.64	382.21
Towards Sale of Goods		
(a) Considered Good Secured	3.70	0.72
(b) Considered Good Unsecured	-	-
(c) which have significant increase in credit risk	-	-
(d) Credit Impaired	3.68	3.73
	7.38	4.45
Less: Expected Credit Loss Allowance	(3.68)	(3.73)
	3.70	0.72
Total	472.34	382.93

*The above sum include ₹ 122.29 Cr (PY - ₹ 169.39 Cr) eligible subsidy realisable on stock of Urea, NPK and City Compost remining unsold with dealers as at the year end.

*Trade receivables are neither due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.



MADRAS FERTILIZERS LIMITED

Particulars		As at March 31st	
		2026	2025
9: Cash and Cash Equivalents			
Cash on hand		0.00	0.00
Balances with Banks			
In Current Account		0.03	132.88
In Overdraft Account		94.88	-
In Deposit Account (Maturity < 3 months)		47.00	7.00
Total		141.91	139.88
9.a: Bank Balances other than Cash and Cash Equivalents			
Margin Money Deposits		14.01	13.93
Deposits with maturity of > 3 Months < 12 Months		500.00	500.00
Total		514.01	513.93
10 : Non Current Assets Held for Sale			
Land		0.00	0.00
Plant and Machinery		0.39	-
Total		0.39	0.00
11: Equity Share Capital			
Authorised :		365.00	365.00
17,50,00,000 Equity Shares of Rs.10/- each		175.00	175.00
19,00,00,000 Preference Shares of Rs.10/- each		190.00	190.00
Issued, Subscribed and paid-up :			
16,11,01,300 Equity Shares of Rs.10/- each fully paid up		161.10	161.10
Forfeited Shares:			
20,76,600 Equity Shares of Rs.5/- paid up		1.04	1.04
Total		162.14	162.14

a) **Rights, preferences and restriction relating to each class of share capital:**

Equity Shares: The Company has one class of equity shares having a face value of ₹ 10 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 Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend.

In the event of liquidation of the Company, the shareholders will be eligible to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

Preference Shares: The Company has one class of preference shares having a face value of ₹10 per share with such rights, privileges and conditions respectively attached thereto as may be from time to time confirmed by the regulations of the Company. No such preference shares are issued and outstanding as on March 31, 2026 (PY - NIL)



MADRAS FERTILIZERS LIMITED

Particulars		As at March 31st	
		2026	2025
b)	Particulars of shareholders holding more than 5% shares of equity shares		
	Equity shares of ₹ 10 each fully paid-up held by -	No.of Shares(%)	No.of Shares(%)
	Promoter		
	Hon'ble President of India	9,58,51,700 (59.50%)	9,58,51,700 (59.50%)
	Others		
	Naftiran Intertrade Co. Ltd	4,15,16,500 (25.77%)	4,15,16,500 (25.77%)
	Public (collectively)	2,37,33,100 (14.73%)	2,37,33,100 (14.73%)
	No % change in the share holding of promoters	-	-
12 :	Other Equity		
	Other Reserves:		
	Securities premium		
	Opening balance	12.39	12.39
	Addition / (utilization) during the period		
	Closing balance	12.39	12.39
	Retained Earnings		
	Opening Balance	(652.30)	(716.55)
	Add: Profit/ (Loss) for the year	80.42	64.25
	Closing balance	(571.88)	(652.30)
	Other Comprehensive Income		
	Opening Balance	445.47	352.30
	Add/(Less) : During the year	43.85	93.17
	Closing balance	489.32	445.47
	Total	(70.17)	(194.44)

1) **Securities premium:** The amount received in excess of face value of the Equity shares issued have been recognised in Securities premium. It is utilized in accordance with the provisions of the Companies Act, 2013.

2) **Retained Earnings:** Retained earnings represent the amount of accumulated earnings of the company and adjustment arising on account of transition to Ind AS, net of taxes.

3) **Other Comprehensive Income (OCI):** OCI comprises items of income of income and expenses (including reclassification adjustments) that will not be reclassified to profit or loss as required or permitted by IND AS. The components of OCI include re-measurements of defined benefit obligation and gain and losses arising from investment in Equity shares.



MADRAS FERTILIZERS LIMITED

Particulars	As at March 31st	
	2026	2025
13.1.b : Financial Liabilities -Borrowings (current)		
Secured Loans		
Cash credit from banks	80.00	109.92
(1.Secured by (hypothecation) on the Company's entire Current Assets (Raw Materials, Packing Materials, Stock in Process, Finished Goods, Stores, Spares, Consumables, Receivables and Other Current Assets), first charge on plant and machinery (excluding charge upto ₹50.00 Cr created in favor of IOCL) and an equitable mortgage on the land at Manali both present and future. 2. At 1.50% above 6M MCLR (presently 8.65%) p.a. with present effective rate 10.15% p.a. subject to MCLR reset at six monthly intervals.)"		
Unsecured Loans		
GOI loan - current portion:		
- Principal	554.24	554.24
Total	634.24	664.16
GOI loans are obtained for revamp which is specifically to be used for the revamp of plant used to manufacture fertilizers, plan loan which is used for capital expenditure and non plan loans for the working capital needs of the Company. These are unsecured in nature. The loan carries a fixed rate of interest as below:		
- Revamp loan - 7%		
- Plan loan - I Tranch @ 7%, II Tranch @ 12.50% and III Tranch @ 11.50%		
- Non plan loan - I Tranch @ 7% and II Tranch @ 15.50%		
The said loans were availed in the period 2003 to 2012 and are repayable in 10 equal annual instalments which begin after a moratorium period of 2 years (for the loans borrowed after 2003). The Entire GOI loans are overdue and have been disclosed under Note 13.1.b. Refer Note No. 30(3) for the defaults committed.		
14.1.b : Other Financial Liabilities (Current)		
Interest accrued and due on GOI loans	1,000.29	945.70
Deposits from Dealers and Vendors	66.44	69.68
Deposits from Others Party	2.70	2.70
Capital Creditors	1.18	0.39
Others	2.69	1.95
Total	1,073.30	1,020.42
15 .1.a: Employee Benefit Obligation (Non-current)		
Provisions towards Employee Benefits : Non-current		
Post Retirement medical benefits	1.14	1.25
Leave encashment	11.75	10.42
Service awards	1.32	0.77
Gratuity	35.19	28.91
Total	49.40	41.35



MADRAS FERTILIZERS LIMITED

Particulars	As at March 31st	
	2026	2025
15.1.b : Employee Benefit Obligation (Current)		
Provision towards Employee Benefits: Current		
Post Retirement medical benefits	0.15	0.16
Leave encashment	5.04	7.51
Service awards	0.27	0.24
Gratuity	1.69	7.21
Total	7.15	15.12
16 : Trade Payables		
<i>(Refer Note No.29 (A) (iii))</i>		
- Trade Payables		
-Total outstanding dues of micro enterprises and small enterprises	24.21	29.81
-Total outstanding dues of creditors other than micro enterprises and small enterprises	292.51	351.70
Total	316.72	381.51
17 : Other Liabilities (Current)		
Statutory Dues	4.40	9.91
Advance from Customers	26.09	18.86
Income received in advance	0.51	0.10
GAIL - Pool Account*	25.79	16.79
CSR Liability#	0.28	-
Due to Employees	4.19	10.86
POS Machine Fund Account	2.47	-
Total	63.73	56.52

*Amount Payable to GAIL (Pool Operator) on account of Gas Pool Account amounting to ₹ 25.79 Cr (PY - ₹ 16.79 Cr).

#Provision created towards Unspent CSR Liability with respect to Ongoing projects. {Refer Note No. 30(21)}



NOTES TO THE FINANCIAL STATEMENTS

		₹ in Crores	
		As at March 31st	
Particulars		2026	2025
18 : Revenue from Operations (Net)			
Sale of Products (Net of GST)			
Manufactured Goods		367.16	362.79
Traded Goods		24.83	21.00
		391.99	383.79
Less: Rebates		(1.69)	(0.77)
Net Sales		390.30	383.02
Subsidy from Government:			
Manufactured Goods-Urea Subsidy			
Price Subsidy		1,834.78	2,110.30
Freight Subsidy		71.57	57.18
		1,906.35	2,167.48
Manufactured Goods-NPK			
Price Subsidy		-	(10.32)
Freight Subsidy		-	-
		-	(10.32)
Traded Goods-City Compost			
Price Subsidy		1.41	0.45
		1.41	0.45
Other Operating Income:			
Sale of Scrap		2.29	0.45
		2.29	0.45
Total		2,300.35	2,541.08

Note :The procedure for release of subsidy has been revised with the introduction of Direct Benefit Transfer (DBT) Scheme in a phased manner for all fertilizers. The revised procedure entails 100% payment of subsidy under DBT scheme on the basis of actual sale by the retailers to the beneficiaries on weekly basis through POS machines.

Pursuant to above procedure, pending sale of Urea totalling 31,763.46 MT through POS machine to beneficiaries as on March 31,2026, subsidy of ₹ 121.84 Cr which has accrued on sale to dealers but shall become due for payment under DBT upon sale through POS machines has been recognized in the current period (PY - quantities 38,837.67 MT and subsidy ₹ 151.30 Cr).



NOTES TO THE FINANCIAL STATEMENTS

		₹ in Crores	
Particulars		As at March 31st	
		2026	2025
19 : Other Income			
Interest income			
From Bank and Others*		52.05	36.21
From EB Deposits*		1.16	1.25
On IT Refund		1.41	0.18
From Others		0.04	0.01
Dividend Income - Non-Current Investments		3.17	1.19
Profit on sale of Property, Plant and Equipment (Net)		3.71	-
Rental Income		2.95	1.83
Provision No Longer required/Written Back of Accounts		7.52	2.81
Others		1.19	0.48
<i>* recognized on a time-proportion basis using the EIR Method</i>			
Total		73.20	43.96
20 : Cost of Materials Consumed			
Opening Stock		37.33	28.72
Add: Purchases		1,230.40	1,396.25
		1,267.73	1,424.97
Less: Closing Stock		(34.61)	(37.33)
Total		1,233.12	1,387.64
21 : Purchase Stock in Trade			
Agrochemicals		0.67	5.40
Organic manure		4.72	5.07
City compost		3.18	2.69
PROM		3.46	1.41
FOM/PDM		3.90	0.50
Total		15.93	15.07



NOTES TO THE FINANCIAL STATEMENTS

₹ in Crores

Particulars	As at March 31st	
	2026	2025
22 : Changes in Inventories		
Opening stock		
Finished goods	27.10	8.96
Work in progress	53.75	76.21
	80.85	85.17
Less : Closing stock		
Finished goods	(12.45)	(27.10)
Work in progress	(27.47)	(53.75)
Total	40.93	4.32
23: Operating and Maintenance Expenses		
Consumption of Stores, Spares & Packing materials	50.86	33.89
Power, Water & Fuel	583.34	677.53
Repairs and maintenance		
Plant and machinery	32.31	20.29
Buildings	0.01	0.29
Computers, Software License & Other Assets	3.87	0.92
Transportation and warehousing		
Transportation and warehousing	51.37	73.16
Secondary freight	13.44	6.34
Warehouse rent and other expenses	0.62	0.05
Insurance	3.94	9.84
Finished product handling	17.53	22.36
Total	757.29	844.67
24: Employee Benefit Expenses		
Salaries, wages and bonus	85.04	100.40
Contribution to provident and other funds	15.77	16.34
Welfare expenses	10.44	10.49
Total	111.25	127.23
25: Finance Costs		
<i>Interest on loans:</i>		
From GOI	54.59	54.58
From Bank	3.67	4.92
<i>Other borrowings:</i>		
Interest expenses on Dealer deposits	-	1.17
Unwinding Financial Cost	-	0.61
Others*	0.59	1.09
* Includes interest to SKLS ₹ 0.35 Cr (PY-₹ 0.36 Cr) awarded by Arbitrator		
Total	58.85	62.37



NOTES TO THE FINANCIAL STATEMENTS

Particulars	₹ in Crores	
	As at March 31st	
	2026	2025
26: Depreciation and Amortisation Expenses		
Depreciation - PPE & Investment Property	12.86	11.19
Amortisation - Intangible Asset	0.68	0.44
Total	13.54	11.63
27: Other Expenses		
Payment to statutory auditors		
Statutory audit	0.10	0.10
Tax audit	0.02	0.02
Other Services (Including Limited Review Fees)	0.06	0.18
Others		
Rent	3.03	1.97
Rates and taxes	1.93	1.60
Directors' expenses	0.13	0.23
Agro services/ information expenses	1.46	1.02
Advertising and publicity	0.67	0.38
Bank charges	3.45	4.53
Security charges	4.29	5.23
Contract labour	4.29	5.73
Car rentals	0.92	1.28
Travel expenses	1.00	0.44
Postage and telecom expenses	0.32	0.28
Loss on derecognition of PPE / CWIP	0.57	0.02
Provision for / Write off of Ineligible GST ITC	0.89	12.97
Provision for / Write off of Obsolete Inventory	2.61	1.08
Provision for Expected Credit Loss	1.31	-
Corporate Social Responsibility Expense	1.35	-
Miscellaneous expenses	3.55	3.45
Total	31.95	40.51



NOTES TO THE FINANCIAL STATEMENTS

Particulars	₹ in Crores	
	As at March 31st	
	2026	2025
27A: Exceptional Items		
Impact of Change in Gratuity Plan	6.02	-
Enhanced Gratuity including interest for retired employees	2.36	-
Total	8.38	-
Exceptional items for the year ended March 31, 2026 include recognition of the enhanced gratuity cost along with interest of ₹2.36 Cr (PY - Nil) based on the Order passed by the Honourable High Court of Madras during the year against the suit filed by certain retired employees who have retired from 01.01.2007 to 23.05.2010. Further, the exceptional items for the year ended March 31, 2026 include the service cost of ₹ 6.02 Cr (PY - Nil) in respect of the change in the gratuity plan by increasing the benefits limit to ₹ 25 lakhs from ₹ 20 lakhs consequent to the Pay Revision Order passed during the year.		
28 : Other Comprehensive Income		
<i>Items that will not be Re-classified to Profit and Loss</i>		
Net fair value (loss) / gain on investments in equity instruments at FVTOCI	49.78	70.09
Remeasurement of Defined Benefit Obligation	1.77	(4.70)
Less : Tax (expenses)/benefit on the above, net	(7.70)	27.78
Total	43.85	93.17

**NOTES TO THE FINANCIAL STATEMENTS**

₹ in Crores

Note No:29

(A). Ageing Analysis for Capital work in progress, Trade Receivables and Trade Payables in accordance with the Schedule III of the Companies Act,2013:

i. Capital Work-in-Progress

(a) Ageing schedule of capital work in progress as on 31st March 2026 is given below:

Particulars	Amount in Capital Work in Progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	7.26	3.37	14.52	1.66	26.81
Projects temporarily suspended	-	-	-	-	-
Total	7.26	3.37	14.52	1.66	26.81

(b) Ageing schedule of capital work in progress as on 31st March 2025 is given below:

Particulars	Amount in Capital Work in Progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	3.37	14.52	0.24	1.67	19.80
Projects temporarily suspended	-	-	-	-	-
Total	3.37	14.52	0.24	1.67	19.80

(c) Ageing schedule of Intangible Asset under Development as on 31st March 2026 - Nil.

(d) Ageing schedule of Intangible Asset under Development as on 31st March 2025 - Nil.

(e) Capital-Work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan as on 31st March 2026. - Nil.

(f) Capital-Work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan as on 31st March 2025 - Nil.



NOTES TO THE FINANCIAL STATEMENTS

₹ in Crores

Note No. 29 (A)(Contd..)

ii. Trade Receivables -Current

(a) Ageing schedule of trade receivables as on 31st March 2026 are as under:

Particulars	Receivables not due	Outstanding for following periods from due date of payments*				Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years
Towards Subsidy						
(a) Considered Good Unsecured (A)	-	359.45	-	23.22	12.76	73.21
Towards Sale of Goods						468.64
(a) Considered Good Secured	-	2.84	0.24	0.62	-	-
(b) Considered Good Unsecured	-	-	-	-	-	-
(c) which have significant increase in credit risk	-	-	-	-	-	-
(d) Credit Impaired- Disputed	-	-	-	-	-	-
	-	2.84	0.24	0.62	-	3.68
	-	-	-	-	-	7.38
Less: Expected Credit Loss Allowance	-	2.84	0.24	0.62	-	(3.68)
	-	-	-	-	-	3.70
Total (A+B)	-	362.29	0.24	23.84	12.76	472.34

* Date of Transaction is considered as due date of payments. No ECL is recognised on the amounts due (other than dues from GOI) beyond six months since advances received from such accounts have not been reconciled and adjusted against the receivable. Based on the assessment made, there are no outstanding amounts beyond six months as advances received are much higher than the outstanding dues.

(b) Ageing schedule of trade receivables as on 31st March 2025 are as under:

Particulars	Receivables not due	Outstanding for following periods from due date of payments*				Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years
Towards Subsidy						
(a) Considered Good Unsecured (A)	-	241.15	6.35	50.55	38.99	45.17
Towards Sale of Goods						382.21
(a) Considered Good Secured	-	0.72	-	-	-	-
(b) Considered Good Unsecured	-	-	-	-	-	-
(c) which have significant increase in credit risk	-	-	-	-	-	-
(d) Credit Impaired- Disputed	-	-	-	-	-	-
	-	0.72	-	-	-	3.73
	-	-	-	-	-	4.45
Less: Expected Credit Loss Allowance	-	0.72	-	-	-	(3.73)
	-	0.72	-	-	-	0.72
Total (A+B)	-	241.87	6.35	50.55	38.99	382.93

* Date of Transaction is considered as due date of payments



NOTES TO THE FINANCIAL STATEMENTS

₹ in Crores

Note No. 29 (A)(Contd..)

iii. Trade Payables

(a) Ageing schedule of trade payables as on 31st March 2026 are as under:

Particulars	Outstanding for following periods from due date of payments*					
	Unbilled Payables	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
i) Outstanding dues of Micro Enterprises and Small Enterprises	0.63	23.34	0.17	0.03	0.04	24.21
ii) Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	17.01	264.90	10.52	0.04	0.04	292.51
iii) Disputed outstanding dues of Micro Enterprises and Small Enterprises	-	-	-	-	-	-
iv) Disputed outstanding dues of creditors other than Micro Enterprises and Small Enterprises	-	-	-	-	-	-
Total	17.64	288.24	10.69	0.07	0.08	316.72

*Date of transaction is considered as due date of payment.

(b) Ageing schedule of trade payables as on 31st March 2025 are as under:

Particulars	Outstanding for following periods from due date of payments*					
	Unbilled Payables	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
i) Outstanding dues of Micro Enterprises and Small Enterprises	-	29.71	0.06	0.04	-	29.81
ii) Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	-	341.58	0.05	0.12	9.95	351.70
iii) Disputed outstanding dues of Micro Enterprises and Small Enterprises	-	-	-	-	-	-
iv) Disputed outstanding dues of creditors other than Micro Enterprises and Small Enterprises	-	-	-	-	-	-
Total	-	371.29	0.11	0.16	9.95	381.51

*Date of transaction is considered as due date of payment.



MADRAS FERTILIZERS LIMITED

Note No. 29

₹ in Crores

(B). Information of goods Manufactured and Traded, value of Production, Stocks, Consumption, Value of Imports expenditure and Expenditure in Foreign Exchange:

(a) Installed capacities:	March 31, 2026	March 31, 2025
	Quantity MT	Quantity MT
Ammonia	3,46,500	3,46,500
Urea	4,86,750	4,86,750
NPK	2,80,000	2,80,000
Bio fertilizers	400	400

(b) Production	March 31, 2026	March 31, 2025
	Quantity MT	Quantity MT
Ammonia	2,99,868	3,26,260
Neam-Urea	4,90,686	5,28,400
NPK 17-17-17	-	-
NP 20-20-0	-	-
Bio fertilizers	-	-

(c) Purchase of Stock in Trade :	March 31, 2026		March 31, 2025	
	Quantity MT	Amount (Rs. In Cr)	Quantity MT	Amount (Rs. In Cr)
Agro chemicals	-	0.67	-	5.40
Organic manure	16,351	4.72	15,982	5.07
City compost	11,541	3.18	9,996	2.69
PROM	4,806	3.46	1,755	1.41
FOM	4,599	1.70	1,238	0.50
PDM	4,768	2.20	-	-
Total	42,065	15.93	28,971	15.07



NOTES TO THE FINANCIAL STATEMENTS

₹ in Crores

(d) Gross sales	March 31, 2026		March 31, 2025	
	Quantity MT	Amount (Rs. In Cr)	Quantity MT	Amount (Rs. In Cr)
Manufactured product				
"Neem Urea"	4,94,996	259.51	5,22,932	274.16
Ammonia Sales	23,855	107.65	21,209	88.63
Bought Fertilizers				
Agro chemicals	-	0.88	-	6.93
Organic manure	16,351	7.69	15,982	7.51
City compost	11,541	5.49	9,996	4.59
PROM	4,806	4.27	1,755	1.47
FOM	4,599	2.43	1,238	0.50
PDM	4,768	4.07	-	-
Total	5,60,916	391.99	5,73,112	383.79

Notes to the Financial Statements

Note No.29 (B)....(Contd..)

(e) Stocks	March 31, 2026		March 31, 2025	
	Quantity MT	Amount (Rs. In Cr)	Quantity MT	Amount (Rs. In Cr)
(i) Opening stock				
(a) Finished product				
Neem Urea	6,678	26.66	1,693	8.51
NPK 17-17-17	123	0.44	123	0.44
(b) Work in progress				
Manufactured products				
Ammonia	6,475	33.66	5,647	52.87
Urea-bulk	5,214	19.80	4,732	23.33
Water	-	0.29	-	0.02
	18,490	80.85	12,195	85.17



NOTES TO THE FINANCIAL STATEMENTS

₹ in Crores

(e) Stocks	March 31, 2026		March 31, 2025	
	Quantity MT	Amount (Rs. In Cr)	Quantity MT	Amount (Rs. In Cr)
(ii) Closing stock				
(a) Finished product				
Manufactured products				
Neem Urea	2,976	12.01	6,678	26.66
NPK 17-17-17	123	0.44	123	0.44
Bio Fertilizers	-	-	-	-
(b) Work in progress				
Manufactured products				
Ammonia	2,053	9.51	6,475	33.66
Urea-bulk	4,583	16.93	5,214	19.80
Water	-	1.03	-	0.29
	9,735	39.92	18,490	80.85
(c) Stock losses				
Neem Urea	-	-	23	-
NPK 17-17-17	-	-	-	-

Notes to the Financial Statements

Note No.29 (B)....(Contd..)

Particulars	March 31, 2026		March 31, 2025	
	Quantity MT	Amount (Rs. In Cr)	Quantity MT	Amount (Rs. In Cr)
Indigenous				
RLNG/ Naphtha		1679.82		1828.60
Others		8.96		4.49
Total (%)	100	1688.78	100	1833.09
Imported				
Urea		-		-
Potash		-		-
Phosphoric Acid		-		-
Total (%)	-	-	-	-
	100	1688.78	100	1833.09
Components and Spares				
Imported (%)	13	4.19	10	1.04
Indigenous (%)	87	27.58	90	8.90
	100	31.77	100	9.94
CIF value of imports				
Raw materials		-		-
Components and spares		3.18		3.00
		3.18		3.00
Expenditure in foreign currency				
Books and periodicals		-		-
Travel (Business, Seminar, Conference, etc.)		-		-
		-		-



NOTES TO THE FINANCIAL STATEMENTS

Note No:29

(C). Analytical Ratios in accordance with the Schedule III of the Companies Act,2013:

Sl.No	Particulars	Numerator	Denominator	As at March 31st		Variance (in %)	Reason for Variance
				2026	2025		
a.	Current Ratio (in times)	Current Assets	Current Liabilities	0.71	0.68	4.41%	
b.	Debt-Equity Ratio (in times)	Total Debt	Shareholder's Equity	6.90	(20.56)	(133.56%)	Improved Shareholder's equity
c.	Debt Service Coverage Ratio (in times)	Earnings available for debt service	Debt Service	4.30	2.89	48.79%	Lower finance cost and repayment of cash credit compared to last year
d.	Return on Equity (ROE) (%)	Net profit after taxes	Average Shareholders's Equity Capital	269.58%	(57.87%)	327.46%	Higher PAT during the Year and improved average Shareholders's equity
e.	Inventory Turnover Ratio (in times)	Revenue from Operations (Excl.Subsidy Income)	Average Inventory	2.08	1.84	13.04%	
f.	Trade Receivables Turnover Ratio (in times)						
	-Towards Sale of Goods	Net Credit Sales	Average Trade Receivables -Sale of Goods	11.23	51.15	(78.04%)	Higher average trade receivables
	-Towards Subsidy	Revenue from Operations-Subsidy Income	Average Trade Receivables-Subsidy	4.48	6.13	(26.92%)	Higher average subsidy receivables
g.	Trade Payables Turnover Ratio (in times)	Net Credit Purchase	Average Trade Payables	3.66	4.18	(12.44%)	
h.	Net Capital Turnover Ratio (in times)	Revenue from Operations	Working Capital	(Negative Working Capital)	(Negative Working Capital)	-	
i.	Net Profit Ratio (%)	Net profit after taxes	Revenue from Operations	3.50%	2.53%	0.97%	
j.	Return on Capital Employed (ROCE) (%)	Earning before interest and taxes	Capital Employed	19.60%	21.43%	(1.83%)	
k.	"Return on Investments (ROI) (%) -Unquoted	Income generated from Investments (Including Unrealised Gains for the year)	Average Investments	2.41%	3.64%	(1.23%)	



NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2026

30: Other Notes forming part of financial statements

1. (a) Contingent/Disputed Liability

(₹ Cr)

S.No	Particulars	As on March 31,	
		2026	2025
1.	Claims on the Company not acknowledged as debts' Contractors / Suppliers / Vendors		
	-SICGIL India Ltd	8.75	8.01
	-Keerthana Enterprise	1.13	0.52
	-M V Seshachary	1.39	1.20
2.	Tax liabilities pending for settlement at various Forum -		
	Custom Duty - Appeal pending in High Court of Madras	65.86	65.86
	Goods and Services Tax - Tamil Nadu - Appeal pending in First Appellant Authority for the FY 2017-18	2.08	1.94
	Goods and Services Tax - Tamil Nadu - Writ Petition pending before High Court of Madras for the FY 2018-19 and 2019-20	257.12	236.64
	Goods and Services Tax - Karnataka - As per Show Cause Notice received for the FY 2021-22	1.34	1.10
	Income Tax - Appeal for FY 2017-18 pending for disposal before CIT(A)	-	7.22
	Commercial Tax Keralam - Appeal filed by the department pending in the supreme court	5.11	5.11
	TDS Demand as per TRACES portal pending for correction to be made by the company	-	0.20
	Claims preferred by local authorities - Demand for increase in rent by CMWSSB - Representation made by the company pending for disposal	Refer Note - (h)	79.92
3.	Others		
	Gratuity claimed by separated employees - 2007 revision	6.90	2.85
	Gratuity claimed by separated employees - 2017 revision	10.93	5.70
	Demand for compensation for 31.65 acres made by Govt of Tamil Nadu for land in Manali	0.43	0.43
	As per show cause notice of Noncompliance of Emission norms by Tamil Nadu Pollution Control Board -Representation made by the company pending for disposal	0.96	0.37
	Possible deficiency in the return on investments earned by Madras Fertilizers Limited Employees Contributory Provident Fund (Refer Note No. 30(26))	6.33	-
	Penal Interest on GOI Loans	443.33	394.68
	Letters of Credit and Bank Guarantees	107.71	105.18



MADRAS FERTILIZERS LIMITED

b). Capital and Other commitments

(In Cr)

S.No	Particulars	As on March 31,	
		2026	2025
1.	Capital expenditure contracted for at the end of the reporting period but not recognized as liabilities is as follows (Net of Advances)	41.93	2.14
2.	Other Commitments	10.47	5.06

Claims against the company not acknowledged as debt include following:

- a. The Company suspended the supply of Carbon dioxide (CO₂) to SICGIL India Limited, (SICGIL) since they defaulted in its payments as per the terms of the contract. SICGIL invoked arbitration proceedings and got an award in their favour for ₹3.25 Cr after adjusting the amount due to the Company of ₹ 0.03 Cr along with the interest @ 18%. Further the arbitrator has awarded the company to reimburse the cost of arbitration of ₹ 0.08 Cr with interest @ 6% to the SICGIL.
The Company has filed an appeal against the said award before Hon'ble Madras High Court, which got dismissed on 09.08.2021. The Company had preferred an appeal before the Divisional Bench of the Hon'ble Madras High Court and the matter is pending for final disposal by divisional bench. As per Arbitration award, the probable outflow till 31st March, 2026 works out to ₹ 8.75 Cr inclusive of interest of ₹ 5.41 Cr (PY-₹ 8.01 Cr inclusive of interest of ₹ 4.71 Cr).
- b. M/s Keerthana Enterprises has filed a petition before MSME forum claiming dues of principal amount of ₹0.31 Cr (PY-₹0.31 Cr) and interest of ₹ 0.58 Cr (PY – ₹ 0.52 Cr) for the non-payment of the outstanding balance as per the provisions of MSMED Act 2006. The company is of the view that there is no such liability.
Further, M/s Keerthana Enterprises filed a case before MSEFC No. MSEFC/CR/105/2022. The Court in its order dated 15.11.2024 directed MFL to pay the principal amount of ₹ 0.10 Cr along with compound interest with monthly rests, at three times the bank rate. Further, M/s Keerthana filed Execution Petition No. 65 of 2026 before the XXV Assistant Judge, City Civil Court, Chennai. The Court issued Garnishee order to SBI to debit ₹ 0.24 Cr from MFL's account to remit the same in favour of Registrar City Civil Court, Chennai. SBI debited and remitted the said amount to Registrar City Civil Court in the month of April 2026. Presently, MFL
- c. filed vakalat before the Court to hold the said amount till an appeal is preferred before the High Court against MSEFC Order.
- c. An ex-employee of the Company [Mr. M.V. Seshachary (E.No.2266)] was dismissed and subsequently reinstated as per the Court Order. The Hon'ble High Court of Telangana awarded a sum of ₹0.91 Cr towards back wages and arrears of PF contribution ₹0.28 Cr. Out of the PF component of ₹0.28 Cr, the Company has paid only ₹0.09 Cr. Earlier, the Company had deposited ₹0.35 Cr under dispute with the CGIT, and the balance amount along with interest was settled during the year. In addition to this, the said ex employee has lodged a further consolidated claim of ₹2.04 Cr, consisting of various demands before the NCLT, which is currently sub judice. The Company has made a provision in the books for ₹0.65 Cr, while the remaining disputed claim of ₹1.39 Cr has been disclosed as a contingent liability.
- d. Commissioner of Customs ordered the Company for the differential customs duty of ₹ 65.86 Cr (inclusive of penalty and redemption fine of ₹32.88 Cr and ₹ 0.10 Cr) (PY-₹ 65.86 Cr) against which the company has filed a case before the CESTAT, South Zone, Chennai by depositing ₹0.05 Cr. The CESTAT has set aside the demand and remanded the matter to the original adjudicating authority to first decide the issue of jurisdiction in view of decision of Hon'ble Supreme Court in the case of M/s Mangli Impex. Against the said remanded order, Commissioner of Customs has filed Civil Miscellaneous Appeal (CMA) before Hon'ble High Court of Madras which is pending.
- e. Tamil Nadu GST Authorities conducted GST audit for the following financial years and passed assessment orders demanding tax, interest and penalty and the, Company contested the same as given below.



MADRAS FERTILIZERS LIMITED

(₹ Cr)

YEAR	GST	INTEREST	PENALTY	TOTAL	REMARKS
2017-18	0.82	1.18	0.08	2.08	Appeal filed; Pending before GST Appellate Authority
2018-19	56.11	70.20	5.61	131.92	Writ Petition pending before High Court against demand
2019-20	57.68	61.75	5.77	125.20	Writ Petition pending before High Court against demand
Total	114.61	133.13	11.46	259.20	

- f. The Company has received demand from the Karnataka CGST Authorities relating to ITC Mismatch for FY 2021-22 amounting to ₹1.34 crore (including tax, interest and penalty). The Company has filed appeals before the Appellate Authority on 26.03.2026 with the requisite pre deposit, and the matters are currently pending disposal.
- g. The Department of Commercial Tax, Keralam filed an appeal before the Hon'ble Supreme Court for AY 2009-10 and 2010-11, seeking to include government subsidy as part of turnover for VAT levy. The total demand is ₹5.11 crore inclusive of ₹1.10 crore interest (PY - ₹5.11 crore including interest), and the matter is pending before the Court.
- h. The long-term lease granted by Chennai Metropolitan Water Supply and Sewerage Board (CMWSSB) for the TTP Plant land at Kodungaiyur expired in May 2022 and is currently being extended on a year-to-year basis. For the period leading up to March 31, 2025, CMWSSB had raised an enhanced rental demand of ₹13.66 Crore per quarter; however, the Company contested this via a waiver representation, paid only the normal rent, and disclosed the differential amount as a Contingent Liability. Subsequently, vide a letter dated December 3, 2025, CMWSSB extended the lease for an additional year at an interim rate of ₹4.63 Lakhs per acre per quarter (with a 12% annual increment), explicitly stating that the final revised rent will be fixed only after an official land valuation is completed by the District Collector. Because the ultimate rental obligation is now dependent on this pending government valuation and cannot be reliably estimated at this stage, the matter continues to be disclosed as a contingent exposure, and no financial provision has been recognized in the balance sheet pending the final valuation report.
- i. During the 2007 Pay Revision, the gratuity ceiling was increased from ₹3.50 lakhs to ₹10.00 lakhs effective January 1, 2007, whereas the Payment of Gratuity Act was amended only from May 24, 2010. Employees who separated between January 1, 2007 and April 30, 2010 were paid gratuity at the old ceiling. Certain employees (21 Employees) filed appeals before the Hon'ble High Court of Madras claiming the differential gratuity. On February 23, 2026, the Hon'ble High Court passed an order directing the Company to pay the amount to the employees, and the Company made the payment subsequent to the financial year, thereby closing the case. In view of this, judgement and with a possibility that other retired employees during the relevant period may file similar claims in the near future, the Company has disclosed a contingent liability of approximately ₹6.90 crore as at March 31, 2026.
- j. As per the DPE guidelines on wage revision effective 01.01.2017, the package includes higher gratuity of ₹25 lakhs from that date. During the current FY, the company has given effect to wage revision with effect from 01.04.2023. The Company is paying the enhanced gratuity to all the employees who are separated from the Company after the amendment made in the payment of Gratuity Act with effect from 29.03.2018. Some of the employees who have retired prior to 29.03.2018, have gone to labour court claiming the incremental gratuity for the period from 01.01.2017 to 28.03.2018 which



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was dismissed by the Labour Court and separated employees have filed an appeal in Hon'ble High Court of Madras. The said appeal is pending for disposal by the Hon'ble High Court as on the date of the Balance sheet. The same was estimated and shown under Contingent Liability, Gratuity of ₹ 5.70 Cr along with the Interest accrued @ 10% amounting to ₹ 5.23 Cr (PY- No interest was estimated and reported as part of contingent liability).

- k. Tamil Nadu Pollution Control Board (TNPCB) has issued a Show cause Notice for non-compliance of emission norms by levying an environmental compensation of ₹ 0.96 Cr under section 5 of the Environment (Protection) Act, 1986. The Company has represented the matter before the appropriate authority. Decision of the TNPCB is yet to be received.
- l. The Company had submitted a financial revival proposal to the Department of Fertilizers (DOF), Government of India (GOI), seeking a waiver of accrued and penal interest on GOI loans, alongside the conversion of the principal loan amount into zero-interest borrowings repayable over an extended period. Consequent to the introduction of the new Public Sector Enterprise (PSE) policy under the Atmanirbhar Bharat initiative, the DOF informed the Company that the financial revival proposal has been temporarily placed on hold, advising the submission of a fresh proposal. The Company has since reiterated its stance to the DOF with detailed justifications, emphasizing that the economic benefits envisaged under the original package remain unaltered.

Pending formal approval of the revival package, the Company continues to recognize regular interest costs on these GOI loans, and no repayments have been made during the quarter and year ended March 31, 2026. Under the terms of the loan sanction, the GOI retains the right to levy penal interest at the rate of 2.75% per annum in the event of default. In the absence of any direct communication or demand from the GOI regarding the invocation of this penal clause, the total potential penal interest amounting to Rs. 443.33 Cr has been disclosed as a Contingent Liability as of March 31, 2026, as the outflow of economic resources is not considered probable at this stage.

2. Disclosure of Contingent Asset

The Company filed a recovery suit against M/s Hastalloy India Ltd, having business transactions of supply of Uranus Rods amounting to ₹ 0.08 Cr together with interest of ₹0.04 Cr before Honourable Court of Principal District Judge at Tiruvallur. In 2007, the Court ordered the decree in favour of the company for an amount of ₹ 0.12 Cr, as claimed in the suit and to reimburse the cost of suit of ₹ 0.01 Cr along with the interest @ 18% from the date of decree to till date of realization. Subsequently for transfer of decree necessary executive petition papers were filed in the District Court, Tiruvallur. Since the jurisdiction of supplier lies in Visakhapatnam, the Company initiated to transfer the executive petition for the recovery. Due to non-availability of virtual certainty of inflow to the company, it is disclosed as contingent asset.

3. Default in repayment of Loans

The Company has availed loans from GOI and has defaulted in repayment of principal and interest. The details of default as on the Balance Sheet Date are provided below:

(₹ Cr)

Particulars	Principal	Interest Accrued and Due	Total
Revamp loans	122.30	196.91	319.21
Plan loans	411.17	756.54	1,167.71
Non plan loans	20.77	46.84	67.61
Total	554.24	1,000.29*	1,554.53

* Interest on loan from GOI for FY 2025-26 amounted to ₹ 54.59 Cr



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The Company has placed a request to the Department of Fertilizers (DOF), Government of India (GOI), seeking waiver of accrued interest and penal interest on loans extended by the GOI, along with conversion of the principal loan amount into borrowings repayable over a period at zero percent interest, as part of the proposed revival package. The DOF has communicated to the Company that, in light of the new Public Sector Enterprise (PSE) policy under Atmanirbhar Bharat, the requested financial revival proposal has been temporarily placed on hold. The Company has been advised to submit a fresh proposal.

Subsequent to this communication, the Company has reiterated to the DOF, with detailed reasoning, that the benefits envisaged under the earlier revival package would remain unchanged. Pending receipt of approval, the Company has continued to recognise interest costs on the loans obtained from the GOI, and no repayments have been effected during the year ended March 31, 2026. As per the terms of sanction, GOI reserves right to levy penal interest at the rate of 2.75% in case of default in repayment. As no communication in this regard has been received from the Government, as on date, the penal interest of ₹ 443.33 Cr is reported as contingent liability.

4. Impairment of assets

A detailed valuation has been carried out by a Chartered Engineer/Valuer. Based on his report, the Company has concluded that no adjustment towards impairment loss is necessary as on the Balance Sheet Date. The net selling price of the major Plant and Equipment and their book value as on that date are provided below: (₹ Cr)

Plant	As on March 31, 2026		As on March 31, 2025	
	Net selling price	Book Value	Net selling price	Book Value
Ammonia	336.06	146.64	310.00	131.90
Urea	75.17	27.83	69.92	30.15
NPK	3.39	0.73	2.93	0.80
Utilities	32.05	18.77	27.69	19.97

5. The Company has exercised the option available under Section 115BAA of the Income Tax Act, 1961, introduced by the Government of India through the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has applied a corporate tax rate of 25.626% (comprising Income Tax at 22%, Surcharge at 12%, and Health & Higher Education Cess at 4%) in its accounts and has considered this rate for tax expenses for the year and has measured its deferred tax assets and liabilities on the basis of the above option.

Current Tax

For the year ended (₹ Cr)

Particulars	As on March 31	
	2026	2025
Profit before Tax	102.31	91.59
Applicable Tax Rate (PY - Surcharge @10%)	25.63%	25.17%
Computed Tax Expenses	26.22	23.05
Tax Effect of:		
Income not subject to tax	(1.18)	(0.10)
Expenses Disallowed	3.96	8.49
Expenses allowed on payment basis	0.33	(3.74)
Depreciation admissible	(4.59)	(4.50)
Current Tax Expense(A)	24.74	23.20



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Movement in Deferred Tax Liability / (Asset) during the year:

(₹ Cr)

Particulars	Opening Balance 01.04.2025	Recognized in P&L	Recognized in OCI	Closing Balance 31.03.2026
Deferred Tax Asset				
Employee Benefit Obligations	14.21	(0.92)	1.20	14.49
ECL Allowances	-	1.64	-	1.64
Total (A)	14.21	0.72	1.20	16.13
Deferred Tax Liability				
Property Plant and Equipment	26.25	2.49	-	28.74
Investments in Equity Instruments	74.53	-	8.90	83.43
Total (B)	100.78	2.49	8.90	112.17
Net Deferred Tax Asset/(Liability) (A)-(B)	(86.57)	(1.77)	(7.70)	(96.04)

Deferred tax assets and liabilities have been offset wherever the company has a legally enforceable right to setoff current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the Income Tax Authority.

6. Related Party Disclosures

a. Name of the Related Parties and their relationship:

Name of the Related Party	Nature of Relationship	Tenure From
Shri Manoj Kumar Jain	Chairman and Managing Director	07/06/2024
Dr. Tina Soni	Director – GOI Nominee	04/04/2024 to 24/07/2025
Mr. Amar Kushawha	Director – GOI Nominee	24/07/2025
Dr. K Jayachandran	Director – Technical	01/05/2023
Shri Mohammad Bagher Dakhili	Director – NICO Nominee	18/02/2017
Mrs. Samieh Kokabi	Director - NICO Nominee	10/02/2021
Shri Babak Bagherpour	Director - NICO Nominee	23/10/2018
Shri Sanjay Shetye	Independent Director	17/04/2025 to 16/04/2026
Dr. Jatin Kumar Mohanthay	Independent Director	20/06/2023
Shri Alok Kumar Agrawal	Independent Director	17/04/2025 to 16/04/2026
Shri Madhan Mohan	General Manager – Finance & Accounts / Chief Financial Officer	01/07/2024
Shri Srinivasa Saravanan J	Company Secretary	07/08/2024
MFL Employees Contributory Provident Fund Trust	Employee benefit trusts managed by MFL	01/04/1967

**MADRAS FERTILIZERS LIMITED****b. Transaction with Key Management Personnel:****(₹ Cr)**

Particulars	For the year ended 31 March, 2026	For the year ended 31 March, 2025
Short-term employee benefits	1.22	1.09
Post-employment benefits	0.26	0.21
Compensated absences	-	-
Other long-term benefits	-	-
Total Compensation	1.48	1.30

c. Related party transactions other than those with key management personnel:**(₹ Cr)**

Particulars	For the year ended 31 March,2026	For the year ended 31 March,2025
Contributions MFL Employees Contributory PF Trust	4.19	5.55

d. Disclosure under Ind AS 24 or related party transaction are given below

Since Government of India owns 59.50% of the Company's equity share capital (under the administrative control of DOF, Ministry of Chemicals and Fertilizers), the disclosures relating to transactions with the Government and other Government controlled entities have been reported in accordance with para 26 of Ind As 24.

The Company enters into various transactions in normal course of business with government related entities (such as Indian Oil Corporation, Chennai Petroleum Corporation Limited, Gail Limited etc) which are at its arms-length and details of the transactions which are of significant in terms of value are reported as under:

(₹ in Cr)

Name of the Entity	Nature of Transaction	2026	2025
Indian Oil corporation Ltd	Procurement of RLNG /FO/HSD/LUBE and Gas pipe line compensation	1,574.27	1,828.60
GAIL(India) Ltd	GAS Pool Account	113.92	92.57
Chennai Petroleum Corporation Ltd (CPCL)	Lease Rent	2.88	2.57

The closing balances of the above referred entities:**(₹ in Cr)**

Name of the Entity	2026	2025
Indian Oil corporation Ltd	256.86	314.37
GAIL(India) Ltd	25.79	16.79
Chennai Petroleum Corporation Ltd	3.45	4.82

e. Details of sitting fees paid / payable to Independent Directors

Particulars	For the year ended 31 March,2026	For the year ended 31 March,2025
Sitting Fee Paid	0.10	0.09



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7. Leases

i. As a Lessee:

The expenses relating to short-term leases and low-value assets accounted for applying paragraph 6 of Ind AS 116 are as below:

For the year ended (₹ in Cr)

Particulars	March 31, 2026	March 31, 2025
Other Expenses (Note: 27)		
Rent	3.03	1.97
Car rentals	0.92	1.28
Total	3.95	3.25

ii. As a Lessor:

Rental income on operating leases of the space rented out is included under 'Rent' in 'Other Income'. The future lease rent receivable over the remaining contract period for each of the following periods is:

As at (₹ Cr)

Particulars	March 31, 2026	March 31, 2025
Less than one year	3.29	2.94
Between one and five years	0.10	3.39
More than five years	-	-

Details of Property taken on Lease/ Leased out:

Description of Property	Leased to	Period of Lease	Basis of Lease
LPG Pipeline	Chennai Petroleum Corporation Ltd	10 years from 01.04.2017	14% of Guideline Value & escalated @ 12% every year
Branch Office Premises	State Bank of India	01.09.2023 to 31.08.2028	Fixed Rate of ₹ 44,875
ATM Premises		14.06.2024 to 13.06.2029	Fixed Rate of ₹7,000

8. Disclosure on Investment Property:

a. The Management classifies the Asset which are held for rental incomes or surplus assets for capital appreciation under investment property.

For the year ended (₹ in Cr)

Particulars	March 31, 2026	March 31, 2025
Rental Income	2.95	1.83
Direct proportionate operating expenses relating to rental income	-	-
Depreciation	0.01	0.01



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b. Fair Valuation:

Investment Property at Bio Fertilizers Plant (Land & Building) in Kondapalli, AP is valued on the basis of market value of the property by an independent Chartered Engineer and Others are valued based on Government Guideline value. Fair values for the investment properties are as follows:

Particulars	As at (₹ Cr)	
	March 31, 2026	March 31, 2025
Bio Building Kondapalli (AP)	0.13	0.11
Bio Land Kondapalli (AP)	5.50	5.26
Surplus Land at Manali	934.65	934.65
Vacant Land in Manali New Town	21.31	21.31
Vacant Land in Gujarat	0.05	0.05
Vacant Land in Guindy	71.86	71.86

9. Non-current Assets Held For sale

a. Land

The Company has 70 acres of surplus land at Manali, which has been approved by the shareholders through special resolution during the FY 2019-20. Initially, CPCL has shown its interest to purchase the entire 70 acres of land. Later on, CPCL has conveyed its willingness to purchase 4.98 acres of land only. Accordingly, the company has classified the 4.98 acres of Manali land under "Assets held for Sale" amounting to ₹ 0.0018 Cr (PY-₹ 0.0018 Cr) (valued at cost price), whose fair value as on the March 31, 2026 is ₹ 71.59 Cr.

For the remaining 65.02 acres of surplus land, the company has made communication to all the PSUs and Government of Tamil Nadu, the availability of land for sale. The company decided to classify the 65.02 acres of land under "Investment Property" due to lack of marketability of the land and the same was informed to DIPAM for further action.

Further, during the 310th Board Meeting, the Board of Directors approved for sale of Guindy property having an area of 19 grounds & 1064 sq.ft, subject to approval of Dept. of Fertilizers, Govt. of India and Shareholders. Pending approval from the shareholders, the same is retained under "Investment Property". During the year, the Board has approved to conduct pre-feasibility study for development of infrastructure works and hence it is appropriate to retain the land parcel under investment property.

b. Plant and Machinery

Further, during the year, certain plant and machinery have been identified for disposal due to replacement or obsolescence, which happens in the normal course of business. On account of the reclassification of these assets from Property, Plant & Equipment, the resulting loss of ₹ 0.50 Cr. is recognized in the statement of profit & loss account. The Company expects to dispose of these items, which are currently classified under "Assets Held for Sale" at a value of ₹ 0.39 Cr (PY – Nil).

10. Employee Benefit Expenses

a) Defined Benefit Plans:

The Company has floated the following defined benefit plans i) Gratuity, ii) Post-retirement medical benefits, iii) Compensated absences, iv) Service awards and v) Contribution to Provident Fund trust.

b) Funding

Gratuity is the only defined benefit plan that is funded by the Company. The funding requirements are based on the fund's actuarial measurement framework set out in the funding policies of the plan. The funding of the plan is based on a separate actuarial valuation for funding purpose.



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The Company has determined that in accordance with the terms and conditions of the defined benefit plan, and in accordance with statutory requirements, the present value of refunds or reductions in future contributions is not lower than the balance of the total fair value of the plan asset less the total present value of obligations.

c) Movement in net defined benefit (Asset) / Liabilities

Gratuity

The cost of providing such defined benefit is determined using the projected unit credit method of actuarial valuation made at the end of the year and is administered through a fund maintained by Life Insurance Corporation of India. This defined benefit plan exposes the Company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 * last drawn basic salary plus dearness allowance) for each completed year of service subject to a revised ceiling of ₹ 0.25 Cr on superannuation, resignation, termination excepting in the case of death or disablement for which the condition of continuous service does not apply. The Company has carried out actuarial valuation of gratuity benefit considering the enhanced ceiling.

Other Benefits

Obligations on post - retirement medical benefits, compensated absences and service awards are provided using the projected unit credit method of actuarial valuation made at the end of the year. These are unfunded plans.

(₹Cr)

Particulars	Defined benefit Obligations		Fair value of plan asset		Net defined benefit (asset) liability	
	2026	2025	2026	2025	2026	2025
Gratuity						
Balance as at April 1	42.69	43.00	6.57	7.15	36.12	35.85
Included in profit and loss						
Current service cost	1.69	1.91	-	-	1.69	1.91
Past service cost/ Plan amendment	6.02	-	-	-	6.02	-
Interest cost	2.56	2.86	-	-	2.56	2.86
Interest income	-	-	0.37	0.47	(0.37)	(0.47)
Benefits paid	(9.51)	(6.79)	(9.51)	(6.79)	-	-
Contributions made	-	-	7.26	5.65	(7.26)	(5.65)
Included in OCI						
Net actuarial (gain)/loss and interest	(1.77)	1.71	0.11	0.09	(1.88)	1.62
Balance at March 31	41.68	42.69	4.80	6.57	36.88	36.12
Earned leave encashment						
Balance as at April 1	17.93	14.42	-	-	17.93	14.42
Included in profit and loss						
Current service cost	2.35	2.51	-	-	2.35	2.51
Interest cost	1.11	0.94	-	-	1.11	0.94
Interest income	-	-	-	-	-	-
Benefits paid	(3.01)	(2.79)	-	-	(3.01)	(2.79)
Included in OCI						
Net actuarial (gain)/loss and interest	(1.59)	2.85	-	-	(1.59)	2.85
Balance at March 31	16.79	17.93	-	-	16.79	17.93



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(₹Cr)

Post-retirement medical benefits						
Balance as at April 1	1.41	1.19	-	-	1.41	1.19
Included in profit and loss						
Current service cost	0.03	0.03	-	-	0.03	0.03
Interest cost	0.11	0.08	-	-	0.11	0.08
Interest income	-	-	-	-	-	-
Benefits paid	-	-	-	-	-	-
Included in OCI						
Net actuarial (gain)/loss and interest	(0.26)	0.11	-	-	(0.26)	0.11
Balance at March 31	1.29	1.41	-	-	1.29	1.41

(₹Cr)

Service award						
Balance as at April 1	1.01	0.75	-	-	1.01	0.75
Included in profit and loss						
Current service cost	0.14	0.09	-	-	0.14	0.09
Interest cost	0.07	0.04	-	-	0.07	0.04
Interest income	-	-	-	-	-	-
Benefits paid	-	-	-	-	-	-
Included in OCI						
Net actuarial (gain)/loss and interest	0.37	0.13	-	-	0.37	0.13
Balance at March 31	1.59	1.01	-	-	1.59	1.01

Particulars	As at March 31, 2026	As at March 31, 2025
Represented by:		
Net defined benefit liability		
- Gratuity	36.88	36.12
- Earned leave encashment	16.79	17.93
- Post-retirement medical benefits	1.29	1.41
- Service award	1.59	1.01

d. Plan Asset

Plan assets comprises the followings:

As at (₹ Cr)

Particulars	March 31, 2026	March 31, 2025
Equity securities	30%	30%
Government bonds	70%	70%



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e. Actuarial Assumptions

The following are the principal actuarial assumptions for the gratuity plan at the reporting date:

(₹ Cr)

Particulars	For the year ended	
	March 31,2026	March 31,2025
Discount rate per annum	7.19%	6.75%
Expected return per annum on plan asset	6.75%	7.23%
Salary escalation per annum	5.00%	5.00%
Mortality	IALM (2012-14) U	IALM (2012-14) U

The following are the principal actuarial assumptions for the other defined benefit plans at the reporting date:

(₹ Cr)

Particulars	Earned leave encashment		Post -Retirement medical benefits		Service award	
	March 31,		March 31,		March 31,	
	2026	2025	2026	2025	2026	2025
Mortality table (before retirement)	IALM (2012-14) U	IALM (2012-14) U	IALM (2012-14) U	IALM (2012-14) U	IALM (2012-14) U	IALM (2012-14) U
Mortality table (after retirement)	NA	NA	NA	NA	NA	NA
Discount rate	7.19%	6.75%	7.19%	8.00%	7.19%	6.75%
Attrition rate	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

The estimates of salary escalations considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Further, the expected return on plan assets is determined considering several applicable factors mainly the composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

f. Sensitivity Analysis

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

(₹Cr)

Particulars	As at March 31,2026		As at March 31,2025	
	Increase	Decrease	Increase	Decrease
Gratuity				
Discount rate (+/- 100 BP)	40.35	43.14	41.24	44.27
Salary escalation per annum (+/- 100 BP)	42.65	40.74	43.43	41.96
Mortality (+/- 10%)	41.68	41.67	42.69	42.69
Attrition rate (+/- 100BP)	41.81	41.53	42.84	42.51



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Earned leave encashment				
Discount rate (+/- 100 BP)	16.00	17.67	17.08	18.87
Salary escalation per annum (+/- 100 BP)	17.64	16.01	18.84	17.09
Mortality (+/- 10%)	16.79	16.79	17.94	17.94
Attrition rate (+/- 100BP)	16.85	16.72	17.98	17.89
Post -Retirement medical benefits				
Discount rate (+/- 100 BP)	1.21	1.36	1.35	1.48
Salary escalation per annum (+/- 100 BP)	-	-	-	-
Mortality (+/- 10%)	1.28	1.28	1.14	1.41
Attrition rate (+/- 100BP)	1.26	1.31	1.42	1.41
Service award				
Discount rate (+/- 100 BP)	1.50	1.69	0.95	1.08
Salary escalation per annum (+/- 100 BP)	-	-	-	-
Mortality (+/- 10%)	1.59	1.59	1.01	1.01
Attrition rate (+/- 100BP)	1.49	1.69	0.95	1.08

The sensitivity analysis above has been determined based on projected unit credit method. There is no change from the previous period in the methods and assumptions used in the preparation of above analysis, except that the base rates have changed.

g. Expected maturity analysis of the defined benefit plans in future years

(₹Cr)

Particulars	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
As at March 31, 2026					
- Gratuity	7.22	9.45	16.95	8.06	41.68
- Earned leave encashment	2.70	3.70	6.04	4.35	16.79
- Post- retirement medical Benefits	0.20	0.27	0.49	0.33	1.29
- Service award	0.11	0.12	0.26	1.10	1.59
Total	10.23	13.54	23.74	13.84	61.35
As at March 31, 2025					
- Gratuity	9.67	5.53	17.27	10.22	42.69
- Earned leave encashment	4.31	2.18	6.48	4.96	17.93
- Post-Retirement medical benefits	0.29	0.17	0.55	0.40	1.41
- Service award	0.07	0.06	0.19	0.69	1.01
Total	14.34	7.94	24.49	16.27	63.04

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (31 March 2026: 10 years)

Obligations on post-retirement medical benefits, compensated absences and service awards are provided using the projected unit credit method of actuarial valuation made at the end of the year.



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h. Provident Fund and Superannuation Fund:

The amount expended in respect of employer's contribution to the provident fund and superannuation fund during the year, are ₹ 4.19 Cr (Previous year ₹ 5.55 Cr) and ₹ 7.33 Cr (Previous year ₹ 6.69 Cr) respectively.

i) Impact of Labour Codes

On 21st November 2025, Government of India notified four Labour Codes viz. collectively referred to as "the Labour Codes" by subsuming 29 legislations relating thereto. The Rules relating to said Labour Codes are yet to be notified. Based on the broad assessment carried by the management, the Company continues to comply with the major provisions and any consequential impact arising therefrom will be assessed and appropriately accounted upon such notification.

11. Financial Instruments - Fair Value Disclosures

Some of the Company's 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):

(₹Cr)

Financial Assets/ Financial Liabilities	Fair value as at		Fair Value hierarchy	Valuation techniques & key inputs used
	March 31, 2026	March 31, 2025		
Investments in unquoted equity Instruments at FVTOCI				
Indian Potash Ltd	572.36	523.33	Level-3	Refer Note Below
Fortune Biotech P Ltd	2.29	1.54	Level-3	Refer Note Below

Note:

Investments in Unquoted Equity shares

As at the end of the reporting period, the fair values of the unquoted equity shares have been estimated using a Market Multiple Approach. The Company avails the services of an external professional valuer for valuation of the same and the fair values so reported are based on a valuation report received from the investment valuation expert. For the previous year, the fair value has been estimated at net book value model.

Fair value of financial assets and financial liabilities that are equivalent to it carrying amount which are subsequently measured at amortized cost:

The Management assesses that trade receivables, cash and cash equivalents, trade payables, borrowings and other financial assets and liabilities, fair values approximate their carrying amounts largely due to the short-term maturities of these instruments.

(₹Cr)

Description	Fair value hierarchy	As at March 31, 2026		As at March 31, 2025	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
A. Financial Assets					
Loans	NA	4.43	4.43	10.59	10.59
Trade receivables	NA	472.34	472.34	382.93	382.93
Cash and cash equivalents	NA	141.91	141.91	139.88	139.88
Bank Balances other than cash & cash equivalents	NA	514.01	514.01	513.93	513.93
Other financial assets	NA	34.94	34.94	40.98	40.98



MADRAS FERTILIZERS LIMITED

B. Financial Liabilities					
Borrowings	NA	634.24	634.24	664.16	664.16
Trade payables	NA	316.72	316.72	381.51	381.51
Other financial liabilities	NA	1,073.30	1,073.30	1,020.42	1,020.42

Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

Reconciliation of Level 3 fair value measurements

(₹Cr)

Description	As at	
	March 31, 2026	March 31, 2025
Opening Balance	524.87	454.78
Add : Withdrawal of Provision Made	-	-
Add - Fair value gain/(loss) recognized in OCI	49.78	70.09
Closing Balance	574.65	524.87

12. Capital Management:

For the purpose of the Company's Capital management, capital includes equity capital and all other reserves. The Company's Capital management objective is to maximize the total shareholder return by optimizing cost of capital through flexible capital structure that supports growth.

The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and short-term deposits.

Gearing Ratio:

(₹Cr)

Particulars	March 31, 2026	March 31, 2025
Debt (Incl. Lease Liabilities)	634.24	664.16
Less: Cash and bank balances	655.92	653.81
Net debt	(21.68)	10.35
Total equity	91.97	(32.30)
Net debt to total equity ratio	Negative Net Debt	Negative Equity

13. Financial Risk Management

risk.

In course of its business, the Company is exposed to certain financial risks that could have significant influence on the Company's business and operational / financial performance. These include market risk (including currency risk, interest rate risk and equity risk), credit risk and liquidity

The Board of Directors reviews and approves risk management framework and policies for managing these risks and monitors suitable mitigating actions taken by the management to minimize potential adverse effects and achieve greater predictability to earnings.



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Borrowings, trade payables and other financial liabilities constitute the Company's primary financial liabilities and investment in unquoted equity shares, trade receivables, loans, cash and cash equivalents and other financial assets are the financial assets.

a. Credit Risk

(i) Trade receivables

Credit risk refers to the risk of default on the receivables to the Company that may result in financial loss. The maximum exposure from trade receivables is amounting to ₹ 472.34 Cr as of March 31, 2026 (₹ 382.93 Cr as

of March 31, 2025). Trade receivables mainly constitute subsidy receivable from Government of India and from sale of manufactured and traded fertilizers to dealers. As far as Government portion of receivables is concerned, risk of default is nil or insignificant, subject to approval of subsidy rate by Government of India. In the case of dealers, credit risk is being managed through credit approvals, establishing credit limits and monitoring the creditworthiness of customers to allow credit terms in the normal course of business. In the case of the Company, the credit period offered varies between 30 to 60 days. There have been few cases of impairment historically for which the Company has made requisite provisions.

(ii) Investment in unquoted equity shares

The Company has investments in unquoted equity shares of Indian Potash Limited and Fortune Bio-Tech Limited. The Company does not expect any losses from non-performance by the investee companies and hence no impairment is recognized in the Statement of Profit and Loss.

(iii) Loans and Advances

The company provides loans / advances to its employees on concessional or interest free basis. The company manages its credit risk in respect of such loans to employees through recovery of the same in a number of predetermined installments.

(iv) Cash and cash equivalents, deposits with banks and other financial Assets

The credit risk on cash and bank balances is limited because the counterparties are banks with high credit ratings. Therefore, the risk of default is considered to be insignificant.

In case of other financial Assets, there are certain credit impaired cases mainly due to breach of contract arising due to default, or bankruptcy proceedings.

(v) Summary of exposures to financial assets provided below:

(₹Cr)

Financial asset	Exposure as at	
	March 31,2026	March 31,2025
Investments	574.65	524.87
Loans	4.43	10.59
Trade receivables	472.34	382.93
Cash and cash equivalents	141.91	139.88
Bank Balances other than cash & cash equivalents	514.01	513.93
Other financial assets	34.94	40.98
Total	1,742.28	1,613.18



(vi) Provision for expected credit losses

Financial assets for which loss allowance is measured using life time expected credit losses

The Company's customer base is the Government of India and a number of dealers. Historically the risk of default is very low. Further, management believes that the unimpaired amounts that are past due by more than 60 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

The company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables excluding Subsidies from the Government and other financial Assets. The provision matrix of ECL for Trade Receivables at the end of reporting period is as follows:

Particulars	Expected Credit Loss %
Within credit period or upto 6 months past due	0 %
More than 6 months past due	100%

(vii) Movement in expected credit loss allowance

(₹Cr)

Particulars	Ageing as at	
	March 31, 2026	March 31, 2025
Trade Receivables(excluding subsidy from GOI)		
Opening Balance	3.73	3.73
Movement in the expected credit loss allowance	(0.05)	-
Closing Balance	3.68	3.73
Investments		
Opening Balance	-	-
Movement in the expected credit loss allowance	-	-
Closing Balance	-	-
Other Financial Assets		
Opening Balance	1.39	1.39
Movement in the expected credit loss allowance	1.12	-
Closing Balance	2.51	1.39

b. Liquidity risk

The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk through cash credit limits and undrawn borrowing facilities by continuously monitoring forecast and actual cash flows. The Company invests its surplus funds in bank fixed deposit which carry minimal mark to market risks.



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(i) Maturities of financial liabilities

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

(₹Cr)

As at March 31, 2026		Contractual cash flows					
Financial liabilities	Carrying amount	Less than a year	1-2 years	2-3 years	3-5 years	More than 5 years	Total
Borrowings	634.24	634.24	-	-	-	-	634.24
Trade payables	316.72	316.72	-	-	-	-	316.72
Other financial liabilities	1,073.30	1,073.30	-	-	-	-	1,073.30
TOTAL	2,024.26	2,024.26	-	-	-	-	2,024.26

As at March 31, 2025		Contractual cash flows					
Financial liabilities	Carrying amount	Less than a year	1-2 years	2-3 years	3-5 years	More than 5 years	Total
Borrowings	664.16	664.16	-	-	-	-	664.16
Trade payables	381.51	381.51	-	-	-	-	381.51
Other financial liabilities	1,020.42	1,020.42	-	-	-	-	1,020.42
TOTAL	2,066.09	2,066.09	-	-	-	-	2,066.09

c. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk for the entity comprises three types of risk: currency risk, interest rate risk and equity risk.

Financial instruments affected by market risk include borrowings, trade payables in foreign currency and investment in unquoted equity shares. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

d. Currency risk

The Company executes import agreements for the purchase of raw materials, stores & spares and Property Plant & Equipment. These are not hedged by the Company owing to the materiality of such foreign exchange gain / loss values.

The currency profile of financial liabilities is as below:

(₹Cr)

Particulars	As at	
	March 31, 2026	March 31, 2025
Trade payables	-	-

e. Interest rate risk

The Company is not exposed to any interest rate risk as the interest rate on the borrowing from GOI is fixed in nature. Further, the advances in the nature of loans to employees are interest free. With adequate liquidity on hand, the exposure to bank borrowings are either kept at nil or minimum balance.



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Interest earned: Interest rates on Bank deposits are fixed and hence do not expose the Company to significant interest rate risk. At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

(₹Cr)

Particulars	As at	
	March 31, 2026	March 31, 2025
Financial liabilities		
Fixed-rate instruments		
GOI Term loan	554.24	554.24
Cash Credit from bank	80.00	109.92

Fair value sensitivity analysis for fixed-rate instruments

The company's fixed rate instruments are carried at amortized cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

f. Equity price risk

The Company is exposed to price risks arising from investments in Equity instruments. These investments are held for strategic purposes only and not for the purposes of trading. The sensitivity analyses given below have been determined based on the exposure to equity price risks at the end of the reporting period. If equity prices had been 5% higher/lower other comprehensive income/ equity for the year ended March 31, 2026 would increase/ decrease by ₹ 28.73 Cr (PY - ₹ 26.24 Cr) as a result of the changes in fair value of equity and debt investments measured at FVTOCI. There is no impact of change in equity price on profit or loss.

14. Revenue from Contract with Customers:

- The Company generates revenue primarily from manufacturing and trading of Fertilizers. The Company has recognized revenue by satisfying its performance obligations at a point of time basis.
- The revenue from contracts with customers to the amounts disclosed as total revenue is as under:

(₹Cr)

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Revenue from Sale of Products	390.30	383.02
Subsidy Income from Government *	1,907.76	2,157.61
Other Operating Revenue	2.29	0.45
Total	2,300.35	2,541.08

*Includes of ₹ 1,834.78 Cr towards Subsidy for Neem Coated Urea and ₹ 71.57 Cr towards Freight Subsidy. The subsidy eligible for Neem-coated urea has been arrived at by the Company in accordance with policy parameters framed by GOI. The rate adopted by the Company for accounting the subsidy claim amounted to ₹ 38,360 per MT. The said rate is subject to variation upon final determination of rates by GOI under new pricing scheme. The impact on the variation of subsidy rate will be given effect to in the accounts as and when the same is communicated by GOI.

As per the GO D(FA)/CCEA/2011 dated 12/10/2012 issued by the DOF the company has to collect ₹ 50/MT on sale of products to dealers which have to be utilized for the purpose of Purchase / Maintenance of POS machine and other promotional activities. During the current Financial Year, company has collected ₹ 2.47 Cr in accordance with the above GO. The said sum is not included under revenue from sale of products.



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c. Contract Assets and Liabilities:

(₹Cr)

Particulars	As at	
	March 31, 2026	March 31, 2025
Contract Liabilities:		
Opening Balance	18.86	18.29
Less: Revenue Recognized	18.86	18.29
Add: Trade Advances	26.09	18.86
Closing Balance	26.09	18.86

There are no contract assets in the balance Sheet. Contract liabilities in the balance Sheet constitutes advances from customers. The Company expects to recognise such revenue in the next financial year. There were no significant changes in contract liabilities during the reporting period except amount as mentioned in the table and explanation given above.

15. Subsidy under New Pricing Scheme (NPS) for Urea

- Approval awaited for extension of existing energy norm: MFL vide letter No. CMD/Govt/612/2024 dated June 12, 2024 and CMD/Govt/457/2025 dated April 22, 2025 requested Govt. of India to extend the existing energy norm of 8.337 Gcal/MT of Urea till energy reduction measures are implemented. Pending the approval for the above request, as a prudent measure, the Company has accounted for the subsidy after considering the maximum penalty of 10% from the existing energy norm of 8.337 Gcal/MT w.e.f 18/07/2024. The said penalty of ₹ 164.25 Cr on an estimated basis, has been considered as deduction in subsidy income for the year ended March 31, 2026.
- Subsidy accounting on policy parameters vis-à-vis provisionally approved rates: During the year ended March 31, 2026, subsidy for Neem coated urea and freight subsidy include financial implications due to final tariff notifications issued during the current reporting year for the period pertaining to FY 2023-24 in respect of subsidy for neem coated urea and for FYs 2021-22, 2022-23 and 2023-24 in respect of freight subsidy. Due to the final tariff notifications, current year subsidy for neem coated urea includes a reversal of ₹ 48.73 Cr and subsidy for freight is higher by ₹ 17.30 Cr on account of giving effect to such notifications.
- Slow/non-moving inventory of Stores & spares aggregating to ₹ 30.64 Cr as at the year-end, are valued based on technical appraisal made by the Technical

Committee (Plant Group) on serviceability and good condition of said inventories on which we have placed reliance. Further, raw materials held by the Company for manufacturing NPK as at the year-end is ₹ 27.89 Cr. According to the Management, the NPK production has been under suspension since December 2022, and the materials are of stable/natural characteristics and are not prone to significant degradation under normal storage conditions. The technical condition of the materials is being periodically assessed by an experienced inhouse team. The feasibility of utilization in the event of resumption of production, as well as disposal/alternative use, has been examined and is under consideration for value realization, and at present, no material loss of value is envisaged.

- The company has made a request to Dept. of fertilizers, for granting additional subsidy of ₹ 64.97 Cr in order to compensate the higher cost of production of "N" due to usage of Naphtha as captive ammonia in production of complex fertilizers under Nutrient Based Subsidy (NBS) for the extended period from FY 2012-13 to till the conversion of feedstock to RLNG i.e. July, 2019. The Additional Compensation will be considered as income, only when final order is received by the company from the Dept. of Fertilizers, Government of India.

18. Employee Advances

Ad-hoc advances were granted to employees amounting to ₹ 17.54 Cr from FY 2019, in anticipation of wage revision. However, wage revision was approved only the periods commencing from April 2023, and hence, the excess amount paid to employees is being considered as interest free loan and is recovered from salary in 20 instalments commencing from September 2024 salary payment.



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Employee Ad-hoc Advance	Amount in Cr.
Balance outstanding as 31/03/2025	7.13
Less: Recovered in FY 2025-26	5.33
Balance outstanding as 31/03/2026	1.80

19. Disclosure as per Ind AS 108 'Operating segments'

a. Basis for segmentation

In the case of the Company, Chairman & Managing Director (CMD) is considered to be the Chief Operating Decision Maker (CODM). The CMD reviews the performance of the Company and allocate resources based on the various management information reports provided by the respective departments of the Company.

The CODM reviews the performance of the Company primarily as two segments:

- Fertilizers (Urea and NPK);
- Other activities (Trading activities and Bio fertilizers);

However, since the revenue from other activities constitutes less than 10% of the reported revenue and no significant assets are employed for these activities, the management is of the view that the Company has only one reportable segment that relates to manufacture of sale of fertilizers.

b. Geographical information

The Company is in the operation of manufacture and sale of fertilizers within India, the entire revenue is domestic and all non-current assets are situated in India only.

c. Revenue from major customer

There is no single customer that accounts for more than 10% of the Company's revenue, other than subsidy from Government of India.

20. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006:

The total amount payable to Micro, Small and Medium Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2026 as identified by the management and relied upon by the Auditors is provided below:

(₹Cr)

S.No	Particulars	As at	
		March 31, 2026	March 31, 2025
i.	Principal amount remaining unpaid – {Amount outstanding for more than 45 days Rs 4.25 Cr (PY – Rs 0.06 Cr)}	24.21	29.81
ii.	Interest on the above	-	-
iii.	Amount of interest paid in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iv.	Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
v.	Amount of interest accrued and remaining unpaid	-	-
vi.	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006	-	-

MSME entities as declared by the vendor as per the requirement of MSME Act.



21. Corporate Social Responsibility (u/s135 of Companies Act)

(₹Cr)

Sl.No	Particulars	For the year ended	
		March 31, 2026	March 31, 2026
1.	Amount required to be spent on CSR expenditure in accordance with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014	2.33	2.83
2.	Amount unspent/ (excess spent) carried forward from earlier years	(0.98)	(3.81)
3.	Amount actually spent during the year	1.07	-
4.	(Excess amount spent carried forward)/ Short fall	0.28*	(0.98)
5.	Reason for shortfall	Pertains to ongoing project	NA
6.	Nature of CSR Activity		
	a. Welfare Initiatives for CAPF & CMPF veterans and dependents	0.02	-
	b. Contribution towards Nano Urea Research through ICAR	1.05	-
7.	Details of related party transaction	Nil	Nil
8.	Where a provision is made with a respect to liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	NA	NA

*The unspent amount in respect of the ongoing project has not yet been transferred to unspent CSR account within 30 days from the end of the financial year, in accordance with the Companies Act, 2013 read with the CSR Amendment Rules. However, liability has been recognized for the shortfall and the same is disclosed under other current liabilities.

22. The Sick Industrial Companies (Special Provisions) Act (SICA) has been repealed from December 01, 2016 and the Board for Industrial and Financial Restructuring (BIFR) stand dissolved from that date. The Company is pursuing legal options to file the Revival proposal to the National Company Law Tribunal (NCLT). However, based on PDIL report, The Company has submitted financial restructuring proposal with DOF, GOI for their consideration.

23. Penalty on Non-Compliance of Composition of Board:

In the absence of the requisite number of independent directors and women director, the composition of Board of Directors as required in terms of provisions of Section 149 of the Act and Regulation 17 read with Schedule II of the Listing Regulations as such have not been complied with. The Company is yet to fulfil the requirements leading to penalties imposed by the stock exchange which has been reported as part of contingent liabilities, since the appointment of independent directors is beyond the control of the Company, and the Company has requested the Department of Fertilizers to appoint such directors.

Further, the Annual Financial Statements for year ended March 31, 2026 have been approved on 12th May 2026 by the Board of Directors of the Company on the recommendation of the Audit Committee of the Company, being reconstituted without having the requisite number of independent directors as required in terms of the Listing Regulations, since the term gets completed for two of the Company's independent directors on 16th April 2026.



24. Other Statutory Information:

- The title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. For immovable properties given as collateral security for loans from banks and financial institutions, the title deeds were deposited with the said banks/ financial institutions.
- During the current year, the Company has not re-valued its Property, Plant and Equipment (including Right-of-Use Asset) since the Company has adopted cost model as its accounting policy to an entire class of Property, Plant and Equipment in accordance with Ind AS 16.
- The Company has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment.
- The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date.
- Registration, Modification and Satisfaction of charges relating to the year under review, had been filed with the Registrar of Companies, within the prescribed time. However, in respect of certain Modification and Satisfaction of charges, the Company is in the process of filing the necessary forms with the Registrar of Companies.
- There are no proceedings initiated or are pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements filed by the Company with the banks or financial institutions are in agreement with the books of accounts, except in the following cases:

(₹Cr)

Quarter ended	As per financials	As per returns filed with banks	Variation*
June 30, 2025			
Inventories	213.59	414.81	(201.22)
Trade receivables	46.86	494.12	(447.26)
Trade payables	279.75	343.43	(63.68)
September 30, 2025			
Inventories	165.78	176.99	(11.21)
Trade receivables	1.06	231.58	(230.52)
Trade payables	211.28	170.45	40.83
December 31, 2025			
Inventories	177.08	244.12	(67.04)
Trade receivables	79.43	357.27	(277.84)
Trade payables	314.82	199.68	115.14
March 31, 2026			
Inventories	167.14	275.04	(107.90)
Trade receivables	472.33	711.29	(238.96)
Trade payables	316.72	246.78	69.94

*Variance primarily arises on account of filing the Statements before completely closing the books of account for that quarter concerned.

- The Company is not declared as willful defaulter by any bank or financial Institution or other lenders.



MADRAS FERTILIZERS LIMITED

- i. The Company did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the Company.
- j. The Company do not have any parent company and accordingly, compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable for the year under consideration.
- k. There is no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.
- l. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
- 1) 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
 - 2) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- m. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- 1) 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
 - 2) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- n. The Company do not have any transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during any of the years
- o. The Company did not trade or invest in Crypto Currency or virtual currency during the financial year. Hence, disclosures relating to it are not applicable.
25. Balances in trade receivables, advance from customers, deposits from dealers, GAIL Pool A/c and trade payables are subject to confirmation and reconciliation. In the opinion of the management, adjustments, if any, will not have a material impact.
26. The Statutory Auditors of "Madras Fertilizers Limited Employees Contributory Provident Fund" (MFLECPF) have issued a modified opinion in respect of the financial statements of MFLECPF for the year ended March 31, 2025 in respect of a matter concerning realisability of overdue investments in certain debt instruments of two companies which are currently under CIRP/resolution process. A sum of ₹ 6.33 Cr including interest accrued of ₹ 0.85 Cr are overdue for more than three years. However, as the companies in question are still under CIRP, the exact amount of the deficiency which shall be made good by MFL cannot be accurately assessed or provided for at this time. Consequently, this fact has been reported as a contingent liability.
27. There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.
28. Amount in the financial statements is presented in Cr (up to two decimals) except for per share data and as otherwise stated. Certain amounts, which do not appear due to rounding off and represented as "0.00", are given as follows:

Balance Sheet Items

Description	Note No.	As at March 31,	
		2026	2025
Cash and Cash Equivalents	9		
Cash on hand		1,001	1,001
Non Current Assets held for Sale	10		
Land		18,484	18,484



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29. Previous period figures have been regrouped /reclassified and re-presented, wherever necessary to conform to current period's classification. Rebates given to the customers for timely payment were netted off against the revenue, which previously were reported as part of finance cost. Interest accrued on borrowings from GOI shown as part of borrowings, statutory dues shown as part of financial liabilities, security deposits shown as other current assets and Income Tax Refunds shown as part of financial assets have been reclassified to other financial liabilities, other liabilities, other financial assets and tax assets, respectively. Security deposits received shown under trade payable, have now been shown under other financial liabilities. Cash and cash equivalents as at March 31, 2026 and March 31, 2025 include only fixed deposits (excluding interest accrued) having an original maturity life of not more than three months.

(₹Cr)

Description	As at March 31, 2025		
	Before Re-classification	After Re-classification	Difference
Other Non - Current Financial Assets	2.89	19.86	16.97
Non - Current Tax Assets (Net)	-	2.55	2.55
Other Non - Current Assets	20.09	0.01	(20.08)
Cash & Cash Equivalents	652.14	139.88	(512.26)
Bank Balance other than Cash & Cash Equivalents	13.93	513.93	500.00
Other Current Financial Assets	15.00	21.12	6.12
Current Tax Assets (Net)	21.21	27.43	6.22
Other Current Asset	153.38	153.86	0.48
Borrowing (Current)	1,594.31	664.16	(930.15)
Trade Payables	384.21	381.51	(2.70)
Other Financial Liabilities	97.58	1,020.42	922.84
Other Current Liabilities	46.51	56.52	10.01

(₹Cr)

Description	For the year ended March 31, 2025		
	Before Re-classification	After Re-classification	Difference
Revenue from Operations	2,541.85	2,541.08	(0.77)
Finance Cost	63.14	62.37	0.77

/ For and on behalf of Board of Directors Madras Fertilizers Limited CIN: L32201TN1966GOI005469

Sd/-
Manoj Kumar Jain
Chairman and Managing Director
DIN: 10690782

Sd/-
Dr. K. Jayachandran
Director - Technical
DIN:10062573

Sd/-
A. Madhan Mohan
Chief Financial Officer

Sd/-
J Srinivasa Saravanan
Company Secretary &
Compliance Officer

/As per our Report of even date/

For **Sundar Sridhar**
Chartered Accountants
Firm Regn. No.:004201S
Sd/-

(**S Sridhar**)
Partner

Membership No. 025504

Place: Chennai
Date: May 12, 2026



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Executives of the Company



Shri B Somu
General Manager - HRD & OL



Shri A Madhan Mohan
General Manager – Plant & CFO



Shri B Annil Kumar
General Manager - M & D and P & A
(Additional Charge)



Shri J Srinivasa Saravanan
Company Secretary & Compliance Officer

