



मद्रास फ़र्टिलाइज़र्स लिमिटेड  
**Madras Fertilizers Limited**

(भारत सरकार का उपक्रम / A Government of India Undertaking)

पोस्ट बैग सं. 2, मणालि, चेन्नै - 600 068. भारत दूर : 2594 1001 / फ़ैक्स सं.: 044-25941010  
Post Bag No. 2, Manali, Chennai - 600 068. INDIA. Tel : 2594 1001 / Fax No. 044 25941010  
कार्मिक/ Per 25945210 संयंत्र / Plant 25941133 विप. / Mktg 25941285 वित्त /Fin 25941072  
Website: www.madrasfert.co.in email: gmpasec@madrasfert.co.in  
CIN: L32201TN1966GO1005469 GSTIN - 33AAACM5198E1ZK



CS/NSE/2025/1330

May 12, 2026

Listing Department  
National Stock Exchange of India Ltd  
Exchange Plaza 5<sup>th</sup> Floor,  
Plot No.C/1, "G" Block  
Bandra Kurla Complex  
Bandra (E), Mumbai – 400 051

SCRIP CODE: MADRASFERT

Dear Sirs,

Sub: Outcome of the Board Meeting in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is to inform that the Board at its meeting held today i.e. 12<sup>th</sup> May 2026, has approved:

1. The Audited Financial Results (Standalone) of the Company for the 4<sup>th</sup> quarter and financial year ended 31<sup>st</sup> March 2026.
2. The appointment of Mrs Aruna Prasad, Practicing Cost Accountant as Cost Auditors of the Company for the Financial Year 2026-27 subject to the confirmation of the shareholders at the forthcoming AGM.

Accordingly, pursuant to Regulations 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose the following:

- a. Audited Financial Results (Standalone) of the Company for the 4<sup>th</sup> quarter and financial year ended 31<sup>st</sup> March, 2026;
- b. Auditor's Report in respect of the Audited Financial Results (Standalone) for the 4<sup>th</sup> quarter and financial year ended 31<sup>st</sup> March, 2026;

The Board Meeting commenced at 12.30 P.M and concluded at 02.45 P.M

This is for your information and record.

Very truly yours

SRINIVASA  
SARAVANAN J  
Digitally signed by  
SRINIVASA SARAVANAN J  
Date: 2026.05.12 14:56:12  
+05'30'

**J Srinivasa Saravanan**  
**Company Secretary**

Enc: a/a

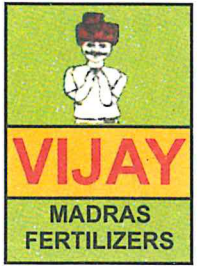


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MADRAS FERTILIZERS LIMITED  
(A Govt. of India Undertaking)  
Regd. Office : Manali, Chennai 600 068  
CIN: L32201TN1966GO1005469

Part I Statement of Audited Financial Results for the Quarter and Year ended March 31, 2026						(₹ in lakhs)
Particulars	Quarter ended			Year ended		
	31 March 2026	31 December 2025	31 March 2025	31 March 2026	31 March 2025	
	Audited (Refer Note No. 13)	Unaudited	Audited (Refer Note No. 13)	Audited	Audited	
<b>1 Income</b>						
(a) Revenue from operations	69,921	41,869	55,452	2,30,035	2,54,108	
(b) Other income	1,344	2,447	1,625	7,320	4,396	
<b>Total income</b>	<b>71,265</b>	<b>44,316</b>	<b>57,077</b>	<b>2,37,355</b>	<b>2,58,504</b>	
<b>2 Expenses</b>						
(a) Cost of materials consumed	39,092	24,845	41,410	1,23,312	1,38,764	
(b) Purchase of stock-in-trade	517	492	419	1,593	1,507	
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	1,593	(1,851)	(6,433)	4,093	432	
(d) Operating and Maintenance Expenses	21,300	15,127	21,588	75,729	84,467	
(e) Employee benefits expense	2,691	2,704	2,294	11,125	12,723	
(f) Finance cost	1,476	1,432	1,570	5,885	6,237	
(g) Depreciation and amortization expense	360	374	355	1,354	1,163	
(h) Other expenses	1,146	839	2,309	3,195	4,051	
<b>Total expenses</b>	<b>68,175</b>	<b>43,962</b>	<b>63,512</b>	<b>2,26,286</b>	<b>2,49,344</b>	
<b>3 Profit / (Loss) before exceptional items and tax (1-2)</b>	<b>3,090</b>	<b>354</b>	<b>(6,435)</b>	<b>11,069</b>	<b>9,160</b>	
<b>4 Exceptional items - Income / (Expense)</b>	<b>(838)</b>	<b>-</b>	<b>-</b>	<b>(838)</b>	<b>-</b>	
<b>5 Profit / (Loss) before tax (3+4)</b>	<b>2,252</b>	<b>354</b>	<b>(6,435)</b>	<b>10,231</b>	<b>9,160</b>	
<b>6 Tax expense</b>						
(a) Current Tax	816	(570)	(1,606)	2,474	2,320	
(b) Earlier years tax	(462)	-	(111)	(462)	(111)	
(c) Deferred Tax	(191)	672	526	177	526	
<b>Total Tax Expense</b>	<b>163</b>	<b>102</b>	<b>(1,191)</b>	<b>2,189</b>	<b>2,735</b>	
<b>7 Profit / (Loss) for the period (5-6)</b>	<b>2,089</b>	<b>252</b>	<b>(5,244)</b>	<b>8,042</b>	<b>6,425</b>	
<b>8 Other comprehensive income for the period</b>						
(a) (i) Items that will not be reclassified to profit or loss	5,155	-	(470)	5,155	6,539	
(ii) Income tax relating to items that will not be reclassified to profit or loss	(770)	-	49	(770)	2,778	
(b) (i) Items that will be reclassified to profit or loss	-	-	-	-	-	
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	
<b>Other comprehensive income for the period</b>	<b>4,385</b>	<b>-</b>	<b>(421)</b>	<b>4,385</b>	<b>9,317</b>	
<b>9 Total comprehensive income for the period (7+8)</b>	<b>6,474</b>	<b>252</b>	<b>(5,665)</b>	<b>12,427</b>	<b>15,742</b>	
<b>10 Earnings per share (not annualized):</b>						
- (a) Basic	1.30	0.16	(3.26)	4.99	3.99	
- (b) Diluted	1.30	0.16	(3.26)	4.99	3.99	
<b>11 Paid up equity share capital (Face value of ₹10/- each)</b>	<b>16,110</b>	<b>16,110</b>	<b>16,110</b>	<b>16,110</b>	<b>16,110</b>	

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**MANOJ KUMAR JAIN**  
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PART II	(₹ in lakhs)	
Audited Statement of Assets and Liabilities		
	March 31, 2026	March 31, 2025
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	20,925	19,924
Right to use Assets	-	-
Intangible Asset	569	637
Capital work-in-progress	2,681	1,980
Investment property	130	131
Financial assets		
Investments	57,465	52,487
Loans	182	41
Other financial assets	2,083	1,986
Tax assets (net)	261	255
Other assets	51	1
<b>Total non-current assets</b>	<b>84,347</b>	<b>77,442</b>
<b>Current assets</b>		
Inventories	16,715	20,960
Financial assets		
Trade receivables	47,234	38,293
Cash and cash equivalents	14,191	13,988
Bank balances other than cash and cash equivalents	51,401	51,393
Loans	261	1,018
Other financial assets	1,411	2,112
Current Tax assets (net)	1,047	2,743
Other assets	16,609	15,386
<b>Total current assets</b>	<b>1,48,869</b>	<b>1,45,893</b>
Asset Held for Sale	39	0.00
<b>Total Assets</b>	<b>2,33,255</b>	<b>2,23,335</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Equity share capital	16,214	16,214
Other equity	(7,017)	(19,444)
<b>Total equity</b>	<b>9,197</b>	<b>(3,230)</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Employee benefit Obligations	4,940	4,135
Deferred tax liability (Net)	9,604	8,657
<b>Total non-current liabilities</b>	<b>14,544</b>	<b>12,792</b>
<b>Current liabilities</b>		
Financial liabilities		
Borrowings	63,424	66,416
Trade payables		
-Total outstanding dues of micro and small enterprises	2,421	2,981
-Total outstanding dues of creditors other than micro and small enterprises	29,251	35,170
Other financial liabilities	1,07,330	1,02,042
Other liabilities	6,373	5,652
Employee benefit Obligations	715	1,512
<b>Total current liabilities</b>	<b>2,09,514</b>	<b>2,13,773</b>
<b>Total equity and liabilities</b>	<b>2,33,255</b>	<b>2,23,335</b>

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**Sundar Sridhar & Sridhar**  
Chartered Accountants

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PART III		(₹ in lakhs)	
Audited Statement of Cash Flows for the year ended March 31, 2026			
	Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit before Tax from Continuing Operations	10,231	9,160
	Add/(Less) Adjustment for :		
	Depreciation and Amortization Expense	1,354	1,163
	Finance Costs	5,885	6,237
	Interest Income	(5,462)	(3,764)
	Dividend Income	(317)	(119)
	Income from Investment Properties	(295)	(183)
	Provision No Longer required/Written Back of Accounts	(752)	(281)
	Provision for losses / Write offs	481	1,405
	Profit on sale of PPE	(371)	-
	Loss on derecognition of Property Plant and equipment / CWIP	57	2
	<b>Operating Cash Flow before Working Capital Changes</b>	<b>10,811</b>	<b>13,620</b>
	Adjustment for :		
	(Increase)/Decrease in Inventories	3,984	(443)
	(Increase)/Decrease in Trade Receivables	(8,936)	(6,162)
	(Increase)/Decrease in Loans	616	1,082
	(Increase)/Decrease in Other Assets	(774)	(671)
	Increase/(decrease) in Provisions	185	(686)
	Increase/(decrease) in Trade Payables	(5,732)	10,107
	Increase/(decrease) in Other Liabilities	550	(1,621)
	<b>Cash Generated from Operations</b>	<b>704</b>	<b>15,226</b>
	Direct Tax paid (Net of refunds)	(175)	(3,822)
	<b>Net Cash from Operating Activities</b>	<b>529</b>	<b>11,404</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Property, Plant and Equipment	(1,666)	(986)
	(Increase)/Decrease in Capital Work in Progress	(1,416)	(337)
	Interest Received (Gross)	5,199	3,621
	Income from Investment Properties	295	183
	Dividend Income	317	119
	Movement in Other Bank Balances	(8)	(20,000)
	Proceeds from Sale of PPE	371	-
	<b>Net Cash from Investing Activities</b>	<b>3,092</b>	<b>(17,400)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Movement in Short term borrowings	(2,992)	(4,351)
	Interest Paid	(426)	(779)
	<b>Net Cash from Financing Activities</b>	<b>(3,418)</b>	<b>(5,130)</b>
	<b>ABSTRACT</b>		
	(A) Net Cash from Operating Activities	529	11,404
	(B) Net Cash from Investing Activities	3,092	(17,400)
	(C) Net Cash used in Financing Activities	(3,418)	(5,130)
	<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>203</b>	<b>(11,126)</b>
	<b>Cash and Cash Equivalents at the beginning of the period</b>	<b>13,988</b>	<b>25,114</b>
	<b>Cash and Cash Equivalents at the end of the period</b>	<b>14,191</b>	<b>13,988</b>
	<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>		
	Cash on Hand	-	-
	Remittance in Transit	-	-
	Balance with banks:		
	in Current and overdraft Accounts	9,491	13,288
	in Deposits with less than three months maturity	4,700	700
	<b>Total Cash and Cash equivalents</b>	<b>14,191</b>	<b>13,988</b>

**Notes:**

- 1 Statement of Cash Flows is prepared using Indirect Method as per Indian Accounting Standard-7 Statement of Cash Flows.
- 2 Figures for previous period have been regrouped wherever necessary for uniformity in presentation.
- 3 Figures in brackets indicate cash outflows.

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**Notes to the Audited Financial Results for the Quarter and Year ended March 31, 2026**

1 The Financial Results have been prepared in accordance with the applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 (the "Act") read with relevant Rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations'). The Financial Results for the quarter and year ended March 31, 2026 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors of the company in their respective meetings held on May 12, 2026. The statutory auditors of the Company have expressed an unmodified opinion on the financial results for the year ended March 31, 2026.

2 During the quarter ending March 31, 2026, there was a shut-down of plants as detailed hereunder:

Plant	Number of days	Reason
Ammonia Plant	0.17	To attend a few Minor issues.
Urea Plant	2.25	To attend a few Minor issues.
Complex.Fertilizer Plants	Entire quarter	Safety issues and Manpower shortage.

3 Fertilizer manufacture is the only main business segment and trading operations are less than 10% of the total revenue. Further, the Company is engaged in providing and selling its products in single economic environment in India i.e., there is a single geographical segment. Hence, there is no requirement of segment reporting for the Company as per Ind AS 108 (Segment Reporting).

4 The revenue from operations of Rs. 2,30,035 Lakhs for the year ended March 31, 2026 includes the following:

- a. Rs. 1,83,478 Lakhs towards subsidy for Neem coated Urea and
- b. Rs. 7,157 Lakhs for freight subsidy.

The subsidy eligible for Neem-coated urea has been arrived at by the Company in accordance with policy parameters framed by the Govt. of India (GOI). The rate adopted by the Company for accounting the subsidy claim amounted to Rs. 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.

  
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- 5 During the quarter 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 quarter 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 Rs. 4873 lakhs and subsidy for freight is higher by Rs. 1730 lakhs on account of giving effect to such notifications.
- 6 The Company has defaulted in the repayment of principal and interest thereon on the loans taken from GOI. Further, 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 quarter and 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. 44,333/- lakhs (PY -Rs. 39,468/- lakhs) is reported as contingent liability.

- 7 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 Government 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 Rs. 1,148 lakhs and Rs. 16,425 Lakhs on an estimated basis, has been considered as a deduction in subsidy income for the quarter and year ended March 31, 2026 respectively.

- 8 Slow/non-moving inventory of Stores & spares aggregating to Rs. 3,064 lakhs 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 Rs. 2,789 lakhs. 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,

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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.

- 9 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 Results for the quarter and year ended March 31, 2026 have been approved on 12<sup>th</sup> 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 16<sup>th</sup> April 2026.

- 10 Exceptional items for the quarter and the year ended March 31, 2026 include recognition of the enhanced gratuity cost along with interest of RS. 236 lakhs (Previous Periods RS. 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 quarter and the year ended March 31, 2026 include the service cost of RS. 602 lakhs (Previous Periods RS. Nil/-) in respect of the change in the gratuity plan by increasing the benefits limit to RS. 25 lakhs from RS. 20 lakhs consequent to the Pay Revision Order passed during the year.
- 11 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. 633 lakhs including interest accrued of RS. 85 lakhs 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.
- 12 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.

  
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- 13 The figures for the quarter ended March 31, 2026 and March 31, 2025 are the balancing figures between audited figures in respect of the full financial year and the limited reviewed year to date figures up to the quarters ended December 31, 2025 and December 31, 2024 respectively.
- 14 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.
- 15 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.

By order of the Board

Date :, 12<sup>th</sup> May, 2026

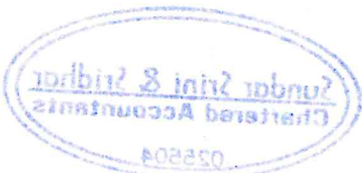
Place : Chennai

  
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**CHIEF FINANCIAL OFFICER**  
**MADRAS FERTILIZERS LIMITED**  
**MANALI, CHENNAI-600 068.**

  
Manoj Kumar Jain

**Chairman & Managing Director**

**MANOJ KUMAR JAIN**  
**Chairman and Managing Director**  
**Madras Fertilizers Limited**  
**Manali, Chennai - 600 068.**



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**A. MADHAN MOHAN**  
**CHIEF FINANCIAL OFFICER**  
**MADRAS FERTILIZERS LIMITED**  
**MANALI, CHENNAI-600 068.**

**Independent Auditor's Report on Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

**To the Board of Directors of Madras Fertilizers Limited**

**Opinion**

We have audited the accompanying statement of annual financial results (hereinafter referred to as the "Statement") of Madras Fertilizers Limited (hereinafter referred to as the "Company" or "MFL") for the year ended 31 March 2026, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), which has been initialled by us only for identification purposes.

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- (i) presents the annual financial results in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard, and
- (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the year ended 31 March 2026.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement 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 ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the Statement.

### Emphasis of Matters

We draw attention to:

- (a) Note 4 to the Statement regarding the recognition of subsidy for Neem coated urea under revenue from operations(net) of Rs. 1,83,478 lakhs for the year ended March 31, 2026 (read with Note No 5). 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 5 to the Statement regarding the financial impact during the quarter and year ended March 31, 2026 on 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 6 to the Statement 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 effected during the quarter and 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. 44,333/- lakhs (PY - Rs. 39,468/- lakhs) is reported as contingent liability.
- (d) Note 7 to the Statement 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 approval of the above request, as a prudent measure, the Company has recognised the subsidy income for the quarter and year ended March 31, 2026 after considering the maximum penalty of 10% from the existing energy norm of 8.337 Gcal/MT. For the above referred period, penalties of Rs. 1,148 lakhs and Rs. 16,425 lakhs, respectively, have been considered.
- (e) Note 8 to the Statement which describes that slow/non-moving inventory of Stores & spares aggregating to Rs. 3,064 lakhs 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 was Rs. 2,789 lakhs. 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 9 to the Statement regarding 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 Results for the quarter and year ended March 31, 2026 have been approved on 12<sup>th</sup> 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 16<sup>th</sup> April 2026.

- (g) Note 10 to the Statement regarding the exceptional items accounted for the quarter and the year ended March 31, 2026 which includes recognition of the enhanced gratuity cost along with interest of Rs. 236 lakhs 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. 602 lakhs in respect of the change in the gratuity plan by increasing the benefits limit to Rs. 25 lakhs from Rs. 20 lakhs consequent to the Pay Revision Order passed during the year.

- (h) Note No. 11 to the Statement, 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. 633 lakhs including interest accrued of Rs. 85 lakhs 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 13 to the Statement regarding figures for the quarter ended March 31, 2026 and March 31, 2025 are the balancing figures between audited figures in respect of the full financial year and the limited reviewed year to date figures up to the quarters ended December 31, 2025 and December 31, 2024 respectively.
- (j) Note 15 to the Statement regarding regrouping/reclassification/re-presentation of some of the items appearing in the Financial Results pertaining to the previous periods.

Our opinion on the Statement is not modified in respect of these matters.

#### **Management's and Board of Directors' Responsibilities for the Statement**

This Statement has been prepared on the basis of the annual financial statements. The Company's Management and Board of Directors are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information of the Company in accordance with the recognition and measurement principles laid down in Ind AS prescribed under section 133 of the Act, and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

#### **Auditor's Responsibilities for the Audit of the Statement**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 Standards on Auditing, specified under section 143(10) of the Act, 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 this Statement.

As part of an audit in accordance with the Standards on Auditing, specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management and Board of Directors.
- Evaluate the appropriateness and reasonableness of the disclosures in the Statement made by the Management and Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Management and Board of Directors 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 Statement 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 Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Annual Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Financial Results 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 Annual Financial Results.

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 Matter**

The financial statements of the Company for the financial year ending March 31, 2025 were audited by the previous auditors, whose audit report dated May 28, 2025 expressed an unmodified opinion on the financial statements.

Our opinion on the Statement is not modified in respect of this matter.

**For Sundar Sridhar & Sridhar**  
**Chartered Accountants**

Firm Registration No: 004201S

  
**S. Sridhar**  
**Partner**

**Membership No: 025504**

UDIN: 26025504WJQKFJ6421

Place: Chennai

Date: May 12, 2026



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# मद्रास फ़र्टिलाइज़र्स लिमिटेड Madras Fertilizers Limited

(भारत सरकार का उपक्रम / A Government of India Undertaking)

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CIN: L32201TN1966GO1005469

GSTIN - 33AAACM5198E1ZK



ISO 14001 : 2015  
APPROVED BY ICS



## Declaration with respect to Financial Results for the Financial Year ended March 31,2026, Pursuant to Regulation 33(3) (d) of the SEBI (Listing Obligations and Disclosure Requirements ) Regulation 2015

I Manoj Kumar Jain, Chairman & Managing Director of Madras Fertilizers Limited hereby declare that M/s Sundar Srini & Sridhar , Chartered Accountants, Statutory Auditor of the Company have issued an Audit Report with unmodified opinion on Audited Financial Results of the Company (Standalone) for the quarter and year ended March 31.2026

Please take note of the same.

Thanking you

Very truly yours

Manaj Kumar Jain

Chairman & Managing Director

**MANOJ KUMAR JAIN**  
Chairman and Managing Director  
Madras Fertilizers Limited  
Manali, Chennai - 600 068.