HINDUSTAN URVARAK & RASAYAN LIMITED

10th Annual Report

2025-26

Committed to **Fertility**
Dedicated to **Prosperity**

हर एक **काम** देश के **नाम**

About the Report

This Annual Report presents a comprehensive account of Hindustan Urvarak & Rasayan Limited's (HURL) performance during the financial year 2025–26. It captures the Company's strategic direction, operational progress, and its expanding role in strengthening India's agricultural ecosystem.

Anchored in its commitment to fertility and prosperity, the Report reflects how HURL is translating its mandate into measurable outcomes—enhancing productivity, supporting farmers, and contributing to national growth.

Reporting Approach

The Report has been prepared in accordance with the applicable provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS), ensuring accuracy, transparency, and regulatory compliance.

It presents an integrated perspective by combining financial performance with operational insights, governance practices, and stakeholder engagement. The financial statements included herein have been audited by the Statutory Auditors and prepared on a going concern basis, following the accrual system of accounting, in line with applicable accounting standards.

Reporting Period

This Report covers the financial year from 1st April 2025 to 31st March 2026.

All financial and operational data presented in this Report correspond to this period, unless otherwise indicated.

Forward-Looking Statement

This Report may contain forward-looking statements that reflect the Company's expectations, objectives, and projections. These statements are based on current assumptions and are subject to inherent risks and uncertainties.

Actual outcomes may differ materially from those expressed or implied. HURL does not undertake any obligation to update these statements in light of future developments.

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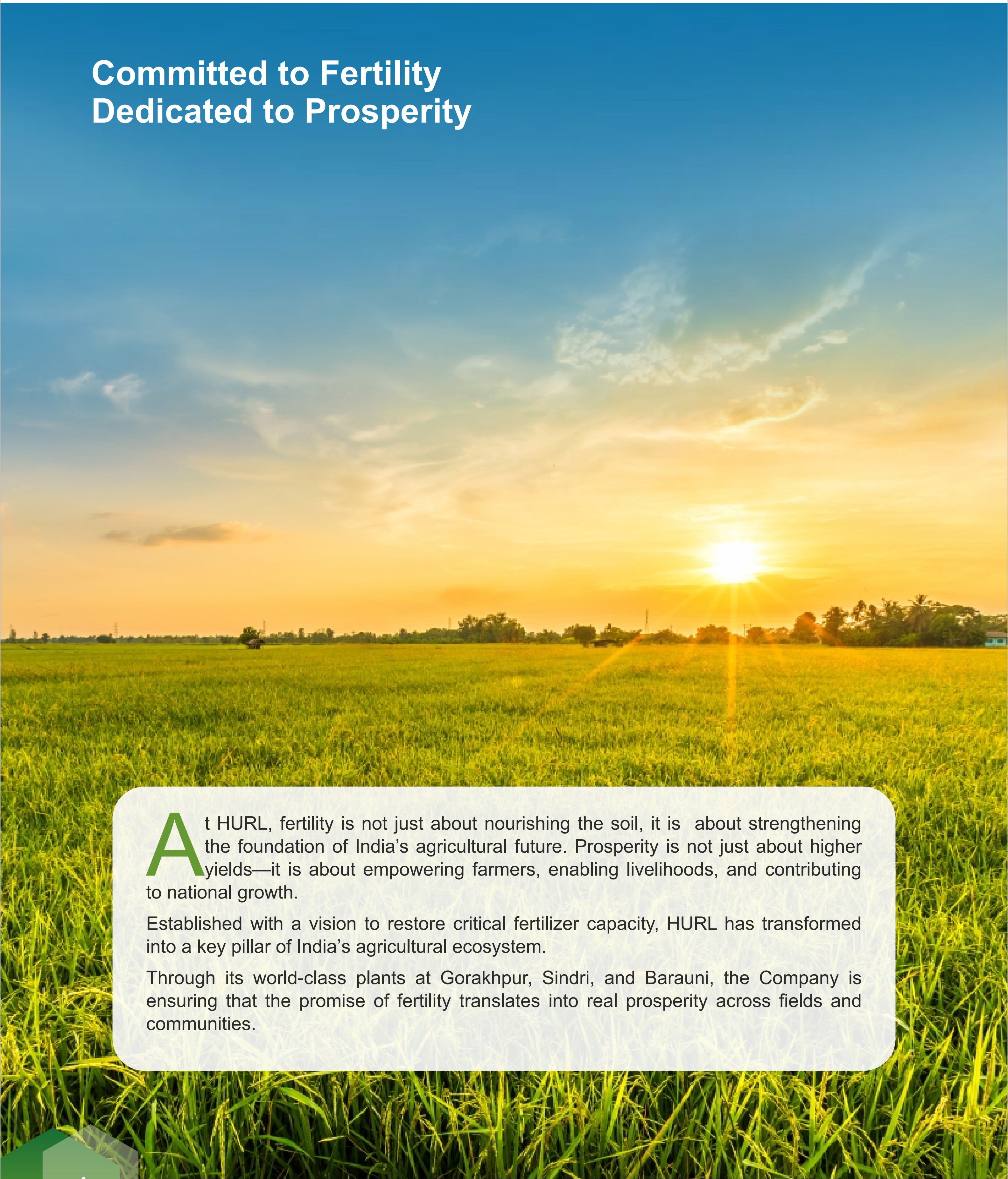


Committed to Fertility Dedicated to Prosperity

At HURL, fertility is not just about nourishing the soil, it is about strengthening the foundation of India's agricultural future. Prosperity is not just about higher yields—it is about empowering farmers, enabling livelihoods, and contributing to national growth.

Established with a vision to restore critical fertilizer capacity, HURL has transformed into a key pillar of India's agricultural ecosystem.

Through its world-class plants at Gorakhpur, Sindri, and Barauni, the Company is ensuring that the promise of fertility translates into real prosperity across fields and communities.

Committed to Fertility

HURL is strengthening soil productivity through the reliable production of high-quality fertilizers across its world-class plants at Gorakhpur, Sindri, and Barauni. By revitalising production capacity in eastern India, the Company has improved the availability of essential nutrients in key agricultural regions.

Its focus extends beyond production to promoting efficient nutrient usage and supporting balanced fertilisation practices—critical for sustaining long-term soil health and agricultural productivity.

Dedicated to Prosperity

HURL is committed to enabling better outcomes for farmers by ensuring timely access to fertilizers and expanding its distribution reach across markets. Through a growing network and consistent on-ground engagement, the Company is bringing solutions closer to the farming community.

Initiatives such as product awareness programmes, field demonstrations, and digital platforms are helping farmers make informed decisions, improve yields, and enhance income stability—translating agricultural potential into tangible prosperity.

Corporate Information

Chief Financial Officer
Ms. Poonam Jeswani

Company Secretary
Smt. Iti Matta

Statutory Auditors
M/s Bansal & Co LLP.,
Chartered Accountants,
New Delhi

Secretarial Auditors
M/s Kumar Naresh Sinha & Associates,
Company Secretaries,
NOIDA

Cost Auditors
M/s R K Patel & Co.
Cost auditors, Vadodara

Internal Auditors
M/s AMAA & Associates,
Chartered Accountants, New Delhi

Registrar & Transfer Agents
NSDL Database Management Limited,
Mumbai

Bankers

- State Bank of India, New Delhi
- Punjab National Bank, New Delhi
- Bank of India, New Delhi
- Canara Bank, New Delhi
- Union Bank of India, New Delhi
- Bank of Baroda, New Delhi
- Indian Bank, New Delhi
- EXIM Bank, New Delhi
- IndusInd Bank, New Delhi
- IDBI Bank, New Delhi
- HDFC Bank, New Delhi
- Axis Bank, New Delhi
- Karnataka Bank, New Delhi
- Indian Railway Finance Corporation (IRFC), New Delhi

Registered Office / Corporate Office
Core-4, 9th Floor, SCOPE Minar, Laxmi Nagar, District Centre, New Delhi - 110092
Tel: +91-11-22502267, 22502268 | E-mail: info@hurl.net.in
Website: www.hurl.net.in | CIN No.-U24100DL2016PLC358399

Location of Plants

Gorakhpur Plant
Gorakhpur, Uttar Pradesh

Sindri Plant
Dhanbad, Jharkhand

Barauni Plant
Begusarai, Bihar

Board of Directors

Shri Virendra Malik
Chairman

Shri A.V. Raghunadhan
Vice-Chairman

Shri Chiranjib Patra
Vice-Chairman

Shri Siba Prasad Mohanty
Managing Director

Shri Nitin Kumar
Director

Shri Sanjay Shrivastava
Director

Shri Naresh Arya
Director

Ms. Ritu Arora
Director

Chairman's Message

It gives me great pleasure to present the Annual Report of Hindustan Urvarak & Rasayan Limited (HURL) for the year 2025–26.

The year has been significant for HURL as the Company continues to strengthen its position as a key contributor to India's fertilizer sector. With all three plants operational, HURL has demonstrated its ability to translate strategic intent into sustained operational performance, supporting the nation's agricultural productivity and food security.

India's agricultural landscape is undergoing a steady transformation, driven by the need for higher efficiency, balanced nutrient usage, and sustainable practices. In this context, the role of domestic fertilizer production becomes increasingly important. HURL, with its modern manufacturing facilities and strong institutional foundation, is well-positioned to support this transition.

During the year, the Company has achieved commendable growth in production, sales, and financial performance. These achievements reflect not only operational excellence but also a focused approach towards strengthening distribution networks and improving accessibility for farmers across key regions.

HURL's expanding market presence and increasing engagement with the farming community are aligned with national priorities such as self-reliance in fertilizer production and sustainable agricultural development. The Company continues to contribute meaningfully to initiatives that enhance soil health, improve productivity, and support rural livelihoods.

Looking ahead, HURL remains committed to strengthening its operational capabilities, enhancing efficiency, and exploring opportunities for innovation and diversification. With a clear strategic direction and strong institutional backing, the Company is well-positioned to build on its achievements and contribute further to the nation's growth.

I would like to place on record my appreciation for the dedication and efforts of the management team and employees of HURL. I also extend my gratitude to all stakeholders for their continued trust and support.

Shri Virendra Malik
Chairman

Managing Director's Message

The financial year 2025–26 has been a year of strong performance and consolidation for Hindustan Urvarak & Rasayan Limited.

With all three manufacturing units operating at scale, the Company has achieved significant milestones across production, sales, and financial performance. HURL recorded its highest-ever production and sales during the year, supported by improved operational efficiency and capacity utilisation exceeding 100 percent.

Our focus during the year remained on stabilising operations, optimising energy consumption, and strengthening the supply chain. These efforts have enabled us to ensure consistent product availability and meet the growing demand across our markets.

The Company has also made considerable progress in expanding its market presence. With a strong distribution network comprising dealers, retailers, and rail infrastructure, HURL has enhanced its reach across key agricultural regions. Increased farmer engagement initiatives and outreach programs have further strengthened our connection with the farming community.

In addition to operational and market achievements, HURL continues to focus on digital transformation and process improvements. The adoption of technology-driven systems has enhanced efficiency, transparency, and responsiveness across functions.

We remain committed to supporting the Government of India's vision of self-reliance in fertilizer production and sustainable agricultural growth. Going forward, our focus will be on further improving operational performance, expanding our product portfolio, and strengthening our market presence.

I would like to express my sincere appreciation to all employees for their dedication and commitment. I also thank our stakeholders, partners, and customers for their continued support and confidence in HURL.

Shri Siba Prasad Mohanty
Managing Director

About HURL

Powering India's Agricultural Backbone

Hindustan Urvarak & Rasayan Limited (HURL) stands as a landmark collaboration among India's premier public sector enterprises, created to accelerate the nation's vision of agricultural resilience and fertilizer self-sufficiency. Conceived as a strategic revival initiative, the Company has transformed dormant fertilizer units into advanced, integrated manufacturing hubs that support the backbone of India's farming economy.

Backed by the combined strength of Coal India Limited, NTPC Limited, Indian Oil Corporation Limited, Fertiliser Corporation of India Limited, and Hindustan Fertiliser Corporation Limited, HURL represents a powerful convergence of expertise across energy, infrastructure, and resources.

As it evolves, HURL is extending its role beyond manufacturing—strengthening soil health, enabling farm productivity, and contributing to sustainable rural development. Through operational excellence and a farmer-centric approach, the Company continues to advance India's agricultural progress and food security.

What We Do

Delivering Essential Inputs. Enabling Agricultural Outcomes.

HURL is engaged in the manufacturing, distribution, and marketing of fertilizers and allied agri-products, ensuring reliable access to critical inputs for farmers across the country.

Its operations are anchored in efficiency, scale, and reliability:

- Production of urea through modern, energy-efficient plants
- Distribution across key agricultural markets
- Marketing of agri-inputs and value-added products
- Promotion of balanced nutrient usage and improved soil health

By integrating production with distribution and farmer engagement, HURL is ensuring that inputs translate into measurable agricultural outcomes.

Our Promoters

Coal India Limited

Maharatna PSU, under the administrative control of Ministry of Coal, Government of India. It is the single largest coal producing Company in the world.

NTPC Limited

Maharatna PSU, under the administrative control of Ministry of Power, Government of India. It is India's largest Energy conglomerate.

India Oil Corporation Limited

Maharatna PSU, under the administrative control of Ministry of Petroleum and Natural Gas, Government of India. It is India's largest Oil & Gas refining and marketing Company.

Fertilizer Corporation of India Limited

Central Government undertaking under the administrative control of Ministry of Chemical & Fertilizers, Government of India. In 1978, the operating fertilizers plants at Sindri, Gorakhpur, Talcher, Ramagundam, Korba & Jodhpur mining organization were formed into FCIL.

Hindustan Fertilizer Corporation Limited

Central Government undertaking under the administrative control of Ministry of Chemical & Fertilizers, Government of India. It emerged as a separate company following reorganization of the erstwhile FCIL and NFL group of companies in 1978, the operating fertilizer plants at Durgapur, Barauni and Namrup were formed into HFCL.

Our Milestone

2016
Incorporation & Strategic Vision
Formation of HURL as a joint venture to revive closed fertilizer units and strengthen domestic production.

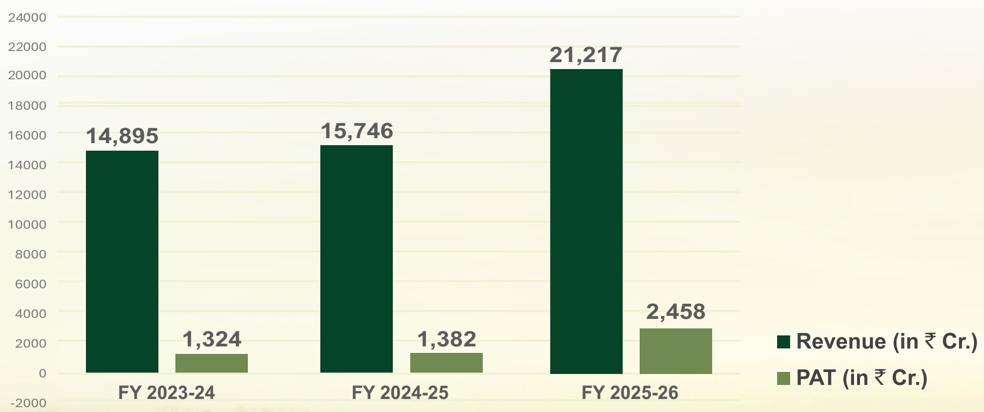
2017–2019
Revival & Reconstruction Phase
Initiation of redevelopment activities across Gorakhpur, Sindri, and Barauni units.

2020–2022
Operationalisation of Plants
Commissioning of modern, gas-based fertilizer plants with enhanced production capabilities.

2023–2025
Stabilisation & Scale-Up
Improved operational efficiency, increased production reliability, and expansion of distribution reach.

2025–2026
Growth & Market Strengthening
Strengthening presence across agricultural regions and enhancing farmer engagement initiatives.

Historical Financial Performance



What Makes HURL Different

Next-Generation Manufacturing Excellence

World-class gas-based manufacturing complexes delivering efficient, reliable, and sustainable fertilizer production.

Strong Institutional Strength

Backed by leading Maharatna PSUs, ensuring financial strength, governance excellence, and long-term stability.

Benchmark Operational Performance

Achieved over 102% capacity utilization with industry-leading reliability.

High-Growth Financial Outperformance

One of India's fastest-growing fertilizer enterprises with strong and resilient financial performance.

Rapid Rise to Industry Leadership

Emerged as India's second-largest fertilizer company by revenue and secured a place in the ET 500.

Safety as a Core Operational Value

Embedding world-class safety practices and operational discipline across all operations.

Reliability Through Maintenance Excellence

Advanced predictive and preventive maintenance ensuring superior reliability and minimal downtime.

Driving Industry Advocacy & Farmer Empowerment

Strengthening farmer engagement and industry development through impactful outreach and awareness initiatives.

Our Product Portfolio

Bulk Products

Bharat Urea

Nitrogen 46%

A versatile nitrogen compound (46% N) that acts primarily as a high-efficiency fertilizer for crop leafy growth

Bharat DAP

18% Nitrogen & 46% Phosphorus

Promotes strong root development, better flowering, and higher crop yield by supplying essential phosphorus and nitrogen to plants

Bharat TSP

46% Phosphorus

Improves root growth, early plant establishment, and crop productivity by providing a high amount of phosphorus to plants

Non-bulk Products

Apna Power

Mycorrhizal Biofertilizer

Mycorrhiza forms a symbiotic relationship with plant roots, extending root reach and improving the absorption of phosphorus, nitrogen, zinc, and other micronutrients

Apna PDMsri

Potosh derived from Molasses

Potash derived from molasses improves crop quality, sweetness, size, and stress resistance by supplying natural potassium along with organic nutrients

Apna Gold

90% Bentonite Sulfur

Increase oil content in oil seeds , protein formation, and overall crop growth by providing slow-release sulphur to plants

Apna Magic

9.5% Magnisium, 12% Sulfur

Enhances carbohydrate usage in plants and It is essential for enzyme formation

Apna Mono Zinc

33% Zinc

Regulates soil pH levels, promotes early leaf greening, and boosts fruit yields. Strengthens plants' resilience to cold weather

Apna Calgrow

15% Nitogen, 18.5% Calcium

Stronger cell walls contribute to better disease resistance & It can enhance fruit firmness, colour, and shelf life

Apna Calgrow B+

15% Nitogen, 17% Calcium, Boron 0.2%

Stronger plants, due to the combined effect of calcium and boron, are better able to resist diseases and pests

Our Territories

Corporate Office & Registered Office
New Delhi

Regional Marketing Offices
Lucknow
Patna
Raipur
Chandigarh / Zirakpur
Kolkata
Bhopal

Plants
Gorakhpur
Sindri
Barauni

Our Distribution Network

HURL's market presence

12 states covered

1,565 dealers

92,657 retailers

238 railheads

Our Branding Activities

240 days of jeep campaign

Database of **2.65 lakh farmers**

5.4K retailers in database

200+ radio episodes across 5 stations

18 Award functions/ conferences

3 Lacs+ Farmer database created

2,600+ farmer meetings

Engagement with **70,000+ farmers**

1,435 product demonstrations

48 exhibitions and fairs conducted during the year

Our Digital Outreach

714K+ views on visual platforms

140K+ interactions

255K+ impressions

6.1 million views

32K+ followers

Performance Highlights for the FY 2025-26

Operational performance

GORAKHPUR UNIT

Urea Production
13.17 Lakh MT

Urea Sales
13.33 Lakh MT

SINDRI UNIT

Urea Production
13.83 Lakh MT

Urea Sales
13.75 Lakh MT

BARAUNI UNIT

Urea Production
11.98 Lakh MT

Urea Sales
12.01 Lakh MT

Incorporation of AVFCCL JV Company

Assam Valley Fertilizer and Chemical Company Limited (AVFCCL) has been incorporated as a Public Limited Company on 25th July 2025 as JV of HURL.

Financial performance

Highest ever Revenue from operations of
₹21,217 Cr.

Highest ever PBT of **₹3,294 Cr.**

Highest ever PAT of **₹2,458 Cr.**

Improvement in Credit Rating **Long-Term AA-/Stable** (Upgraded from IND A+/Positive) and Re-financing of loan

Dividend

Interim dividend paid Rs.1,343.25 Crore, to shareholder on 30.09.2025.

Issue of Shares

Issue of 85,04,39,685 fully paid-up Equity Shares of Rs.10/- each on Preferential basis to FCIL and HFCL for consideration other than cash.

CSR & CER Inititatives

Health, Nutrition, and Sanitation

Project: "SWASTHYA SATHI" through Artificial Limbs Manufacturing Corporation of India (ALIMCO), focused on enhancing quality life of Divyangjans

Project: "SEHAT SATHI" through Hindustan Latex Family Planning Promotion Trust, (HLTFPPT), focused on strengthening healthcare infrastructure

Project: **“SWASTHYA KIRAN”** through Vyakti Vikas Kendra India (VVKI), at Sri Sri College of Ayurvedic Science and Research Hospital, Cuttack, Odisha, focused on enhancing diagnostic healthcare services through the procurement and installation CT Scanner

Project: **“AROGYA MITRA”** through Manav Vikas Sansthan India (MVS), focused on strengthening healthcare infrastructure

Education and Skill Development

Project: **"SAKSHAM – 2.0"** through Central Institute of Plastics Engineering & Technology (CIPET), focused on skill development training for unemployed and underprivileged youth, equipping them with industry-relevant skills in plastics

Project: **"AASHIYANA"** through Kalgidhar Trust, focused on provide a safe, secure, and supportive residential environment for underprivileged girls

Project: **"PRAYAS"** through EdCIL (India) Limited, focused on bridging the digital and STEM education gap

Project: **"SAKSHAM"** through National Skill Development Corporation (NSDC), focused on skill development of the local youth (CER Initiatives)

Rural Development and Environment Sustainability

Installation of Street Light at Sindri Unit (CER Initiatives)

Project: "HARYALI" through Gorakhpur Forest Division, focused on promotion of environmental conservation, restore and enhance local ecology

Awards & Accolades

Sigma Summit Developing and evolving Entrepreneur 2025

Appreciation award for visionary in Policy & Government Advocacy
for CBG (Compressed Bio Gas)

Future of Logistics & Supply Chain Awards 2025

for Best Distribution Strategy and
'Logistics and Supply Chain leader of the Year'

Agriculture Sustainability Award

for Regional Policy Dialogue Series
Climate Change & Impact on Agriculture

2nd Sustainable Agriculture Summit & Awards, 2025

for Excellence in Extension & Farmers Training, State-Level Sustainable Agriculture Initiative, Excellence in Water Management, Community & Social Impact Award and for Excellence in Logistics & Supply Chain

Asia Pacific HRM & National CSR Leadership Congress 2025

for Best Corporate Social Responsibility Practices for Excellence in CSR & Sustainability

FAME National Awards 2025

Platinum Award for Excellence in Occupational Health & Safety

11th Edition of the Future of Logistics & Supply Chain summit & Awards 2025
for Best Distribution Strategy of the Year

12th Scale Awards, 2025 for National Supply Chain and Logistics Excellence Award
in the Chemical/Fertilizer category-HURL Barauni

The Fertilizer Association of India (FAI), 2025
Runner-up award for Best Film of the Year, 2025

34th World HRD Congress
for Happy Employer Brand – 2025

Highest Railway Coefficient Award
by DRM Sonpur ECR to Barauni Unit

ICPA National Finance Conclave & Awards 2026
for ICPA National Building Award

Platinum Customer Trophy
to Gorakhpur Unit

Sustainable Agriculture Summit & Awards
The Soil Health & Sustainable Farming Award & District Level Initiative on Agriculture & Sustainability Award

Chanakya Award 2025
MD, HURL awarded with CEO of the Year award at the 19th Global Conclave of Public Relations Council of India (PRCI)

Rastriya Gaurav Samman 2025
Award to MD, HURL

DIRECTORS' REPORT
FOR THE FY 2025-26

Dear Members,

Your Board of Directors have pleasure in presenting the 10th Annual Report on the performance of your Company along with Audited Financial Statements (Standalone & Consolidated) for the Financial Year (FY) ended on March 31, 2026 together with Auditor's Report and comments of Comptroller & Auditor General of India (C&AG) thereon.

1. STANDALONE FINANCIAL HIGHLIGHTS:

The key highlights on the financial performance of the Company for the FY ended March 31, 2026 with comparative position of previous year's performance, on standalone basis is summarized below:

Your Directors do not propose to carry any amount to the reserves for the year under review.

The revenue from operations for the year ended March 31, 2026 was mainly on account of sale of neem coated Urea and Ammonia, subsidy from Government of India, revenue on account of traded goods (indigenous and imported).

During the previous FY, the Company operated under a single business segment. However, in FY 2025-26, the Company expanded its operations and now the financial results have two reporting segments, namely, manufactured goods (fertilizers) and trading goods, which is in line with applicable accounting standards.

(Amount in ₹ Crore)

S.N.	Financial Performance	Year ended 31.03.2026	Year ended 31.03.2025
1	**Revenue from Operations**	**21,216.53**	**15,745.61**
2	Revenue from Manufactured goods	16,489.09	14,545.76
3	Revenue from Trading goods	4,727.44	1,199.85
4	**Other Income**	**121.63**	**164.10**
5	**Total Income [(1) + (4)]**	**21,338.16**	**15,909.71**
6	Total Expenses	18,044.34	14,072.34
7	**Profit / (Loss) Before Tax [(5) – (6)]**	**3,293.82**	**1,837.37**
8	Tax Expense	836.22	455.29
9	**Profit / (Loss) After Tax [(7) – (8)]**	**2,457.60**	**1,382.08**
10	Other Comprehensive Income (net of Taxes)	1.43	(6.50)
11	**Total Comprehensive Income [(9) + (10)]**	**2,459.03**	**1,375.58**
12	**Less: Interim Dividend paid on Equity Shares**	**1343.25**	**0.00**
13	**Closing Retained Earnings**	**3732.94**	**2,618.59**
14	**Earnings per equity Share**	**2.90**	**1.63**
15	**Net Worth**	**12,507.56**	**11,036.34**

The financial statements for FY 2025-26 have been prepared in pursuance of the provisions of the applicable Indian Accounting Standards (Ind AS) prescribed under the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

2. PLANT OVERVIEW AND OPERATIONS:

I. MANUFACTURING UNITS:

Your Company's production activities are supported by three state-of-the-art Ammonia Urea plants located at Gorakhpur (Uttar Pradesh), Sindri (Jharkhand) and Barauni (Bihar). Each of the three Plants are having Ammonia unit with installed capacity of 2,200 Metric Tonnes Per Day (MTPD) and Urea unit with installed capacity of 3,850 MTPD. The three plants have annual installed capacity of approx. 12.7 Lakh metric ton (LMT) each, for production of 'Neem' coated prilled urea using 'Natural gas' as feedstock. Gas Authority of India Limited (GAIL) and Indian Oil Corporation Limited (IOCL) are supplying Natural Gas to these three plants.

The major portion of the three plants at Gorakhpur, Sindri and Barauni have been constructed under LSTK contract. M/s Toyo Engineering Corporation, Japan in consortium with M/s Toyo Engineering India Pvt. Ltd. is the LSTK contractor for the

Gorakhpur project. The Ammonia unit technology licensor is M/s KBR, USA and the Urea unit technology licensor is M/s Toyo, Japan for the Gorakhpur project. While, M/s Technip, France S.A. in consortium with Technip India Limited and L&T Hydrocarbon Engineering Limited is the LSTK contractor for both Sindri and Barauni projects. The Ammonia unit technology licensor is M/s Haldor Topsoe, Denmark and the Urea unit technology licensor is M/s Saipam, Italy for both these projects.

All the three Urea Plants of the Company have been commissioned and started their commercial operations viz. Gorakhpur unit on May 03, 2022; Sindri unit on April 15, 2023; and Barauni unit on April 30, 2023. All of these plants have excellent connectivity both by road and rail, and entire urea is being supplied as per the direction and allocation from the Department of Fertilizers (DoF), Ministry of Chemical & Fertilizers (MoC&F). The Company has tied up with Railways for urea transportation under the 'Gati Shakti' scheme of the Government of India.

Highlights of operational performance:

During FY 2025-26, your Company's Urea Plants achieved composite urea production of 38.98 LMT against 33.03 LMT during the previous year i.e. FY 2024-25. The composite specific energy consumption of urea production was 5.05 GCal/MT against 5.25 GCal/MT in the previous year. The highlights of operational performance of all the three Plants for the FY 2025-26 vis-à-vis FY 2024-25 is as under:

A. **Gorakhpur Plant:** The highlights of operational performance of Gorakhpur Plant are as follows:

S.N.	Operational Parameters	FY 2025-26	FY 2024-25
1	Production of Urea (MT)	13,17,228	12,01,008
2	Production percentage to Installed capacity (%)	104	95
3	Sale of Urea (MT)	13,32,871	12,04,513

During FY 2025-26, the Gorakhpur plant demonstrated remarkable consistency in operations, despite a planned load reduction due to critical maintenance activities and energy optimization trials. Further, the energy consumption was reduced in comparison to the previous year.

B. **Sindri Plant:** The highlights of operational performance of Sindri Plant are as follows:

S.N.	Operational Parameters	FY 2025-26	FY 2024-25
1	Production of Urea (MT)	13,82,741	12,47,035
2	Production percentage to Installed capacity (%)	109	98
3	Sale of Urea (MT)	13,75,038	12,42,508

During FY 2025-26, the Sindri plant demonstrated remarkable consistency in operations and reduction in energy consumption, in comparison to the previous year. It recorded an annual energy consumption of 5.00 Gcal/MT of urea during the FY 2025-26. On February 12, 2026, the Sindri Plant achieved a milestone by recording its best daily energy performance of 4.86 Gcal/MT.

C. **Barauni Plant:** The highlights of operational performance of Barauni Plant are as follows:

S.N.	Operational Parameters	FY 2025-26	FY 2024-25
1	Production of Urea (MT)	11,97,714	8,55,394
2	Production percentage to Installed capacity (%)	94	67
3	Sale of Urea (MT)	12,01,400	8,59,098

During FY 2025-26, a leakage in the Urea Reactor impacted both urea production and energy efficiency at the Barauni Plant. Following the annual turnaround in May 2025, the plant resumed stable operations, consistently meeting the requisite load and energy consumption parameters. On March 28, 2026, the Barauni Plant achieved a milestone by recording its best-ever daily energy performance of 4.81 Gcal/MT.

Impact of geo-political situation on plant operations (March 2026):

Due to geo-political situation in Gulf region, the Natural Gas supply was regulated in March 2026 and its impact on the Company's plant operations is detailed below:

(i) Gorakhpur Plant: The plant had already achieved 13.17 LMT of urea production (104% capacity utilization). Its annual shutdown was originally scheduled for April 02, 2026, but due to natural gas supply constraints, shutdown activities were advanced, and the Annual Turnaround of the plant was taken on March 06, 2026.

(ii) Sindri Plant: The plant operated at a reduced load between March 6, 2026 to March 17, 2026 owing to natural gas supply constraints.

The disclosure on the impact of geopolitical developments has been provided under Note No. 34.18 of Notes to accounts, attached to the Standalone Financial Statements.

II. TRADING AND MARKETING OPERATIONS:

During FY 2025-26, the Company cumulatively produced 38.98 LMT of Neem-Coated Urea across its three manufacturing units located at Gorakhpur, Barauni and Sindri. The total dispatches during the year stood at 39.05 LMT, while 38.77 LMT of Urea was successfully evacuated through PoS (Point of Sale) channels.

The Company also sold 12,948 MT of Ammonia in the previous financial year, generating Rs.54.50 Crore revenue. While the Company is primarily a producer for Urea, manufacturing surplus Ammonia is evacuated as per government guidelines to ensure safety and operational efficiency.

The FY 2025-26 marked a significant milestone in HURL's transformation into a diversified agri-input company. Moving beyond Neem Coated Urea, the Company strengthened its portfolio with imported Diammonium Phosphate (DAP), Triple Super Phosphate (TSP), Nitrogen, Phosphorus, Potassium (NPK), and other 11 specialty fertilizers under its trading business. Besides this, in order to provide a single point solution, your Company also entered into the agrochemical segment with a humble but promising start. During the previous FY, HURL's trading business scaled new height, with a strong portfolio of products including Apna Calgrow, Apna Calgrow B+, Apna Gold, Apna Magic, Apna Mono Zinc, Apna PDMSri, and Apna Power. On the back of strong performance, HURL achieved net revenue of approx Rs.1,946.26 Crore in its trading business.

Further, in order to have a wider product portfolio and to ensure product availability all-round the year, your Company has signed a strategic Memorandum of Understanding (MoU) with the Fertilisers and Chemicals Travancore Limited (FACT) for supply of Ammonium Sulphate and NPKS (20:20:0:13), and other various SSP manufacturers for in indigenous bulk fertilizer category.

In imported bulk fertilizer category, HURL executed an MoU as a Consortium Partner for Phosphatic and Potassic Fertilizers (P&K) with OCP Nutricrops Limited. Besides this, HURL also carried out the empanelment process for supply of P&K fertilizers and signed MoU with selected parties including Agri Commodities & Finance Fz-Llc, Agrifields Dmcc, Ameropa Asia Pte Ltd, Hexagon Fertilizers Asia Pte. Ltd, Indagro Sa, Midgulf International Ltd, Quest Group Dmcc, Samsung C&T Corporation, Sun International Fze, Ambika Maple Petrochemicals-Llc, Treasures Petroleum North America Ltd., Fertistream Dmcc and Purefert Trading Ag.

Guided by its philosophy of *"Har Ek Kaam Desh Ke Naam"*, HURL achieved its highest-ever bulk fertilizer imports i.e. 2.55 LMT of DAP, 1.21 LMT of TSP, and 0.53 LMT of APS, which not only strengthened supply during peak seasons, but also helped in supporting the nation's agricultural needs.

The notable achievements during FY 2025-26 included the following:

A. **Branding and Promotion:** Branding and promotion are not just about demonstrating the product portfolio; they reflect a holistic approach towards customers and stakeholders. Moving forward in this direction, your Company has actively conducted various on-ground activities that have not only improved its presence but also established a strong, positive, and long-lasting impact.

In FY 2025-26, the Company conducted 2.6K farmer meetings, reaching more than 70K farmers, and executed 1,435 product demonstrations in the field, showcasing our product efficacy. To establish a strong rapport and communicate its strategy, the Company conducted 12 dealer and 58 retailer meetings. Furthermore, it carried out 240 days of jeep campaigns reaching the masses, along with 200+ radio episodes across 5 stations. The Company also participated in 48 farmer fairs and 18 award functions/conferences. Through these cumulative efforts, a farmer database of more than 3 lakh has been created.

These efforts have significantly enhanced the Company's brand visibility and strengthened trust among farmers and channel partners. They also improved market reach and supported wider adoption of the Company's products across key markets.

B. **Digital Marketing:** Strategic communication strengthens brand recall, improves stakeholder engagement, and enhance Brand visibility at the national level. In line with growing digital adoption, the Company actively expanded its digital presence in FY 2025-26 through over 500 curated posts across platforms, effectively communicating its key initiatives and achievements.

These efforts resulted in strong digital outreach, with 6.1 million views and 140K+ interactions on Facebook, 714K+ views and 21K+ interactions on Instagram, 255K+ impressions and 32K+ followers on LinkedIn, and over 1,000 subscribers on YouTube, reinforcing HURL's positioning and connect with its audience.

C. **Channel Strategy:** The Company has expanded its channel partners network especially in the new markets like Assam. In order to have better control over Urea sales, 60 new retailers were added in the State, enhancing our reach in eastern markets. Overall, in FY 2025-26, your company operated with total 1,565 channel partner across its operating territory (including private & Institutions), which further operated with 92,657 retailers, enhancing HURL's reach to the remotest part of the country.

D. **Logistics:** With every passing year, HURL is reinforcing its logistic management strategy. In FY 2025-26, with these efforts HURL has executed 100% sales from Rail Heads and without any cut & torn/ damages to the product and thereby no cost was incurred for re-bagging. Also, there was reported no reporting of loss during transit/movement/handling.

Moreover, under guidance of Department of Fertilizer, HURL has initiated the Vehicle Tracking System (VLTS) for Urea movement in the State of Uttar Pradesh on trial basis, which will further be streamlined across all the territories ensuring safe dispatches of product at the destinations.

E. **Participation in Government Initiatives:** As a responsible Company, HURL has actively engaged with the Government of India initiatives towards adoption of sustainable agriculture practices, innovation and technology in agriculture, women-empowerment, Promotion of PM-PRANAM and the following others initiatives of Government:

- **NAMO Drone Didi:** In the previous year, HURL has distributed the Agri-Drones to 60 women of Self-Help Groups. During the year, HURL was actively engaged with these Drone Didi's, and with its efforts and support these women entrepreneur collectively covered over 20,000 acres of land for spraying various crop protection products and nano fertilizers and generated meaningful income, thereby contributed to rural livelihood development. This initiative has facilitated the efficient application of nano fertilizers and promoted precision farming practices, while also aligning with national programmes such as PM PRANAM.

- **PM-PRANAM and GOBARdhan schemes** - HURL's branding and promotion initiatives have strongly supported the objectives of the PM-PRANAM and GOBARdhan schemes by encouraging the use of sustainable fertilizers such as Fermented Organic Manure (FOM) and Liquid Fermented Organic Manure (LFOM). Through continuous farmer engagement, field-level activities, and awareness drives, the Company has promoted the benefits of organic inputs for better soil health and long-term productivity. These focused efforts have helped increase awareness and acceptance among farmers, while also reinforcing HURL's role in supporting national priorities on balanced and sustainable fertilizer use.

- With the addition of new Pradhan Mantri Kisan Samriddhi Kendra (PMKSK) in the FY 2025-26, HURL has developed a total of 1,849 PMKSK across the Country which provide services such as agri-inputs, information and support for farmers.
- As per the guidance of the Department of Fertilizers (DoF), HURL has procured 21,000 Point of Sale (PoS) machines for installing them at PMKSKs to enable real-time monitoring of subsidized fertilizer distribution.

F. **Sustainable farming:** In FY 2025-26, Government of India has enhanced its focus on soil health, judicious use of chemical fertilizers, increase adoption of alternate source of fertilizers such as Organic and Bio Fertilizers.

In line with the vision of Government of India, the Company has also been actively promoting Organic and Bio fertilizers across its all-marketing campaigns with key focus on promotion of soil testing and scientific soil health management practices, encouraging balanced and judicious use of N, P, and K fertilizers, adoption of Integrated Nutrient Management (INM) for enhanced nutrient-use efficiency, and promotion of organic inputs, bio-fertilizers, and sustainable agricultural practices to improve soil organic carbon and microbial activity. The Company has also undertaken dissemination of awareness on Government initiatives, including PM-PRANAM, to promote balanced fertilization and reduced chemical dependency. 'Kisan Marathon' in Haryana was one such event, organized with the intent for fostering stronger engagement and connecting with the farming community and to promote PM-PRANAM Scheme, delivering the message that "we care for you". In this step, HURL has also published a book titled 'Uttar Pradesh on the path of PM-PRANAM'. The objective of the book was to promote the adoption of bio and organic fertilizers by creating awareness among farmers and stakeholders, reduce dependence on chemical fertilizers, and support sustainable agriculture with improved soil health and farmer benefits.

3. FORMATION OF JOINT VENTURE COMPANY - AVFCCL:

During the FY 2025-26, your Company entered into a Joint Venture (JV) Agreement on July 4, 2025, with the Government of Assam, National Fertilizers Limited (NFL), Oil India Limited (OIL), and Brahmaputra Valley Fertilizer Corporation Limited (BVFCL) for the formation, operation, and management of a JV Company. The objective of the JV Company is to set up a new brownfield Ammonia-Urea Complex with an annual production capacity of 12.7 lakh metric tonnes of urea within the existing premises of BVFCL at Namrup, Assam.

Pursuant to the JV Agreement, the JV Company, Assam Valley Fertilizer and Chemical Company Limited (AVFCCL) was incorporated on July 25, 2025. The authorized share capital of AVFCCL as on March 31, 2026 is Rs.100 Crore, and its paid-up share capital stands at Rs.50.86 Crore. The equity shareholding pattern of AVFCCL is Government of Assam: 40%, NFL: 18%, OIL: 18%, HURL: 13% and BVFCL: 11%. AVFCCL is yet to commence its commercial operations.

During the FY 2025-26, pre-project activities were underway at AVFCCL project site. Key developments include 'Bhoomi Pujan' conducted by the Hon'ble Prime Minister on December 21, 2025; appointment of PDIL as the Project Management Consultant (PMC); completion of soil investigation and topographical survey; bush cutting work nearing completion; ongoing construction of the approach road; the project office building and quarters renovation package under award; filing of the application for Environment Clearance and baseline environmental data monitoring in progress and issuance of the Notice Inviting Tender (NIT) for the Ammonia-Urea LSTK Package. Further, AVFCCL has appointed SBICAPS as consultant for financial appraisal and debt tie-up services.

4. CONSOLIDATION OF FINANCIAL STATEMENTS:

In pursuance of the provisions of the Companies Act, 2013, rules framed thereunder and applicable accounting standards, the Company has prepared Consolidated Financial Statements.

The audited Consolidated Financial Statements, along with the Auditor's Report and the Statement containing the salient feature of the financial statement of your Company's JV Company, in terms of first proviso of section 129(3) of the Companies Act, 2013 is given in Form AOC-1 as a part of the Annual Report.

5. NEW PROJECTS BEING UNDERTAKEN:

HURL, with the commissioning of its units, has significantly strengthened the country's journey towards 'Atmanirbharata' in urea production, along with a substantial reduction in urea imports during FY 2025-26.

Your Company is also expanding its footprints in the alternate fertilizers in-line with the policies of the Government of India. In this direction, following projects are being actively considered by the Company:

A. **Nano Urea:** To meet the growing demand for urea and reduce dependency on imports, the Government of India is actively promoting the usage of alternative fertilizers. Nano Fertilizers are revolutionary agri-input that supplies nitrogen to plants efficiently. Your Company is setting up a Nano Urea plant of 75 KL (Kilo Litre) per day capacity at its Gorakhpur Unit. License Agreement has been signed with M/s Ray Nano Science & Research Centre and Project Management Consultant (PMC) has been appointed for the proposed project. The appointment of LSTK contractor for setting up the plant is being taken up.

B. **Ammonium Sulphate:** There is a significant market volume of Ammonium Sulphate in the region wherein HURL has strong presence. In line with the directives of Department of Fertilizers, the Company is planning to set up an Ammonium Sulphate manufacturing plant with a capacity of about 400 MT per day at its Barauni Unit. Detailed Feasibility Report (DFR) is under approval for the proposed project.

C. **Sulphur coated Urea:** The Cabinet Committee on Economic Affairs (CCEA) has approved the launch of Sulphur Coated Urea, branded as "Urea Gold," and has decided to price it at the same level as Neem Coated Urea. Sulphur Coated Urea is anticipated to significantly contribute to improving soil health, ensuring controlled nutrient release, and enhancing crop productivity. Your Company is planning to set up 550 MTPD Sulphur Coated Urea plants at each of its Barauni and Sindri units. A feasibility study for the project is currently underway.

D. **NPK Fertilizers:** NPK fertilizers are a type of multi-nutrient fertilizer that contains three essential plant nutrients: Nitrogen (N), Phosphorus (P), and Potassium (K). NPK fertilizers are widely used in agriculture to improve soil fertility and boost crop yields, making them a key component of balanced nutrient management in farming. Your Company is examining the feasibility to establish an NPK fertilizer plant of about 1,650 MT/Day capacity at its Gorakhpur and Sindri Unit.

6. AWARDS & ACCOLADES:

During the FY 2025-26, the Company has received the following awards:

S.N.	Date and Place of Receipt of Award	Name of the Award	Project / Category
1.	April 5, 2025, New Delhi	Sigma Summit Developing and evolving Entrepreneur 2025	Appreciation award for visionary in Policy & Government Advocacy for CBG (Compressed BioGas).
2.	April 16, 2025, Mumbai	10th Edition of the Future of Logistics & Supply Chain Summit & Awards 2025	Two recognitions received: (i) 'Best Distribution Strategy of the Year', and (ii) Logistics and Supply Chain leader of the Year'

3.	June 30, 2025, Nagpur	Agriculture Sustainability Award	Regional Policy Dialogue Series Climate Change & Impact on Agriculture
4.	August 07, 2025, New Delhi	Sustainable Agriculture Summit & Awards, 2024	Two recognitions received: (i) Krishi Urvarak Vikas Award-Excellence in Fertilizers Production & Supply. (ii) Community Development & Social Impact Award-Community Development & Social Equity.
5.	August 07, 2025, New Delhi	2nd Sustainable Agriculture Summit & Awards, 2025	Five recognitions received: (i) Excellence in Extension & Farmers Training (ii) State-Level Sustainable Agriculture Initiative (iii) Excellence in Water Management (iv) Community & Social Impact Award (v) Excellence in Logistics & Supply Chain
6.	September 20, 2025, Bengaluru	Asia Pacific HRM & National CSR Leadership Congress 2025	Two recognitions received: (i) Happy Employer brand, 2025 (ii) Best Corporate Social Responsibility (iii) Practices for Excellence in CSR & Sustainability
7.	October 8, 2025, Dehradun	FAME National Awards 2025	Platinum Award for Excellence in Occupational Health & Safety
8.	December 03, 2025, Gurugram	11th Edition of the Future of Logistics & Supply Chain Summit & Awards 2025	HURL bagged prestigious award of 'Best Distribution Strategy of the Year'.
9.	December 05, 2025, Hyderabad	12th Scale Awards, 2025	National Supply Chain and Logistics Excellence Award in the Chemical/ Fertilizer category- HURL Barauni
10.	December 10, 2025, New Delhi	The Fertiliser Association of India (FAI), 2025	Runner-up award for Best Film of the Year - 2025
11.	December 19, New Delhi	34th World HRD Congress	Happy Employer Brand - 2025
12.	January 07, 2026, Bihar	Highest Railway Coefficient Award	Highest Railway Coefficient Award by DRM Sonpur ECR- Barauni Unit
13.	January 20, 2026, New Delhi	ICPA National Finance Conclave & Awards 2026	ICPA National Building Award
14.	January 31, 2026, Lucknow	Platinum Customer Trophy by DRM Office, North Eastern Railway, Lucknow	Platinum Customer Trophy (HURL, Gorakhpur)
15.	March 14, 2026, Patna	Sustainable Agriculture Summit & Awards	Two recognitions received: (i) The Soil Health & Sustainable Farming Award (ii) District Level Initiative on Agriculture & Sustainability Award

In addition to the above awards received by the Company, during FY 2025-26, Shri S.P. Mohanty, Managing Director, HURL has received Chanakya Award 2025 - CEO of the Year at the 19th Global Conclave of Public Relations Council of India (PRCI), at a function held on September 26, 2025 at Goa. He was also bestowed with the Rastriya Gaurav Samman-2025 at the 12th Rastriya Gaurav Samman-2025 function held on December 27, 2025 at New Delhi.

7. SHARE CAPITAL:

The Authorized share capital of the Company as on March 31, 2026 stood at Rs.12,000 Crore and the issued, subscribed and paid-up share capital stood at approx. Rs.8,779.42 Crore. There was no share subscription money pending allotment as on March 31, 2026. The entire share capital of the Company is held in the dematerialized mode.

During the FY 2025-26, the Company has allotted 85,04,39,685 equity shares of Rs.10/- each amounting to Rs.8,50,43,96,850/-, on preferential basis, for consideration other than cash. The allotment of these equity shares was made to the Promoter Companies viz. Fertilizer Corporation of India Limited (FCIL) and Hindustan Fertilizer Corporation Limited (HFCL) on August 11, 2025, against the value of land on concession, its opportunity cost and usable assets at Gorakhpur unit and Sindri unit of FCIL and Barauni unit of HFCL, at the time of commencement of commercial production of the projects i.e. cut-off date of 30.04.2023. The cut-off date was decided in terms of NITI Aayog, Government of India, O.M. No. 13(198)/2024-E&F-11 dated June 23, 2025. The said allotment was carried out in compliance with the provisions of the Companies Act, 2013, applicable rules and other statutory requirements. The valuation of the consideration was based on valuation report and certification on the actual capital expenditure incurred till commercial operations date.

The details of share capital allotted during the FY 2025-26, the consequent change in the shareholding pattern of the promoters and the shareholding as on March 31, 2026 is given below:

S.No.	Name of the Shareholder	Total Number of Equity Shares as on 31.03.2025	Share-holding (%) as on 31.03.2025	Allotments made during FY 2025-26 (Rs.10/- per Share)	Total Number of Equity Shares as on 31.03.2026	Share-holding (%) as on 31.03.2026
1.	NTPC Limited (NTPC)*	2,64,29,85,000	33.33%	-	2,64,29,85,000	30.10%
2.	Coal India Limited (CIL)*	2,64,29,85,000	33.33%	-	2,64,29,85,000	30.10%
3.	Indian Oil Corporation Limited (IOCL)*	2,64,29,85,000	33.33%	-	2,64,29,85,000	30.10%
4.	Fertilizer Corporation of India Limited (FCIL)	16,667	0.00%	56,72,17,733	56,72,34,400	6.46%
5.	Hindustan Fertilizer Corporation Limited (HFCL)	8,333	0.00%	28,32,21,952	28,32,30,285	3.23%
	Total	**7,92,89,80,000**	**100%**	**85,04,39,685**	**8,77,94,19,685**	**100%**

** 1. One share held by one nominee each of NTPC, CIL and IOCL.*

2. Allotment of 85,04,39,685 equity shares to FCIL & HFCL during the year, lead to reduction in the shareholding percentage of the other Promoters, namely, NTPC, CIL and IOCL.

During the year under review, the Company had offered 12,85,17,625 equity shares of face value Rs.10/- each on a rights basis to the existing shareholders, in accordance with Section 62(1)(a) of the Companies Act, 2013 and decision of the 2nd Inter-Ministerial Committee (IMC) meeting dated September 24, 2025 on the issue of equity shares to FCIL and HFCL in HURL. The said rights issue offer was open from November 17, 2025 till the extended date i.e. December 16, 2025 and the share were renounced by CIL, NTPC and IOCL. However, the shares offered and the renounced shares could not be subscribed by the other eligible shareholders namely FCIL and HFCL, due to non-receipt of requisite approvals. Accordingly, the rights issue remained unsubscribed to that extent, and no allotment was made against such shares. Thus, there was no change in the paid-up share capital of the Company pursuant to the aforesaid rights issue.

Subsequent to the close of the FY 2025-26, on June 8, 2026, the Company undertook a second rights issue, offering 1,285,17,625 equity shares with a face value of Rs.10/- each to its existing shareholders, again in accordance with Section 62(1)(a) of the Companies Act, 2013. Following the renouncement of shares by CIL, NTPC, and IOCL, FCIL subscribed to 8,57,17,404 equity shares and HFCL subscribed to 4,28,00,221 equity shares. These shares were duly allotted on June 29, 2026, resulting in an increase in the Company's paid-up share capital from Rs.8,779.42 Crore to Rs.8,907.94 Crore after the close of the FY 2025-26.

8. LOANS AND CREDIT RATING:

Loans:

The total outstanding balance of Term Loan as on March 31, 2026 stood at Rs.11,515.88 Crore. In addition, Interest Free loan sanctioned by Government of India was Rs.894.80 Crore and the outstanding balance as on March 31, 2026 stood at Rs.847.86 Crore.

During the FY 2025-26, the Company has availed a refinancing of Rupee Term Loan facility (secured loan) amounting to Rs.12,842 Crore from Indian Railway Finance Corporation (IRFC). This facility was utilized to refinance the existing term loans related to the Gorakhpur, Sindri, and Barauni projects of the Company. Consequently, the outstanding balance of Rs.11,554 Crore previously availed from the consortium of lenders was fully repaid on March 27, 2026.

The details of current and non-current borrowings/secured loans have been disclosed in the Standalone Financial Statements at Note No.16.

Credit Rating:

During FY 2025-26, India Ratings and Research (Ind-Ra) in December 2025 has revised the ratings of Term loan and Interest Free Loan to 'IND AA/Stable', from the previous rating of 'IND AA-/Stable'.

9. RESERVES:

The reserves of the Company under Reserves and Surplus (Retained earnings and other comprehensive income) stood at Rs. Rs.3,728.14 Crore as on March 31, 2026 (Previous year Rs.2,612.36 Crore).

10. DIVIDEND:

During the FY 2025-26, the Board of Directors of your Company declared a maiden interim dividend of Rs.1.53 per fully paid-up equity share, on 8,77,94,19,685 equity shares of a face value of Rs.10/- each, representing 15.3%, in compliance to the applicable statutory provisions.

Considering the financial results and performance of the Company during the year under review, the Board of Directors at its meeting held on April 17, 2026 have recommended a maiden final dividend of Rs.0.36 per fully paid-up equity share, on 8,77,94,19,685 equity shares of a face value of Rs.10/- each, representing approx. 3.6% for the FY 2025-26, which shall be paid after approval of shareholders at their ensuing Annual General Meeting.

In light of the increase in paid-up share capital to Rs.8,907.94 Crore, following the allotment of equity shares through the Rights Issue to the Promoter Companies, namely FCIL and HFCL, subsequent to the close of FY 2025-26, the Board now proposes a dividend of Rs.0.35 per fully paid-up equity share on 8,90,79,37,310 equity shares, having a face value of Rs.10/- each. This represents an approximate dividend payout ratio of 3.5% for FY 2025-26. The dividend shall be paid, subject to approval by the shareholders at the forthcoming Annual General Meeting.

The total dividend for the FY 2025-26 on account of interim and final dividend, amounts to approx. Rs.1.88 per equity share of Rs.10 each, representing approx 18.8% involving total outgo of Rs.1,661.77 Crore, subject to deduction of tax at source.

11. CONTRIBUTION TO EXCHEQUER

The Company has consistently upheld highest standards of tax compliance, while making significant contributions to both Central and State Exchequers. During the FY 2025-26, your Company has contributed approx. Rs.541 Crore to the Exchequer by way of direct and indirect tax contributions as compared to approx. Rs.265 Crore paid in the previous year. An amount of Rs.182 Crore (i.e. 34%) was paid as Direct tax contribution to the exchequer and Rs.359 Crore (i.e. 66%) in form of Indirect tax contribution was collected and paid to the Exchequer in FY 2025-26.

12. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT:

No material changes or commitments have arisen between the close of the financial year and the date of this Report that would affect the financial position of the Company, other than the continuation of geo-political developments in the Gulf region subsequent to the close of the year.

13. GENERAL INFORMATION – GLOBAL & INDIAN ECONOMY, OVERVIEW OF INDUSTRY, AND OUTLOOK OF THE COMPANY:

Global and Indian Economy:

The global economy continued to face heightened uncertainty during the year under review due to persistent geopolitical tensions, supply chain disruptions, inflationary pressures, and volatility in energy and commodity markets across major economies. According to the World Economic Outlook (WEO), April 2026 released by the International Monetary Fund, global growth is projected at 3.1% in 2026 with inflation estimated at 4.4%. However, adverse geopolitical developments, particularly the ongoing conflict in the Middle East, may lead to slower growth and elevated inflation levels, thereby posing significant downside risks to the global economy.

Despite global headwinds, the Indian economy continues to demonstrate resilience supported by strong domestic demand, government-led infrastructure spending, stable financial systems, and policy reforms. While external vulnerabilities such as crude oil prices, imported inflation, currency volatility, and geopolitical uncertainties remain elevated, domestic growth drivers are expected to continue supporting India's economic activity. As per the First Advance Estimates released by the National Statistical Office (NSO), Ministry of Statistical and Programme Implementation (MoSPI) on January 7, 2026, the Real GDP of the country has been estimated to grow by 7.4% in FY 2025-26 as compared to the growth rate of 6.5% in FY 2024-25.

The 'Agriculture' continues to remain one of the key pillars of the Indian economy, contributing significantly towards employment generation, rural livelihoods, and food security. The sector demonstrated resilience during the year under review despite challenges arising from climatic variations, inflationary pressures, and global geopolitical uncertainties. Government initiatives focusing on rural infrastructure, irrigation, digitization, crop insurance, and enhancement of farmers' income continued to support the growth of the agricultural sector. As per the Economic Survey FY 2025-26 issued by Department of Economic Affairs, Government of India, Indian Agriculture and allied services are estimated to grow by 3.1% in FY26, reflecting structural characteristics of agricultural growth.

The Government of India has maintained its emphasis on improving agricultural productivity, promoting balanced nutrient usage, strengthening agri-value chains, and encouraging sustainable farming practices. The Department of Fertilizers received a net budgetary allocation of about Rs.1.71 Lakh Crore for FY 2026-27, reflecting continued government support for fertilizer availability and farmer affordability. The allocation mainly supports fertilizer subsidies, which help keep key fertilizers affordable for farmers despite volatility in global fertilizer prices, raw material costs, and support disruptions. As per the Union Budget for FY 2026-27, Rs.1,70,799 Crore has been allocated towards the Urea Subsidy and Nutrient-Based Subsidy (NBS) schemes in 2026-27. Fertilizer subsidy is estimated at 3.2% of the Central Government's total budget for the year. The Government continues to use the NBS framework for phosphatic and potassic fertilizers such as DAP, MOP and NPK grades, which helps manage farmer prices while absorbing part of the cost burden through subsidies.

Increased focus of the Government on mechanization, adoption of modern farming techniques, precision agriculture, and improved access to credit and technology are expected to enhance farm productivity and efficiency over the long term.

Overview of Industry – Fertilizer Sector:

The fertilizer industry plays a vital role in ensuring food security and sustaining agricultural productivity in India. India is the world's second-largest producer and consumer of fertilizers. With substantial population dependent on agriculture for livelihood and a rapidly growing population to feed, consistent and affordable access to key fertilizers – namely Urea, DAP (Di-Ammonium Phosphate) and NPK (Nitrogen, Phosphorus, Potassium) complexes is vital to ensure that food production meets domestic demand. Recognizing the strategic importance of the sector, the Government of India has continued its support through substantial fertilizer subsidies. The Union Budget for FY 2026-27 has allocated approximately Rs.1.71 Lakh Crore towards fertilizer subsidy. However, considering the prevailing geopolitical tensions and surge in global fertilizer and energy prices, industry estimates indicate that the actual subsidy outgo may be significantly higher.

The Indian fertilizer sector remains substantially dependent on imports, with nearly 25% of urea requirements and around 90% of complex fertilizers, particularly DAP, being imported primarily from West Asia and Morocco. Further, a significant portion of domestic urea production is dependent on imported Liquefied Natural Gas (LNG) as feedstock. Such dependence exposes the industry to international price fluctuations, supply chain disruptions, foreign exchange volatility, and geopolitical risks. Nonetheless, sustained government support, focus on agricultural productivity, balanced nutrient usage, and initiatives aimed at achieving self-reliance in fertilizer production are expected to support long-term growth prospects of the industry.

Outlook of the Company:

The FY 2025-26 has ended on a challenging global backdrop, marked by the ongoing Russia-Ukraine War and escalating tensions involving Israel, United States, and Iran. While the initial disruptions from the former were stabilizing, the latter conflict has intensified supply-side uncertainties, particularly impacting the availability and pricing of natural gas, key raw materials for bags, and other critical inputs. Consequently, fertilizer imports are also expected to face constraints in the near term.

The Company continues to closely monitor global economic developments, geopolitical situations, commodity price movements, and regulatory changes affecting the fertilizer industry. The Company remains committed to maintaining operational efficiency, ensuring timely availability of products, strengthening supply chain resilience, and enhancing customer outreach. The Company remains optimistic and forward-looking in its approach and aims to expand its geographical footprint into new territories including Jammu & Kashmir, Himachal Pradesh, the North-East region, and Gujarat, thereby strengthening its national presence. It also plans to enhance import volumes and diversify its portfolio with the addition of Muriate of Potash (MOP) and new grades of NPK (Nitrogen, Phosphorus and Potassium) fertilizers. Further, the introduction of traded products such as Phosphate Rich Organic Manure (PROM), Fermented Organic Manure (FOM), Seaweed-based inputs, Sulphur 90%, and Phosphate Derived Rock (PDR) will broaden its offerings to farmers.

The Company is also focused on scaling up its agrochemical business and further strengthening its digital ecosystem for improved farmer outreach. The Company will continue to expand its "Drone Didi" initiative, positioning them as business partners to promote HURL products, particularly nano fertilizers, agrochemicals, and brand advisory services at the grassroots level. In parallel, HURL is exploring strategic tie-ups with leading technology institutions to drive innovation in fertilizers and allied sectors.

The long-term fundamentals of the Indian agriculture sector remain positive, driven by increasing food demand, focus on rural development, favorable policy initiatives, and continued government support for the fertilizer sector. Leveraging its market presence, operational capabilities, and strategic initiatives, the Company is well positioned to capitalize on emerging opportunities while prudently managing associated risks and uncertainties.

14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Details of energy conservation, technology absorption, research and development and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013, read with the applicable rules, are annexed as an Appendix-A and forms an integral part of this report.

15. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

HURL is an unlisted public company and a joint venture company promoted by five Central Public Sector Enterprises (CPSEs) out of which three are Maharatna company, namely, NTPC Limited (NTPC), Coal India Limited (CIL), Indian Oil Corporation Limited (IOCL); and the other two promoters are Fertilizer Corporation of India Limited (FCIL) and Hindustan Fertilizer Corporation Limited (HFCL). The composition of the Board of Directors of HURL is as per the Companies Act, 2013 and its Articles of Association.

Board of Directors:

As on March 31, 2026, the Board of Directors of the Company comprised of eight directors, which included one Managing Director and seven non-executive directors. The non-executive directors consisted of two nominees each from the three promoter companies, namely NTPC, CIL and IOCL, along with one director jointly nominated by FCIL and HFCL. The positions of Chairman and two Vice-Chairmen are nominated by the three promoter companies (NTPC, CIL, and IOCL) on a rotational basis for a tenure of three years. The Board composition also includes one woman nominee director.

Being a JV Company, HURL is exempt from the requirement of appointment of Independent Directors pursuant to the provisions of section 149(4) of the Companies Act, 2013 read with rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014. Accordingly, no Independent Director has been appointed on the Board of the Company during the financial year under review. Therefore, declaration of independence by the Independent Directors in terms of section 149(6) of the Companies Act, 2013 is also not applicable.

Directors who were appointed and also whose tenure has ended during the year:

During the FY 2025-26, the following changes were made in the Board of Directors:

A. Changes in Chairman:

(i) Shri Debasish Nanda (DIN: 09015566), nominated by CIL, ceased to be a Director / Chairman on May 31, 2025 due to his superannuation from CIL.

(ii) Shri Mukesh Agrawal (DIN: 10199741), nominated by CIL, was appointed as a Director / Chairman on June 01, 2025; however, he later ceased to hold office on August 15, 2025, following a change in nomination by CIL.

(iii) Shri Animesh Jain (DIN: 09343563), nominated by NTPC as Vice-Chairman, was designated as Chairman on August 16, 2025, upon completion of the three years' term of the previous Chairman nominated by CIL, following nomination by NTPC. Shri Animesh Jain later ceased to be a Director/Chairman on September 30, 2025 due to his superannuation from NTPC.

(iv) Shri Virendra Malik (DIN: 10427762), was nominated by NTPC, as Director / Chairman and appointed on October 06, 2025.

B. Changes in Vice-Chairman:

(i) Shri Animesh Jain (DIN: 09343563), nominated by NTPC as Director / Vice-Chairman and appointed on 19.03.2025.

He was designated as Chairman on 16.08.2025, by NTPC. Shri Chiranjib Patra (DIN: 10984975), nominated by CIL as Director was designated as Vice-Chairman on August 16, 2025, by CIL.

(ii) Smt. Padma Dhulipala (DIN: 09565836), nominated by IOCL, as Director / Vice-Chairman ceased to be a Director/Vice-Chairman on August 22, 2025; following which based on nomination by IOCL Shri AV Raghunadhan (DIN: 10570608), nominated as Director by IOCL was designated as Vice-Chairman on August 22, 2025.

C. Changes in Director:

(i) Shri Sanjay Shrivastava (DIN: 11243864), nominated by CIL, was appointed as a Director on August 16, 2025.

(ii) Shri Nitin Kumar (DIN: 11237687), nominated by IOCL, was appointed as a Director on August 22, 2025.

(iii) Shri Masood Akhtar Ansari (DIN: 10429528), nominated by NTPC, ceased to be a Director on upto October 06, 2025, due to change in nomination.

(iv) Smt. Sangeeta Kaushik (DIN: 09157948), nominated by NTPC, was appointed as Director on October 06, 2025; however, she later ceased to be Director on January 31, 2026, due to her superannuation from NTPC.

(v) Ms. Ritu Arora (DIN: 00002455), nominated by NTPC, was appointed as a Director on February 02, 2026.

The following was composition of the Board of

S. No.	Name and DIN	Designation
1.	Shri Virendra Malik (DIN: 10427762)	Chairman
2.	Shri AV Raghunadhan (DIN: 10570608)	Vice Chairman
3.	Shri Chiranjib Patra (DIN: 10984975)	Vice Chairman
4.	Shri S.P. Mohanty (DIN: 05336787)	Managing Director
5.	Shri Sanjay Shrivastava (DIN:11243864)	Director
6.	Shri Nitin Kumar (DIN: 11237687)	Director
7.	Shri Naresh Arya (DIN: 10627329)	Director
8.	Ms. Ritu Arora (DIN: 00002455)	Director

Directors, as on March 31, 2026:

Appointment / Re-appointment of Directors at the ensuing AGM:

In accordance with the provisions of Companies Act, 2013 and Articles of Association of the Company, Shri AV Raghunadhan, Vice-Chairman shall retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible, have offered himself for re-appointment.

Shri Virendra Malik, Chairman and Ms. Ritu Arora, Director have been appointed as Additional Director and shall hold office upto the date of AGM. The requisite details for regularization at the ensuing AGM have been received.

The Nomination & Remuneration Committee and the Board of Directors recommends the re-appointment / appointment of Directors as detailed hereinabove. The details of Directors whose re-appointment / appointment is to be done at the ensuing AGM, are contained in the Notice convening the ensuing AGM of the Company.

Key Managerial Personnel (KMP):

The following were the KMP of the Company as on

S.No.	Name	Designation
1.	Shri S.P. Mohanty	Managing Director
2.	Ms. Poonam Jeswani	Chief Financial Officer (CFO)
3.	Smt. Iti Matta	Company Secretary (CS)

16. REMUNERATION POLICY FOR BOARD AND SENIOR MANAGEMENT:

During the FY 2025-26, no remuneration was paid to the non-Executive Directors. The remuneration of Managing Director is fixed on the recommendation of Nomination & Remuneration Committee and Board of Directors, with the approval of the General Meeting.

As required in terms of section 178(4) of the Companies Act, 2013, the salient features of the policy relating to the remuneration for the Directors, KMP and other employees is placed on the website of the Company at the web link **https://hurl.net.in/overview.** The remuneration paid to Directors and KMPs during the FY 2025-26 is under Note No. 34.2 of Notes to Accounts to the Standalone Financial Statements.

The remuneration policy of the Company and the policy for appointment of Senior Management are reviewed and recommended by the Nomination & Remuneration Committee before its approval by the Board of Directors.

During the year under review, none of the employees was in receipt of remuneration in excess of the limits stipulated in the Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

In terms of provisions of Section 197 of the Companies Act, 2013 read with Rule 5 of the aforesaid Rules, the details of the top ten employees in terms of remuneration drawn are annexed as an **Appendix-D** and forms an integral part of this report.

17. PERFORMANCE EVALUATION:

All the Directors of the Company (other than Managing Director) are non-executive and have been nominated by the Promoter Companies, which are Central Public Sector Enterprises (CPSEs). The performance evaluation of these nominee Directors is carried out by their respective nominating Companies in accordance with their established evaluation frameworks and procedures. Accordingly, no separate performance evaluation of the Non-Executive Directors or of the Board and its Committees was undertaken by the Company during the period.

The performance evaluation of the Managing Director is carried out based on the Key Performance Indicators (KPIs) that are fixed at the beginning of the FY. These KPIs generally include a mix of financial and non-financial parameters. Further, the Board of Directors continuously evaluates his performance.

18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT

The details of loans, guarantees or investments under Section 186 of the Act, are available under Note No. 7 of notes to accounts, attached to the Standalone Financial Statements.

The full particulars are available in the Register maintained under Section 186 of the Act, which is available for inspection during business hours on all working days (except Saturday and Sunday).

19. MEETINGS OF THE BOARD OF DIRECTORS, AGM AND ATTENDANCE:

The meetings of the Board of Directors and committees thereof are usually held at the Corporate Office of the Company at "Core-4, 9th Floor, SCOPE Minar, Laxmi Nagar District Centre, New Delhi-110092".

During the FY 2025-26, nineteen (19) Board Meetings were held as detailed below with three (3) meetings in quarter ended on 30th June 2025, six (6) meetings in quarter ended on 30th September 2025, four (4) meetings in quarter ended on 31st December 2025 and six (6) meetings in quarter ended on 31st March, 2026. The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. During the FY 2025-26, the meetings of the Board were held virtually as well as physically.

The attendance details at the Board Meetings held during the FY 2025-26 are as follows:

S.No.	Date of the Meeting	Board Strength	No. of Directors Present
1.	23.04.2025	8	7
2.	09.05.2025	8	7
3.	14.06.2025	8	8
4.	16.07.2025	8	8
5.	25.07.2025	8	6
6.	18.08.2025	8	7
7.	25.08.2025	8	7
8.	09.09.2025	8	8
9.	25.09.2025	8	8

10.	08.10.2025	8	7
11.	16.10.2025	8	8
12.	12.11.2025	8	8
13.	05.12.2025	8	7
14.	09.01.2026	8	8
15.	15.01.2026	8	8
16.	24.02.2026	8	7
17.	02.03.2026	8	8
18.	18.03.2026	8	7
19.	24.03.2026	8	7

The details of Director's attendance at Board Meetings and Annual General Meeting held during FY 2025-26 are tabled below:

S . No.	Name of Director & Designation	Category	Number of Board Meeting entitled to attend	No. of Board Meetings attended	Whether attended last AGM held on 23.09.2025
1.	Shri Debasish Nanda, Chairman (Upto 31.05.2025)	Nominee of CIL	2	2	NA
2.	Shri Mukesh Agrawal, Chairman (w.e.f. 01.06.2025 and upto 15.08.2025)	Nominee of CIL	3	3	NA
3.	Shri Animesh Jain, Chairman (Vice-Chairman w.e.f. 19.03.2025) & (Chairman w.e.f. 16.08.2025 & upto 30.09.2025)	Nominee of NTPC	9	8	Yes
4.	Shri Virendra Malik, Chairman (w.e.f. 06.10.2025)	Nominee of NTPC	10	10	NA
5.	Shri AV Raghunadhan, Vice Chairman (w.e.f. 22.08.2025)	Nominee of IOCL	19	17	Yes
6.	Shri Chiranjib Patra, Vice Chairman (w.e.f. 16.08.2025)	Nominee of CIL	19	16	Yes
7.	Shri S.P. Mohanty, Managing Director	Managing Director	19	19	Yes
8.	Smt. Padma Dhulipala, Vice Chairperson (upto 22.08.2025)	Nominee of IOCL	6	4	NA
9.	Shri Masood Akhtar Ansari, Director (upto 06.10.2025)	Nominee of NTPC	9	9	Yes
10.	Shri Sanjay Shrivastava, Director (w.e.f. 16.08.2025)	Nominee of CIL	14	12	Yes
11.	Shri Nitin Kumar, Director (w.e.f. 22.08.2025)	Nominee of IOCL	13	13	Yes
12.	Shri Naresh Arya, Director	Nominee of FCIL/HFCL	19	19	Yes
13.	Smt. Sangeeta Kaushik, Director (w.e.f. 06.10.2025 and upto 31.01.2026)	Nominee of NTPC	6	5	NA
14.	Ms. Ritu Arora, Director (w.e.f. 02.02.2026)	Nominee of NTPC	4	4	NA

20. BOARD COMMITTEES AND ATTENDANCE:

The Board has constituted various Board Committees from time to time, for specific purposes. All the Statutory Committees of the Board have been formed complying to the requirements under applicable provisions of the Companies Act, 2013 and Supplementary JV agreement with membership of at least one Director nominated by each of NTPC, CIL and IOCL.

The details of such committees constituted by the Board are as under:

(i) **Audit Committee –** Pursuant to the provisions of Section 177 of the Companies Act, 2013, the Audit Committee has been originally constituted by the Board of Directors on May 03, 2017. The Committee has been reconstituted as and when there has been change in directors. The members of the Committee are financially literate. Managing Director and Chief Financial Officer are permanent invitees, and Company Secretary is the Secretary to the Committee.

During the FY 2025-26, eight (8) meetings of the Audit Committee were held on April 22, 2025, July 14, 2025, July 16, 2025, September 09, 2025, October 15, 2025, December 04, 2025, January 15, 2026 and March 24, 2026. The details including attendance of members of Audit Committee are as follows:

S.No.	Name of Director	Designation	Total Meetings held during the tenure	No. of Meetings attended
1.	Shri Masood Akhtar Ansari, (upto 06.10.2025)	Chairman	4	4
2.	Shri Nitin Kumar (w.e.f. 22.08.2025 & Chairman w.e.f. 06.10.2025)	Chairman	5	5
3.	Shri Chiranjib Patra (upto 16.08.2025)	Member	3	3
4.	Shri Sanjay Shrivastava (w.e.f. 16.08.2025)	Member	5	5
5.	Shri AV Raghunadhan (upto 22.08.2025)	Member	3	3
6.	Shri Naresh Arya	Member	8	7
7.	Smt. Sangeeta Kaushik (w.e.f. 06.10.2025 upto 31.01.2026)	Member	3	3
8.	Ms. Ritu Arora (w.e.f. 02.02.2026)	Member	1	1

Shri Masood Akhtar Ansari, the then Chairman of the Audit Committee was present at the AGM held on September 23, 2025 to answer the queries of the shareholders.

The recommendations of the Audit Committee have been generally accepted by the Board of Directors during the FY 2025-26.

The composition of the Audit Committee as on March 31, 2026 as well as on the date of this report is as under:

S.No.	Name of the Member	Designation
1.	Shri Nitin Kumar	Chairman of the Committee
2.	Shri Sanjay Shrivastava	Member
3.	Ms. Ritu Arora	Member
4.	Shri Naresh Arya	Member

(ii) **Nomination & Remuneration Committee –** Pursuant to the provisions of Section 178 of the Companies Act, 2013, the Nomination &

Remuneration Committee (NRC) has been originally constituted by the Board of Directors on May 03, 2017. The Committee has been reconstituted as and when there has been change in directors. Managing Director is permanent invitee to the Committee, and Company Secretary is the Secretary to the Committee.

During the FY 2025-26, two (2) meetings of the NRC were held on July 14, 2025 and March 10, 2026. The details including attendance of members of NRC are as follows:

S. No.	Name of Director	Designation	Total Meetings held during the tenure	No.of Meetings attended
1.	Shri Animesh Jain (upto 16.08.2025)	Chairman	1	1
2.	Smt. Padma Dhulipala (Chairperson w.e.f. 16.08.2025 and upto 22.08.2025)	Chairperson	1	1
3.	Shri A V Raghunadhan (w.e.f. 22.08.2025)	Chairman	1	1
4.	Shri Masood Akhtar Ansari (w.e.f. 18.08.2025 and upto 06.10.2025)	Member	NA	NA
5.	Shri Chiranjib Patra	Member	2	2
6.	Smt. Sangeeta Kaushik (w.e.f. 06.10.2025 and upto 31.01.2026)	Member	NA	NA
7.	Ms. Ritu Arora (w.e.f. 02.02.2026)	Member	1	1

Shri AV Raghunadhan, Chairman of the NRC was present at the Annual General Meeting held on September 23, 2025 to answer the queries of the shareholders.

The composition of the NRC as on March 31, 2026 as well as on the date of this report is as under:

S.No.	Name of the Member	Designation
1.	Shri AV Raghunadhan	Chairman of the Committee
2.	Shri Chiranjib Patra	Member
3.	Ms. Ritu Arora	Member

(iii) Corporate Social Responsibility (CSR) Committee – Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Corporate Social Responsibility (CSR) Committee of the Board has been originally constituted by the Board of Directors on June 28, 2019 to formulate policy for Enterprise Social Commitment (ESC) and oversee implementation of requirements prescribed by Ministry of Environment, Forest and Climate Change on ESC in addition of CSR policy. The Committee has been reconstituted as and when there has been change in directors. Chief Financial Officer is permanent invitee to the Committee, and Company Secretary is the Secretary to the Committee.

During the FY 2025-26, two (2) meetings of the CSR Committee were held on September 18, 2025 and March 25, 2026. The details including attendance of members of CSR Committee are as follows:

S. No.	Name of Director	Designation	Total Meetings held during the tenure	No.of Meetings attended
1.	Shri AV Raghunadhan	Chairman	2	2
2.	Shri S.P. Mohanty	Member	2	2
3.	Shri Masood Akhtar Ansari (upto 06.10.2025)	Member	1	1

4.	Shri Chiranjib Patra	Member	4	4
5.	Smt. Sangeeta Kaushik (w.e.f. 06.10.2025 & upto 31.01. 2026)	Member	NA	NA
6.	Ms. Ritu Arora (w.e.f. 02.02.2026)	Member	1	NA

The composition of the CSR Committee as on March 31, 2026 as well as on the date of this report is as under:

S.No.	Name of the Member	Designation
1.	Shri AV Raghunadhan	Chairman of the Committee
2.	Shri S.P. Mohanty	Member
3.	Shri Chiranjib Patra	Member
4.	Ms. Ritu Arora	Member

(iv) **Right Issue Committee –** The Right Issue Committee has been constituted by the Board of Directors to exercise the powers of the Board for right issue and carry out all activities related to issue and allotment of shares to FCIL & HFCL from time to time. The Committee has been reconstituted as and when there has been change in directors. Chief Financial Officer is permanent invitee to the Committee, and Company Secretary is the Secretary to the Committee.

During the FY 2025-26, four (4) meetings of the Right Issue Committee were held on August, 01 2025, August, 11 2025, November, 10 2025 and November, 12 2025. The details including attendance of members of Right Issue Committee are as follows:

S. No.	Name of Director	Designation	Total Meetings held during the tenure	No.of Meetings attended
1.	Shri Animesh Jain (upto 30.09.2025)	Chairman	2	2
2.	Shri Chiranjib Patra (Chairman w.e.f. 16.08.2025)	Chairman	2	2
3.	Shri Masood Akhtar Ansari (w.e.f. 16.08. 2025 & upto 06.10.2025)	Member	NA	NA
4.	Smt.Sangeeta Kaushik (w.e.f. 06.10. 2025 & upto 31.01.2026)	Member	2	2
5.	Shri AV Raghunadhan (upto 22.08. 2025)	Member	2	2
6.	Shri Nitin Kumar (w.e.f. 22.08. 2025)	Member	2	2
7.	Shri Naresh Arya	Member	4	4
8.	Ms. Ritu Arora (w.e.f. 02.02.2026)	Member	NA	NA

The composition of the Right Issue Committee as on March 31, 2026 as well as on the date of this report is as under:

S.No.	Name of the Member	Designation
1.	Shri Chiranjib Patra	Chairman of the Committee
2.	Shri Nitin Kumar	Member
3.	Shri Naresh Arya	Member
4.	Ms. Ritu Arora	Member

(v) **Project Management Committee** - During the FY 2025-26, the Project Management Committee (PMC) which had been constituted to monitor and supervise the Project progress and exercise Powers of Board for Project Management, was dissolved as the purpose for which it was constituted by the Board have been duly achieved and it is no longer deemed necessary to continue its operations. No meeting of the PMC was held during the FY 2025-26.

21. CORPORATE SOCIAL RESPONSIBILITY:

Your Company upholds its core philosophy of supporting communities and protecting the environment. It considers Corporate Social Responsibility (CSR) not merely as a statutory obligation, but as an integral part of responsible and ethical business conduct. Through its CSR initiatives, the Company aims to contribute to inclusive and sustainable growth and to enhance the quality of life of communities, particularly those in and around its areas of operation. Company's CSR thrust areas include "Healthcare, Nutrition, and Sanitation", "Education and enhancing vocational skills", "Empowerment of women and socially/economically backward groups", etc.

The highlights of the CSR projects and programs of the Company during the FY 2025-26 under its focus areas are detailed below:

(A) Healthcare, Nutrition and Sanitation, the Company implemented multiple projects such as,

(i) ***Project Swastya Sathi*** was implemented in association with the Artificial Limbs Manufacturing Corporation of India (ALIMCO) across the Company's three plant locations with an outlay of approx. Rs. 3 Crore. During FY 2025-26, over 3,500 assistive devices, including wheelchairs, hearing aids, and artificial limbs, were distributed, benefiting more than 300 Divyangjans and senior citizens and enhancing their mobility and quality of life.

(ii) ***Project Sehat Sathi*** was implemented in association with Hindustan Latex Family Planning Promotion Trust (HLFPPT) across the Company's three plant locations with an outlay of approx. Rs.3 Crore. During FY 2025-26, the initiative focused on strengthening healthcare infrastructure, providing essential medical equipment, and promoting health awareness, benefiting over 50,000 individuals through improved access to affordable and quality primary healthcare services.

(iii) ***Project Poshan*** Project Poshan was implemented in collaboration with Parichay Foundation at Raghunathpur, Patia, Bhubaneswar, Odisha, with an outlay of approx. Rs.0.20 Crore. During FY 2025-26, the initiative supported 190 underprivileged women weavers through regular distribution of nutritious food packets and promotion of healthy dietary practices, contributing to their well-being and sustainable rural community development.

(iv) ***Project Aarogya Mitra*** Project Aarogya Mitra was implemented in association with Manav Vikas Sansthan India (MVS) across the Company's three plant locations to strengthen healthcare infrastructure through AI-enabled Health ATM machines at PHCs, CHCs, and Government Hospitals. With an investment of approx. Rs. 1.41 Crore, the project aims to improve healthcare access, health awareness, and timely diagnostics, benefiting over 75,000 individuals annually.

(v) ***Project Swasthya Kiran*** was implemented in collaboration with Vyakti Vikas Kendra India (VVKI) at Sri Sri College of Ayurvedic Science and Research Hospital, Cuttack, Odisha, for strengthening diagnostic healthcare services through installation of a Revolution™ Aspire Select CT Scanner. With an investment of approx. Rs. 2.32 Crore, the project is expected to benefit over 40,000 patients annually by enabling timely diagnosis and improved treatment outcomes for critical health conditions.

(B) Education and Skill Development, the Company undertook projects such as,

(i) ***Project Prayas*** was implemented in collaboration with EdCIL (India) Limited across nine government schools at the Company's three plant locations with an outlay of approx. Rs. 2.94 Crore, benefitted over 9,000 students during FY 2025-26 through establishment of Atal Tinkering Labs, VR Labs, and solar-powered smart classrooms, fostering innovation and experiential STEM learning in alignment with NEP 2020.

(ii) ***Project Saksham 2.0*** Project Saksham 2.0, implemented in collaboration with Central Institute of Petrochemicals Engineering & Technology across all three plant locations with an outlay of approx. Rs. 3 Crore, provided NSQF-aligned skill development training to 418 unemployed and underprivileged youth during FY 2025-26, significantly improving employability and livelihood opportunities in plastics and allied sectors.

(iii) ***Project Aashiyana*** is being implemented in collaboration with Kalgidhar Trust for construction of a 14-room girls' hostel at Eternal University, Baru Sahib, Himachal Pradesh, with an outlay of approx. Rs.1.54 Crore. The project aims to provide safe accommodation for 42 underprivileged girls, supporting educational continuity, improving student retention, and empowering first-generation learners from rural communities.

(C) Rural Development and Environmental Sustainability, the Company implemented initiatives such as,

(i) ***Project Surya Kiran*** was implemented in collaboration with Central Electronics Limited (CEL) across the Company's three plant locations, with an investment of approx. Rs. 2.41 Crore, for installation of hybrid rooftop solar systems at District Hospitals, PHCs, and CHCs. During FY 2025-26, the initiative aimed to ensure uninterrupted healthcare services, reduce electricity expenditure, and strengthen sustainable healthcare infrastructure, benefiting over 50,000 individuals in surrounding communities.

(ii) ***Project Haryali*** was undertaken in association with the Gorakhpur Forest Division with an investment of approx. Rs.0.77 Crore to promote environmental conservation, ecological restoration, and environmental awareness. Implemented under the supervision of the Gorakhpur Forest Division, the initiative is expected to benefit over 25,000 individuals while contributing to long-term ecological sustainability.

(D) Other CSR projects, the Company undertook the following need-based initiatives directly through its units to support local communities, during the FY 2025-26:

(i) Sindri Unit provided potable water supply facilities to the residents of Sindri Basti and Chattatand Village, with an outlay of approximately Rs.0.48 Crore.

(ii) Barauni Unit undertook health camps, establishment of digital libraries, and installation of water coolers in government schools, with an outlay of approx. Rs.1.14 Crore, contributing to community development.

The CSR obligation of the Company for FY 2025-26, in terms of the Companies Act, 2013 and rules made thereunder, was Rs. 23.48 Crore. During the year, the Company spent Rs. 20.56 Crore on various CSR projects/programmes, including contribution of Rs. 10.68 Crore to PM CARES Fund towards CSR obligation of the previous financial year. The composition and terms of reference of the CSR Committee are provided in Para 20(iii) above. The CSR Policy is available on the Company's website at HURL CSR Policy. The Annual Report on CSR activities, as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, is annexed as Appendix-B and forms an integral part of this Report.

22. INITIATIVES FOR CORPORATE ENVIRONMENT RESPONSIBILITY (CER):

As part of its commitment towards environmental and social development of communities surrounding its Urea plants, the Company has been undertaking various projects to fulfil its Corporate Environment Responsibility (CER) obligations under the Environmental Clearance conditions for its projects.

The Company has committed a corpus of Rs. 150 Crore towards CER activities, as approved in the revised project cost by the Board of Directors in April 2023. Accordingly, the teams at all three plants are developing and implementing suitable CER projects in line with public consultation commitments and the Company's CER Policy.

The brief of CER projects at the three Plants of the Company is as under:

A. At Gorakhpur, the Company undertook CER initiatives including supply and installation of 1,427 integrated solar street lights across 27 routes in the city. In addition, skill development programmes for local youth were undertaken in association with the National Skill Development Corporation (NSDC) to enhance employability and create job opportunities. The Company's CER initiatives, particularly PICUs and SAKSHAM, have been appreciated by the Gorakhpur District Administration and the Government of Uttar Pradesh.

B. At Barauni, the Company undertook skill development initiatives for local youth in association with NSDC to enhance employability through training in various trades. Further, the District Administration has consented to implementation of CER projects through nominated implementation partners on a case-to-case basis. Accordingly, projects for development of educational infrastructure in selected Government schools around the plant/township are under active consideration along with other proposed initiatives.

C. At Sindri, the Company has been regularly supplying drinking water benefiting over 1 lakh people as part of its CER initiatives. In addition, projects for improvement of educational infrastructure in 10 schools around the plant/township and installation of LED and high mast lights are under implementation on a deposit work basis.

23. HEALTH, SAFETY, ENVIRONMENT PROTECTION AND QUALITY:

(a) Health and Hygiene:

The Company places paramount importance on the health, safety, and well-being of its employees, contract workforce, and the surrounding communities. The Company has established robust Safety, Health, and Environment (SHE) management systems, incorporating structured practices such as Permit-to-Work, Lock-Out/Tag-Out procedures, and routine safety audits to uphold safe and hygienic working conditions across its three fertilizer production units.

To proactively address occupational health risks and encourage preventive healthcare, your Company conducts regular health check-ups and medical monitoring for its employees. Additionally, the Company supports the well-being of its workforce by providing welfare amenities and comprehensive insurance benefits, including group Mediclaim and personal accident coverage, for employees and their families.

The Company actively promotes health, hygiene, and workplace safety through consistent awareness programs, fostering a culture of safety and encouraging employees to adhere to best practices for maintaining a secure and healthy work environment. Enhanced facilities, such as well-maintained canteens, recreational facilities, and clean township amenities, further contribute to enhancing the overall quality of life for employees and their families. Moreover, the Company has demonstrated its dedication to national objectives by actively participating in the fortnight-long cleanliness campaign Swachhata Pakhwada 2025, including the Swachhata Hi Seva (SHS) 2025 initiative from September 17, to October 2, 2025.

Through these efforts, HURL is steadfast in its mission to create a healthy, safe, and sustainable working environment while making a significant positive impact on the lives of employees and their families.

(b) Safety and well-being:

The safety and well-being of our employees, customers, and stakeholders have consistently been top priorities for HURL. During the year; substantial advancements were made in fortifying the safety practices and fostering a strong culture of safety across the organization. The Company has established and implemented comprehensive safety policies and procedures that align with industry best practices and relevant regulatory standards. To maintain their effectiveness and relevance, these policies undergo periodic reviews and updates. They are communicated proactively and made readily accessible to all employees via internal communication platforms to ensure awareness and adherence.

To further embed a strong safety culture, the Company has instituted a robust safety reporting system, enabling employees to promptly report safety-related concerns or incidents. This system has proven vital in promoting transparency, accountability, and proactive measures to address potential risks.

Regular safety audits and inspections have been conducted throughout the year at all company facilities to identify potential hazards, verify compliance with safety protocols, and implement corrective actions wherever necessary. These systematic assessments have been instrumental in mitigating risks, enhancing workplace safety, and supporting continuous improvement initiatives.

In FY 2025-26, HURL introduced a structured Health, Safety, and Environment (HSE) performance monitoring framework with clearly defined Key Performance Indicators (KPIs) across all units. These KPIs aim to ensure consistent oversight of safety practices, foster a zero-incident culture, and guarantee compliance with internal and external standards. The major KPIs include:

- Leadership HSE Walks: A target of one leadership safety walk per month was established to demonstrate visible commitment to safety from senior management.
- Permit to Work (PTW) Audits: Three audits were conducted monthly to reinforce strict compliance with safe work permit procedures.
- HSE Inspections: Each facility aimed to conduct one inspection per month, prioritizing hazard identification and workplace safety enhancements.
- Near Miss and Unsafe Act/Condition Reporting: Monthly targets of 25 reports from the Gorakhpur, Sindri, and Barauni facilities were set to foster a proactive safety reporting culture.
- HSE Training Programs: Each facility maintained a target of 100 training hours per month to strengthen employee knowledge and competency in safety practices.

Some key targets of HURL's safety KPIs include full regulatory compliance, zero fatalities, zero Lost Time Injury Frequency Rate (LTIFR), comprehensive incident investigations, and the dissemination of lessons learned from incidents with high potential risks.

Looking ahead, HURL remains steadfast in its pursuit of safety excellence. Our safety initiatives will continue to play a vital role in operations, ensuring safe and secure working environments for employees and stakeholders, while advancing towards a sustainable future.

(c) Environment Protection:

HURL reaffirms its steadfast commitment to environmental sustainability, regulatory compliance, and ecological stewardship. Driven by a holistic approach, HURL integrates sustainable practices into operations across its three urea manufacturing units, positioning environmental sustainability as a fundamental organizational value.

The Company is committed to adhering to all environmental regulations and works closely with State Pollution Control Boards (SPCBs) to ensure compliance. As a testament to this dedication, all three units have successfully secured the requisite Consent to Operate (CTO) and other clearances well ahead of stipulated deadlines. This proactive adherence to environmental norms ensures uninterrupted operations and reinforces the Company's focus on maintaining rigorous environmental standards.

A key initiative in HURL's environmental plan is the development of extensive green belts at all plant sites. More than 33% of the total area at each production unit is being transformed into lush green belts, emphasizing the Company's strategic focus on enhancing biodiversity and carbon sequestration. The scale of plantation efforts includes, 130 acres at Gorakhpur unit, 132 acres at Sindri unit and 116 acres at Barauni unit. These green belt areas reflect HURL's commitment to establishing ecological balance while supporting biodiversity and environmental sustainability.

Additionally, the Company is advancing community-driven plantation initiatives by identifying land parcels and collaborating with local schools, such as Sainik School and Mahayogi Gorakhnath University, Gorakhpur, as well as district administrations for necessary clearances. Building on prior successful tree plantation drives and planned afforestation programs, these efforts align with HURL's vision of environmental stewardship. The plantations are being carried out in phases and are set to provide vital green lungs for the surrounding region. These green belts will contribute to improved microclimates and foster sustainable industrial ecology.

The Company actively fosters environmental consciousness among employees and local communities. The environment-related observances that are celebrated annually at all three units are World Forest Day (21st March), World Water Day (22nd March), World Earth Day (22nd April), and World Environment Day (5th June). These events feature awareness campaigns, tree plantation drives, workshops, and stakeholder engagement activities aimed at cultivating an environmental ethic among employees and the surrounding communities.

(d) Quality Management:

HURL remains committed to delivering superior quality and continuous improvement across its operations. As part of this commitment, HURL's in-house Quality Control Laboratories across three plant locations of the Company, have achieved significant milestones in aligning their processes with international standards of testing and calibration.

The Gorakhpur plant's Quality Control Laboratory received accreditation from the National Accreditation Board for Testing and Calibration Laboratories (NABL) in accordance with the ISO/IEC 17025:2017 standard on November 11, 2024, with the certification valid for four years. Similarly, during the FY 2025-26, the Sindri plant's Laboratory was accredited on August 16, 2025, and the Barauni plant's Laboratory received its certification on August 24, 2025, both adhering to the same ISO/IEC 17025:2017 standard and with certifications valid for four years. These accreditations affirm the laboratories' compliance with globally recognized testing standards, thereby ensuring the enhanced credibility of HURL's product quality.

In line with its ongoing commitment to operational excellence and sustainable development, the Company has also initiated the implementation of an Integrated Management System (IMS) - certified for Quality, Safety, and Environment management standards. The IMS implementation encompasses all three manufacturing units and the Corporate Headquarters. The Company has in place IMS policy.

24. RISK MANAGEMENT:

Your Company has framed and implemented a comprehensive Risk Management Policy. A Risk Assessment Group (RAG) is constituted, comprising the Managing Director as Chairperson and the Chief Financial Officer, Vice President (Technical), Vice President (HR), Vice President (C&M), Vice President (Marketing) and Company Secretary as Members. During FY 2025-26, a meeting of the RAG was held to identify, assess, and review existing as well as potential material risk exposures of the Company.

The Company also has exposure in terms of payment in foreign currency to the Contractors and for this Forex Risk Management Policy is in place. An assessment is being made to identify the key risks and mitigation process in respect of other key risks associated.

25. ANNUAL RETURN:

Pursuant to section 92(3) and 134(3) of the Companies Act, 2013, the Annual Return of the Company for year ending March 31, 2026 is placed at the website of the Company at weblink https://hurl.net.in/return.

26. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has put in place adequate Internal Controls for ensuring efficient conduct of its business in adherence with laid down policy and applicable standards and industry practice. The internal financial controls are adequate with reference to the Financial Statements.

The Company is following all the applicable Accounting Standards for properly maintaining the books of account and reporting in the financial statements.

The Company has appointed an independent firm of Chartered Accountants as Internal Auditors to ensure that the Company's systems and practices are designed with adequate internal controls to match the size and nature of operations of the Company. The Internal Auditors conduct a half yearly audit and review, covering all areas of operation. The Reports of the Auditors along with the management's responses are placed before the Audit Committee and Board of Directors for discussion and necessary action.

27. HUMAN RESOURCE DEVELOPMENT:

Your company is dedicated to create a supportive, inclusive and high performing workplace where employees are valued, empowered and given opportunities to learn and grow. Your Company continues to be committed to fostering a workplace culture rooted in inclusivity, performance excellence, and continuous personal and professional development.

a. **Employee Strength**: During the FY 2025-26, 304 new employees were added to the strength of the family of the Company. As on March 31, 2026, there were 1064 employees in HURL, out of which 63 were women employees and 48 employees engaged on Fixed Term Contract (FTC) basis and 1 employee on deputation from the Promoter Company, IOCL, in terms of the Articles of Association.

b. **Employee Welfare:** Your Company values it human capital and continues to strive for work environment that promotes wellbeing of its employees. Your Company has adopted a holistic approach to welfare. Comprehensive benefit programs were implemented to ensure the physical, mental, and emotional health of employees and their families. Key welfare initiatives included, Group Mediclaim and Personal Accident Insurance coverage, Provision of well-maintained canteens at all unit locations, Annual Health Checkup of all employees, OPD facility, Mobile handset and Internet benefits, Recreational and sports infrastructure, Participation in national cleanliness campaigns such as "Swachhta Pakhwada" and Celebration of national and cultural festivals to promote inclusivity etc.

c. **Performance based culture:** At HURL, performance is at the core of our work culture. The Company continues to refine and implement its Performance-Related Pay (PRP) system, which rewards outcomes across organizational, unit, and individual dimensions. The performance framework includes, Transparent pay revision structures aligned with market benchmarks, Clear and structured career progression policies, and Formal mechanisms to recognize high-performing teams and individuals. This focus on performance has helped foster an accountable work environment where employees understand the link between effort, contribution, and reward.

d. **Employee Engagement:** To create a sense of belongingness among employees, your Company regularly organizes engaging events, indoor and outdoor activities and celebrates various festivals/occasions such as 'Holi Milan' program, Women's Day, family get together, Sports meet, Inter-departmental competitions, New year, Diwali and all National Days celebrations etc, both at Corporate Office and all three units. Employees are also encouraged to participate in various sport events, quiz competitions etc., both within and outside organization.

   Regular meetings, interactions with top management, feedback surveys etc. are conducted to ensure open communication between management and employees.

   Your Company is also a member of reputed associations such as Standing Conference of Public Enterprises (SCOPE), Fertilizer Association of India (FAI), International Fertilizer Association (IFA) and Institute of Directors (IOD). The employees are provided opportunities to participate in industry events / seminars and leadership programs and sessions organized by these associations, which help in staying abreast with the latest industry updates.

e. **Training & Development:** Our commitment to continual learning is pivotal to staying competitive in today's rapidly evolving industrial landscape. Further, the Company invested significantly in employee upskilling and capacity building. During the FY 2025-26, more than 800 employees underwent formal training through a combination of internal and external programs and more than 5000 training days have been achieved.

Core training programs included, Functional training tailored to departmental needs, Behavioral and leadership workshops, Mandatory Safety and Compliance Modules, Management & Executives Development Programme and exposure to international seminars and participation in forums by FAI, IFA, Institute of Directors (IOD) and through leading other prestigious organizations, towards fostering knowledge exchange and adoption of the best practices.

Further, new joiners are taken onboard through a well-structured and enriching induction program at the time of joining.

f. **Grievance Redressal:** Your Company promotes a transparent and inclusive work culture where employee feedback is encouraged and respected. The grievance redressal mechanism is well-established and operates on principles of confidentiality, impartiality, and promptness.

Key developments during the year include resolving all (i.e. 25 Nos.) of grievances raised through CPGRAMS within stipulated timelines, and visits by the top management to various project sites enabled direct engagement with employees, helping gather actionable insights for improving workplace policies and culture.

This open-door approach has significantly contributed to trust-building and strengthened the overall work environment.

g. **Maternity Benefit:** Your company has complied with the provisions relating to Maternity Benefit Act, 1961.

28. PROTECTION OF WOMEN AT WORKPLACE:

Your Company places a high priority on creating a secure and equitable environment for its female employees. The Company continues to operate in full compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

An Internal Committee (IC) has been established at the Corporate Office and at all three project locations to monitor and enforce the provisions of the said Act. During the financial year 2025-26, the Company registered itself on the SHe-Box Portal of the Ministry of Women and Child Development, Government of India, reinforcing its commitment to providing a safe and respectful workplace and ensuring compliance with applicable laws on prevention of sexual harassment. During the year, the Company has also conducted periodic IC meetings for review and compliance, holding sensitization workshops for all employees and IC members and awareness drives to educate staff on their rights and responsibilities.

During FY 2025-26, two complaints of sexual harassment were received and duly disposed off. The details are as under:

S.No.	Particulars	Number
1.	Complaints received in the year	2
2.	Complaints disposed off during the year	2
3.	Cases pending for more than ninety days	NIL

29. INFORMATION TECHNOLOGY INITIATIVES:

During the year, the Company continued to strengthen its Information Technology (IT) framework with a focus on enhancing operational efficiency, data security, and digital transformation. These initiatives are aligned with the Company's long-term vision of leveraging technology to drive innovation, improve customer experience, and ensure sustainable growth.

The key IT initiatives during FY2025-26 included,

(i) **Strengthening of Cybersecurity Infrastructure -** The Company reinforced the cybersecurity framework of its Operational Technology plant networks across all three manufacturing units. At the Gorakhpur plant, an AI-based next-generation firewall solution, compliant with the Network and Information Systems Regulations, 2018, was successfully deployed. Implementation of similar solutions at Sindri and Barauni plants is in progress. Additionally, the IT networks across all three plant locations and the Head Office have been secured through next-generation firewall deployment, enhancing resilience against cyberattacks and ensuring a robust defence-in-depth mechanism.

(ii) Digital Transformation Leveraging SAP S/4HANA - The Company advanced its digital transformation journey by leveraging the SAP S/4HANA platform. During the year, Project Planning (PP), Plant Maintenance (PM), and Quality Management (QM) modules were successfully implemented, transitioning from manual processes to integrated digital workflows for project planning, plant maintenance, and quality management functions.

(iii) Upgrade of SAP to the Latest Version - The Company upgraded SAP S/4HANA RISE on a Private Cloud from version 1909 to 2025, positioning itself as a frontrunner within the fertilizer industry in India to achieve this milestone.

(iv) Implementation of Workforce Management System - A Workforce Management System (WMS) application was introduced for Technical Field Agents (TFAs). This specialized solution enables effective scheduling, monitoring, and management of personnel operating outside conventional office environments, including off-roll or need-based staff, thereby improving operational efficiency and workforce visibility.

(v) Implementation of Online Vendor Empanelment - The Company successfully launched a Vendor Empanelment Portal to streamline, digitize, and enhance transparency in the vendor onboarding process.

(vi) e-Waste Disposal IT Department - For the first time, the Company undertook the disposal of IT e-waste, marking a significant step towards sustainable and environmentally responsible operations. This initiative was carried out in compliance with the E-Waste (Management) Rules, 2016, ensuring adherence to statutory requirements and best practices for safe handling, recycling, and disposal of electronic waste.

30. RIGHT TO INFORMATION ACT:

The Company has an elaborate mechanism to deal with matters related to Right to Information Act, 2005. As per the requirements of the RTI Act, necessary, updated information including the names of Appellate Authority, Central Public Information Officer, Assistant Public Information Officers are posted on the website of the Company. The queries received have been replied to within the stipulated time.

During the FY 2025-26, 82 RTI applications, 19 first appeals, and 2 second appeals to the Central Information Commission (CIC), New Delhi, were received and duly disposed off.

31. VIGIL MECHANISM AND VIGILANCE ACTIVITIES / WHISTLE BLOWER POLICY:

The Vigilance Department of the Company is headed by Chief Vigilance Officer (CVO) appointed by Department of Fertilizer, Ministry of Chemical & Fertilizers, Government of India.

During the FY 2025-26, a total of 15 complaints were received in the Vigilance Department. All the complaints were examined and appropriate action was taken wherever required. As a part of preventive vigilance measure, the Department has carried out six surprise inspections and five intensive examinations during the year. In addition, based on the findings of intensive examinations and feedback received from various stakeholders, several advisories were issued to the concerned departments for systemic improvement and strengthening of internal controls.

During Vigilance Awareness Week, different activities were performed in all the units and HQ, ensuring active participation of employees/their wards. These activities included slogan writing, essay competitions, quiz contests and poster making competitions. In addition, events such as vendor meets at the units and HQ, as well as Prabhat Pheri was organized at various locations. These initiatives aimed to enhance awareness about the ill effects of corruption and to promote the importance of integrity in public service. Presentation on Preventive Vigilance and relevant case studies were also delivered during the week, with participation of large number of employees.

The Annual Property Returns (APR) submission process has been streamlined during the previous year. This system ensures sustained compliance and further improvements in timely submission of APRs.

HURL also has an online Vigilance complaint portal w.e.f. 01.11.2023. This portal serves as an effective mechanism for promoting transparency, accountability, ensuring ethical conduct within the organisation and thereby contributing to prevention of corruption.

The Whistle Blower policy is available at the website of the Company at weblink https:// hurl.net.in/vigilancemanuals.

32. DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with section 134(3)© and 134(5) of the Companies Act, 2013, the Board of Directors of the Company hereby confirms: -

(a) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) that the directors had 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 profit of the company for that period;

(c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) that the directors had prepared the annual accounts on a going concern basis; and

(e) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

33. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:

During the FY 2025-26, the status of applications and proceedings under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) is as follows:

(a) Proceeding Initiated by the Company:

The Company initiated one proceeding against NICE Projects Limited before the Hon'ble National Company Law Tribunal (NCLT), Delhi, under the provisions of the Insolvency and Bankruptcy Code, 2016. During the proceedings, the Tribunal considered the application viz. Sale of the corporate debtor as a going concern and issuance of a direction to reflect the corporate debtor's status as 'Active' with the Registrar of Companies (ROC) in order to facilitate necessary compliances.

Furthermore, the matter of encashment of bank guarantees by HURL was acknowledged by the Hon'ble Tribunal during the hearing. It was submitted on behalf of HURL that an affidavit had been filed informing the Tribunal of this development, leading to the reduction of HURL's claim accordingly. The Hon'ble Tribunal is currently considering this matter.

(b) Proceeding Initiated against the Company:

One proceeding was initiated against the Company by M/s DTH Infra Engineers Private Limited before the Hon'ble NCLT, Delhi, under the provisions of the Insolvency and Bankruptcy Code, 2016. The Hon'ble Tribunal dismissed this proceeding by order dated August 5, 2025.

The proceeding initiated by the Company against M/s NICE Projects Limited before the Hon'ble NCLT, Delhi, remains pending for consideration.

34. GENERAL MEETINGS

The details of the general meetings conducted during the FY 2025-26 are as under:

Particulars	10th Extra-Ordinary General Meeting (EGM)	9th Annual General Meeting (AGM)
Date and Time	Wednesday, 30.07.2025 1700 Hrs.	Tuesday, 23.09.2025 1600 Hrs.
Venue	The EGM was conducted through Video Conferencing (VC) or other Audio-Visual Means (OAVM), at the Registered office of the Company situated at Core-4, 9th Floor, SCOPE Minar, Laxmi Nagar, Delhi, 110092.	The AGM was held at Fazal Chambers, SCOPE Complex, Lodhi Road, New Delhi, 110003.

Special Resolution passed (nos.)	One Special Resolution was passed, to issue Equity Shares of Rs.10/- each to the Promoters of the Company viz. FCIL and HFCL, for consideration other than cash, on preferential basis.	Nil

35. AUDITORS:

STATUTORY AUDITOR:

The Office of the Comptroller and Auditor General of India (C&AG) have appointed M/s Bansal & Co LLP. (Firm Registration No. 001113N/N500079), Chartered Accountants, New Delhi as the Statutory Auditors of your Company for the FY 2025-26, in terms of the provisions of the Companies Act, 2013.

The Auditors' Report on the Financial Statements (Standalone and Consolidated) of the Company for the period from April 01, 2025 to March 31, 2026 is enclosed under 'Auditors Report and Financial Statements for FY 2025-26' section of the Annual Report. There are no qualifications, reservations or adverse remarks made by the Statutory Auditors in their report.

The remuneration for the Statutory Auditors for FY 2025-26was fixed at Rs.7,20,000/- along with applicable taxes and out-of-pocket expenses upto 10% of fee for conducting the Statutory Audit and Rs.70,000/- per quarter for Limited review assignments.. Furthermore, payments were made to the Statutory Auditors for undertaking Tax Audit and other certification-related assignments during the year. The total remuneration paid/payable to the Statutory Auditors for all services rendered by them to the Company during the FY 2025-26 amounted to approx. Rs.0.11 Crores.

INTERNAL AUDITOR:

Your Company had appointed M/s AMAA & Associates, Chartered Accountants, New Delhi as the Internal Auditors of the Company for FY 2025-26, in terms of the provisions of the Companies Act, 2013.

COST RECORDS AND COST AUDITOR:

The Company is required to maintain cost records as prescribed under Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, which is applicable to the Company in respect of production of fertilisers. Accordingly, such accounts and records are made and maintained.

The Company had appointed M/s R K Patel & Co., Cost Accountants as the Cost Auditors of the Company for FY 2025-26, in terms of the Companies Act, 2013.

After the close of the FY 2025-26, the Board of Directors, on the recommendation of the Audit Committee, have appointed M/s. Diwanji & Co., Cost Accountants as Cost Auditors of the Company for FY 2026-27 at a remuneration of Rs.60,000/- plus applicable taxes. As required under the Companies Act, 2013 and rules framed thereunder, your Board of Directors are seeking ratification from the members of the Company for the remuneration payable to M/s. Diwanji & Co., Cost Accountants, the Cost Auditors for the FY 2026-27.

SECRETARIAL AUDITOR:

Your Company has appointed M/s Kumar Naresh Sinha & Associates, Company Secretaries, NOIDA (CP No. 14984), as the Secretarial Auditor of the Company for the FY 2025-26, in terms of the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report for FY 2025-26 is annexed as Appendix-E and forms an integral part of this report. There are no qualifications, reservations or adverse remarks made by the Secretarial Audit Report.

36. C&AG REVIEW:

The comments of C&AG on the Financial Statements (Standalone and Consolidated) for the year ending March 31, 2026 shall be enclosed under "Auditors Report and Financial Statements for FY 2025-26" section of the Annual Report.

37. ANNEXURES TO THE REPORT:

The following reports are annexed and forms an integral part of this report:

A. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:** The requisite information with regard to conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under the section 134(3)(m) of the Companies Act, 2013 read with the Rule 8 of the Companies (Accounts) Rules, 2014, is set out in **Appendix-A** attached to this Report.

B. ANNUAL REPORT ON CSR ACTIVITIES: The Annual Report on Corporate Social Responsibility (CSR) activities for the FY 2025-26 as prescribed under section 135(4) Companies Act, 2013 is enclosed as **Appendix-B.**

C. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES: The particulars of contract/ arrangements entered into by the Company with related parties referred to in section 188 (1) of the Companies Act, 2013 are disclosed in Form No. AOC-2 enclosed as **Appendix-C**. The details of related party transactions have also been disclosed in the standalone financial statements as required in terms of the applicable accounting standards.

D. PARTICULARS OF EMPLOYEES: In terms of the provisions of section 197 (12) of the Companies Act, 2013 read with the rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of the top ten employees in terms of remuneration drawn during the FY 2025-26 is enclosed as **Appendix-D**.

E. SECRETARIAL AUDIT REPORT: The Secretarial Audit Report by M/s Kumar Naresh Sinha & Associates, Company Secretaries, NOIDA in terms of section 204 of the Companies Act, 2013 is enclosed as **Appendix-E**.

38. OTHER DISCLOSURES: The other disclosures for FY 2025-26 are as follows:

(i) Your Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) relating to 'Meetings of the Board of Directors' and 'General Meetings'.

(ii) Your Company has not accepted any deposits from the public during the financial year.

(iii) There was no change in the nature of business of your company during the year ended March 31, 2026.

(iv) There were no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

(v) There were no instances of fraud reported by the Auditors vide their Report for the FY 2025-26.

(vi) Your Company is registered with Receivable Exchange of India Limited (RXIL), which is providing RBI licensed Trade Receivables Discounting System (TReDS) platform.

(vii) All Directors have disclosed their nature of their interest / concern in the company or companies or bodies corporate, firms, or other association of individuals as required under the Companies Act, 2013 from time to time.

ACKNOWLEDGEMENTS

The Board of Directors of your Company acknowledge with deep sense of appreciation, the co-operation received from the Government of India, particularly the Prime Minister's Office, Niti Aayog, Ministry of Chemical and Fertilizers, Ministry of Power, Ministry of Petroleum & Natural Gas, Ministry of Coal, Ministry of Finance, Ministry of Environment, Forests & Climate Change, Comptroller & Auditor General of India and State Governments of Uttar Pradesh, Jharkhand and Bihar.

Your Directors also takes this opportunity to convey their gratitude and sincere thanks for the cooperation and assistance received from the Promoters / Shareholders during the period under report. The Board of Directors acknowledges your confidence and continued support and looks forward for the same in the future as well.

The Directors of your Company also convey their gratitude to the Banks and other Financial Institutions for the confidence reposed by them in the Company. The Board also appreciates the contribution of contractors, vendors and consultants in the implementation of various projects of your Company. We also acknowledge the constructive suggestions received from the Office of Comptroller & Auditor General of India, Statutory Auditors, Internal Auditors, Cost Auditors and Secretarial Auditors of your Company.

The Directors of your Company wishes to place on record their deep appreciation for valuable guidance and significant contribution made by the separated directors during their tenure on the Board of the Company.

The Directors of your Company express appreciation for the dedicated and sincere efforts of the Team HURL.

For and on behalf of the Board of Directors
Sd/-
Shri Virendra Malik
Chairman
DIN: 10427762

Date: 15.07.2026
Place: New Delhi

Appendix-A

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

A. Conservation of Energy:

All the three plants of the Company are designed with state-of-the-art technology and advanced energy conservation measures, including gas turbines for power generation, waste heat recovery steam generation. Further, during the FY 2025-26, the Company implemented energy conservation and efficiency enhancement measures across its manufacturing units, resulting in significant reduction in energy consumption.

(i) The steps taken or impact on conservation of energy:

The key energy conservation measure implemented during FY 2025-26 is as follows:

Plant	Steps Taken	Impact
Gorakhpur	Operations of GTG, STG & HRSG have been optimized	Reduction of specific energy
	Implementation of revised operating philosophy in the Ammonia	Energy saving
	Cooling Tower (ACT) and Urea Cooling Tower (UCT) sections	
Barauni	Implementation of revised operating philosophy in the	Stoppage of filtered water
	DM Stream (DM Water Plant)	pump (18.5 kW).

(ii) The steps taken by the Company for utilising alternate source of energy: Installation of 200 Solar stree tlights at peripheral road network of Sindri Unit (Total Capacity 7 kW).

(iii) The capital investment on energy conservation equipment: During the FY 2025-26, capital investment of Rs.83 Lakhs was carried out on Solar streetlights of 200 numbers installed at peripheral road network of Sindri Unit.

B. Technology Absorption:

All the three fertilizer plants are based on eco-friendly natural gas as feedstock and are employing globally proven technologies from reputed licensors. The plants have been constructed on the principle of Reduce-Reuse-Recycle so as to ensure zero liquid discharge. They shall have minimal gaseous emissions with continuous online monitoring systems. The plants have been constructed with state-of-the-art distributed digital instrumentation for enhanced reliability in operations and to minimize interruptions. Further, several advanced safety features have also been included, like double-integrity, double-wall ammonia storage tanks, blast-proof central control room, with no open vents for process gas and Ammonia.

(i) The efforts made towards technology absorption; and

(ii) The benefits derived like product improvement, cost reduction, product development and import substitution: The efforts made towards technology absorption during FY 2025-26 as well as the benefits derived are as follows:

Plant	Efforts made towards technology absorption	Benefits Derived
Gorakhpur	In-house overhaul of Purifier Expander	Cost saving
	Indigenous diaphragm repair	Reduction in shutdown time
	Alternate OEM vendor development	Cost saving
Sindri	Local vendor development	Cost saving

(iii) **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):** NIL

(iv) **The expenditure incurred on Research and Development:** The Company is a urea manufacturing organization and is not engaged in any research and development activity. However, the company continuously makes efforts to improve the efficiency, reliability of operations and quality of the products by in-house expertise.

C. **Foreign Exchange Earnings & Outgo:** The foreign exchange earned in terms of actual inflows during the year and the Foreign exchange outgo during the year in terms of actual outflows, are as under:

Foreign Exchange Earnings	NIL
Foreign Exchange Outgo	Rs. 4,047.60 Crore

For and on behalf of the Board of Directors

Sd/-
(Shri Virendra Malik)
Chairman
DIN: 10427762

Date : 15.07.2026
Place : New Delhi

Appendix-B

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **Brief outline on CSR Policy of the Company:**

   Your Company is committed towards undertaking socially useful programs for welfare and sustainable development of the communities in and around its area of operations and other parts of the country. The CSR Policy of the Company lays down the guidelines for undertaking programs geared towards CSR and indicates the focused areas wherein the CSR projects / activities could be undertaken by the Company, subject to alignment with the activities as specified in Schedule VII of the Act, as amended from time to time.

2. **Composition of the CSR Committee:**

   The Corporate Social Responsibility (CSR) Committee met two (2) times during FY 2025-26 i.e. on 18.09.2025 and 25.03.2026. The composition of the CSR Committee as on 31.03.2026 was as under:

S.N.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee	
			Held during the year	Attended during the year
1.	Shri AV Raghunadhan	Chairman of the Committee	2	2
2.	Shri S.P. Mohanty	Member	2	2
3.	Shri Chiranjib Patra	Member	2	2
4.	Shri Masood Akhtar Ansari	Member (upto 06.10.2025)	1	1
5.	Smt. Sangeeta Kaushik	Member (w.e.f. 08.10.2025 up to 31.01.2026)	0	0
6.	Ms. Ritu Arora	Member (w.e.f. 02.02.2026)	1	1

3. **Web-links where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:**

   The web-links are as follows:
   a) Composition of CSR committee – **https://hurl.net.in/compositionofcsrcommittee**
   b) CSR Policy & CSR Projects – **https://hurl.net.in/policy**

4. **Executive summary along with the web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:** No impact assessment study was conducted during FY 2025-26.

5. (a) Average net profit of the company as per section 135(5): **Rs.11,74.17 Crore**

   (b) Two percent of average net profit of the company as per section 135(5): **Rs.23.48 Crore**

   (c) Surplus arising out of the CSR projects or programs or activities of the previous financial years: **Nil**

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

   (e) Total CSR obligation for the financial year [(b)+(c) +(d)]: **Rs.23.48 Crore**

6. (a) Amount spent on CSR projects (both ongoing and other ongoing projects): **Rs.8.71 Crore**

   (b) Amount spent in Administrative Overheads: **Rs.1.17 Crore**

   (c) Amount spent on Impact Assessment, if applicable: **Not Applicable**

   (d) Total amount spent for the Financial Year [(a)+(b) +(c)]: **Rs.9.88 Crore**

   (e) CSR amount spent or unspent for the Financial Year:

Amount Unspent (in Rs. Crore)					
Total Amount spent for the Financial Year (in Rs. Crore)	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 Rs. Crore)	Date of transfer	Name of the Fund	Amount	Date of transfer
9.88	13.60	15.04.2026	-	-	-

(f) Excess amount for set off, if any:

S.N.	Particular	Amount (In Rs. Crore)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	23.48
(ii)	Total amount spent for the Financial Year	9.88
(iii)	Excess Amount spent for the Financial Year [(ii) – (i)]	-
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii) – (iv)]	-

7. Details of Unspent CSR amount for the preceding three financial years:

S.N.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under Section 135 (6) (in Rs. Crore)	Balance Amount in unspent CSR Account under Section 135 (6) (in Rs. Crore)	Amount spent in the Financial Year (In Rs. Crore)	Amount transferred to any fund specified under Schedule VII as per section 135 (5), if any		Amount remaining to be spent in succeeding financial years (in Rs. Crore)	Deficiency, if any
					Amount (in Rs. Crore)	Date of transfer		
1	FY 2022-23	-	-	-	-	-	-	-
2	FY 2023-24	-	-	-	-	-	-	-
3	FY 2024-25	0.00	0.00	0.00	10.68	10.07.2025	0.00	Nil

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:** No capital Asset was created/ Acquired in the books of account of the Company during FY 2025-26 through CSR Spent.

   If yes, enter the number of Capital assets created/acquired: Not applicable

   Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not applicable

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):** Some of the CSR projects are spread over more than a year requiring phased funding. The unspent amount have been transferred to unspent CSR account towards utilization for the ongoing committed projects.

For and on behalf of the Board of Directors

Sd/-
Shri Raghunadhan AV
Chairman CSR Committee
DIN: 10570608

Sd/-
Shri S.P. Mohanty
Managing Director
DIN: 05336787

Date : 15.07.2026
Place : New Delhi

Appendix-C

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]

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 ARM'S LENGTH TRANSACTIONS UNDER FOURTH PROVISO THERETO, FOR THE FINANCIAL YEAR 2025-26

1. Details of contracts or arrangements or transactions not at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts/ arrangements/ transactions	Salient terms of contracts / arrangements / transactions, including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date of approval by the BoD, if any	Amount received/ paid as advances by HURL, if any (Rs. In Lakh)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
- NIL -							

2. Details of material contracts or arrangements or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements/ transactions	Salient terms of contracts/ arrangements/ transactions, including the value, if any	Date of approval by the BoD, if any	Amount received/paid as advances by HURL, if any (Rs. In Lakh)
- NIL -					

Note: *The details of "Related Party Disclosures" as per accounting standards are being disclosed in Notes to the accounts in the Financial Statements.*

For and on behalf of the Board of Directors

Sd/-
Shri Virendra Malik
Chairman
DIN: 10427762

Date : 15.07.2026
Place : New Delhi

Appendix-D

INFORMATION OF TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DURING FY 2025-26

[Pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Sl. No.	Employee Name	Designation	Qualifications	Nature of Employment (Contractual or otherwise)	Remune-ration (in Rs.)	Experience (Years)	Date of Joining	Age (Years)	Last Employment
1.	Ms. Poonam Jeswani	Chief Finance Officer (CFO)	B.Com & CWA	On Secondment (IOCL)	94,61,405	31	19.07.2024	56	Indian Oil Corporation Limited
2.	Shri Siba Prasad Mohanty	Managing Director (MD)	MBA (Marketing)	Regular HURL	89,27,122	37	29.12.2023	61	Brahmaputra Valley Fertilizer Corporation Limited
3.	Shri Sanjai Kumar Gupta	Vice President (P&TO)	B. Tech (Chemical)	Regular HURL	67,58,138	26	18.01.2019	56	Bhawan International Projects
4.	Shri Akhilendra Singh	Vice President & Business Unit Head (Gorakhpur)	ME (Production & Industrial)	Regular HURL	66,12,747	31	21.04.2021	57	Chambal Fertilizers and Chemicals Ltd.
5.	Shri Goutam Majee	Vice President (Technical Service) & Business Unit Head (Sindri)	BE (Chemical)	Regular HURL	64,55,367	30	01.12.2021	55	Haldor Topsoe India Pvt. Ltd.
6.	Shri Rama Shanker Lal	Associate Vice President (Operations)	BS (Process Engineering)	Regular HURL	51,80,199	38	25.05.2019	57	Indorama Fertilizers & Chemicals Ltd.
7.	Shri Nitin Saxena	Associate Vice President (Incharge-VP) & Business Unit Head (Barauni)	B. Tech (Chemical)	Regular HURL	50,10,488	23	20.11.2019	46	Matix Fertilizers and Chemical Ltd.
8.	Shri Jogesh Kakkar	Associate Vice President (Marketing)	PGDBA (Marketing)	Regular HURL	49,36,458	27	14.10.2019	50	Chambal Fertilizer & Chemical Ltd.
9.	Shri Ramendra Singh	Chief Manager (Marketing)	M.Sc. (Agriculture)	Regular HURL	49,07,996	18	27.08.2021	45	Chambal Fertilizer & Chemical Ltd.
10.	Smt. Iti Matta	Company Secretary	M.Com & CS	Regular HURL	48,82,843	19	17.02.2023	42	Ircon International Ltd.

It is affirmed that the employees mentioned above are neither relative of any directors of the Company, nor hold 2% or more of the paid-up equity share capital of the Company.

For and on behalf of the Board of Directors

Sd/-
Shri Virendra Malik
Chairman
DIN: 10427762

Date : 15.07.2026
Place : New Delhi

Appendix-E

KUMAR NARESH SINHA & ASSOCIATES
Company Secretaries

121, Vinayak Apartment
Plot No.: C-58/19, Sector-62
Noida-201309 (U.P)
Mobile: 9868282032, 9810184269
mail:kumarnareshsinha@gmail.com

Form MR–3
Secretarial Audit Report
For the financial year ended March 31, 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,
HINDUSTAN URVARAK & RASAYAN LIMITED,
Core-4, 9th Floor, Scope Minar,
Laxmi Nagar, District Centre, New Delhi-110092

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HINDUSTAN URVARAK & RASAYAN LIMITED [CIN: U24100DL2016PLC358399]** (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 Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 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 March 31, 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 Bye-laws 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; (Not Applicable during the period under review)

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (Not Applicable during the period under review)

(b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not Applicable during the period under review)

(c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not Applicable during the period under review)

(d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable during the period under review)

(e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not Applicable during the period under review)

(f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not Applicable during the period under review)

(g) 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;

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not Applicable during the period under review) and

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable during the period under review)

(vi) and other applicable laws, if any, which are specifically applicable to the Company based on its sector/industry.

Following laws/regulations/rules are specifically applicable to the company, as identified by the management:

1. The Fertilizers (Control) Order, 1985
2. The Fertilizers (Movement Control) Order, 1973
3. The Fertilizers (Control) (Organic, Inorganic and Mixed) Order, 1985
4. Hazardous Waste (Management, Handling & Trans-boundary Movement) Rules, 2008
5. Manufacture, Storage & Import of Hazardous Chemicals Rules, 1989.

(vii) Compliances/ processes/ systems under other applicable Laws to the Company are being relied on the basis of compliance certificate submitted annually to the Board.

The compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same has been subject to review by the statutory auditor and other designated professionals.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by Institute of Company Secretaries of India;

During the period under review and as per the explanations and representations made by the officers and management and subject to the clarifications given to us, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted (including woman Director) with one Executive (Managing Director) & Non-Executive Directors, being nominated by the Promoters. The Changes in the Composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Ministry of Corporate Affairs vide Notification No GSR 839(E) dated 5th July, 2017 has exempted a Joint Venture Company from the requirement of having independent Directors on the Board of Directors and as such the Company is not required to have Independent Directors on its Board.

Adequate notice is given to all directors to schedule the Board Meetings, including Committees thereof, along with agenda and detailed notes on agenda were generally sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the members' views are captured adequately and recorded as part of the minutes.

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

We further report that during the audit period the Company has:

a) Incorporated a Joint Venture Company viz., ASSAM VALLEY FERTILIZER AND CHEMICAL COMPANY LIMITED with equity participation of 13% by HURL for setting up of a new Brownfield Ammonia-Urea Complex of Namrup IV Fertilizer Plant.

b) Issued 85,04,39,685 Equity share of Rs. 10/- each to promoter's viz., 56,72,17,733 equity shares to Fertilizer Corporation of India Limited (FCIL) and 28,32,21,952 equity shares to Hindustan Fertilizer Corporation Limited (HFCL), for consideration other than cash, on preferential basis.

c) Paid Interim dividend of Rs.1343.25 Crore, at the rate of Rs.1.53/- on each fully paid-up equity share of Rs.10/- to the Members whose names appear in the Register of Members as on Record date i.e.25.09.2025.

For, **Kumar Naresh Sinha & Associates**
Company Secretaries

Sd/-
Naresh Kumar Sinha
Proprietor
FCS No.: 1807; CP No.: 14984
FRN: S2015UP440500
Peer Review: 6220/2024
UDIN: F001807H000283726

Place: Noida
Date: 5th May 2026

Note: 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.

KUMAR NARESH SINHA & ASSOCIATES
Company Secretaries

121, Vinayak Apartment
Plot No.: C-58/19, Sector-62
Noida-201309 (U.P)
Mobile: 9868282032, 9810184269
mail:kumarnareshsinha@gmail.com

Annexure-A

To,
The Members,
HINDUSTAN URVARAK & RASAYAN LIMITED,
Core-4, 9th Floor, Scope Minar,
Laxmi Nagar, District Centre, New Delhi-110092

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our finding/ audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
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 is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. 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, **Kumar Naresh Sinha & Associates**
Company Secretaries

Sd/-
Naresh Kumar Sinha
Proprietor
FCS No.: 1807; CP No.: 14984
FRN: S2015UP440500
Peer Review: 6220/2024
UDIN: F001807H000283726

Place: Noida
Date: 5th May 2026

INDEPENDENT AUDITORS' REPORT "Revised"

To,
The Members of
HINDUSTAN URVARAK & RASAYAN LIMITED

Report on the Audit of the Standalone Financial Statements
This report supersedes our earlier report dated 17th April 2026

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of **HINDUSTAN URVARAK & RASAYAN LIMITED** ("the Company"), which comprise the Standalone Balance Sheet as at 31st March 2026, the standalone Statement of Profit and Loss (including statement of other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year ended, and notes to Ind AS financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 as Amended (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing ("SA"s) 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 Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Emphasis of Matter

We draw attention to Note 14 to the Standalone Financial Statements regarding the shareholding pattern of the Company.

As at 31 March 2026, the shareholding pattern of the Company was not in accordance with the shareholding proportions stipulated under the Joint Venture (JV) Agreement among the Promoter Shareholders. Consequently, the equity shareholding of Fertilizer Corporation of India Limited (FCIL) and Hindustan Fertilizer Corporation Limited (HFCL) was lower, while the shareholding of Coal India Limited (CIL), NTPC Limited and Indian Oil Corporation Limited (IOCL) was correspondingly higher than the proportions envisaged under the JV Agreement.

Subsequent to the reporting date, on 29 June 2026, the Company allotted 8,57,17,404 equity shares to Fertilizer Corporation of India Limited and 4,28,00,221 equity shares to Hindustan Fertilizer Corporation Limited by way of rights issue, resulting in the shareholding pattern being aligned with the proportions prescribed under the JV Agreement which is presented below.

Shareholders	Position as at 31 March, 2026	% as at 31 March 2026	Allotment of right equity shares as at 29 June 2026	Position as at 29 June, 2026	% as at 29 June 2026
Coal India Limited	2,64,29,85,000	30.10%	-	2,64,29,85,000	29.67%

NTPC Limited	2,64,29,85,000	30.10%	-	2,64,29,85,000	29.67%
Indian Oil Corporation Limited	2,64,29,85,000	30.10%	-	2,64,29,85,000	29.67%
Fertilizer Corporation of India Limited	56,72,34,400	6.46%	8,57,17,404.00	65,29,51,804	7.33%
Hindustan Fertilizer and Corporation Limited	28,32,30,285	3.23%	4,28,00,221.00	32,60,30,506	3.66%
Total	**8,77,94,19,685**	**100.00%**	**12,85,17,625.00**	**8,90,79,37,310**	**100.00%**

Our opinion is not modified in respect of this matter.

Other Matters

a. This revised auditor's report supersedes our earlier auditor's report dated 17 April 2026. The report has been revised to correct certain clerical note cross-references and to incorporate certain disclosures pursuant to observations received during the supplementary audit conducted by the Comptroller and Auditor General of India. The revisions do not result in any change in our audit opinion on the standalone financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and analysis, Board's Report including Annexures to Board's Report but does not include the consolidated Ind AS financial statements, standalone Ind AS 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 Auditor's Report.

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

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

When we read the other information comprising the above documents, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe necessary actions required as per applicable laws and regulations.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance), including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under Section 133 of the Act 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 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 standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, the Board of Directors 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 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 standalone Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS 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 with reference to Ind AS Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone Ind AS financial statements that, individually or in aggregate, make 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 Standalone financial statements.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 standalone Balance Sheet, the standalone Statement of Profit and Loss including Other Comprehensive Income, the standalone Statement of Changes in Equity, and the standalone 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 Ind AS specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to standalone Ind AS financial statements of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the standalone financial statements.

   (g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V of the Act.

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. (Refer Note 34.8© to the standalone Ind AS financial statements).

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      iv. a. The Management has represented that, to the best of it's 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(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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 it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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. During the year, the Company has declared and paid an interim dividend of ₹1.53 per equity share, and according to the information and explanations given to us, there has been no default in the payment of such dividend. (Refer Note 15 to the standalone Ind AS financial statements.

vi. Based on our examination, 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 and the management has represented that the audit trail features cannot be disabled. Company has preserved the Audit trail as per statutory requirement for records retention

2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **"Annexure B"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

3. In terms of section 143(5) of the Act, we give in **"Annexure C"**, a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India in respect of the Company.

For Bansal & Co. LLP
Chartered Accountants
Firm's Registration No. 001113N/N500079

Sd/-
Amit Kumar Singh
Partner
Membership No. 532180
UDIN: 26532180ENWPDK1883

Place : New Delhi
Date : July 13, 2026

ANNEXURE – 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF HINDUSTAN URVARAK & RASAYAN LIMITED

Referred to in paragraph 1 (f) under "Report on Other Legal and Regulatory Requirements" section of our report to the members of HINDUSTAN URVARAK & RASAYAN LIMITED of even date

Report on the Internal Financial Controls over financial reporting under Clause (i) of Sub- section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **HINDUSTAN URVARAK & RASAYAN LIMITED** ("the Company") as of March 31, 2026, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls System over financial reporting with reference to these financial statements and their operating effectiveness.

Our audit of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements included obtaining an understanding of such internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with Reference to these Standalone Ind AS Financial Statements

A Company's internal financial control over financial reporting with reference to standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles.

A Company's internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that:

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.]

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to these financial statements and such internal financial controls with respect to these financial statements were operating effectively as at 31 March, 2026, based on the internal control with reference to these financial statement criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Bansal & Co. LLP
Chartered Accountants
Firm's Registration No. 001113N/N500079

Sd/-
Amit Kumar Singh
Partner
Membership No.532180
UDIN: 26532180ENWPDK1883

Place : New Delhi
Date : July 13, 2026

Annexure "B" to Independent Auditors' Report of even date

Annexure "B" Report under Companies (Auditor's Report) Order, 2020 ('The Order') Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' of Independent Auditor's Report to the Members of HINDUSTAN URVARAK & RASAYAN LIMITED on the standalone financial statements for the year ended March 31, 2026.

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company maintains proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company maintains proper records showing full particulars of intangible assets.

(b) 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 a regular programme of physical verification by the Internal Auditors of the Company of its property, plant and equipment by which all Property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain Property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed by the management No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis on our examination of the records of the Company, the Company has not revalued any of its Property, Plant and Equipment (including right of-use assets) and intangible assets during the year.

(e) According to the information and explanations given to us and on the basis on our examination of the records of the Company, 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) According to the information and explanations given to us the stocks of inventory have been physically verified by the third party professional firm appointed by the management during the year at reasonable intervals and the discrepancies noticed on such verification between the physical stock and the books records, were properly dealt with in the books of accounts. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification. The procedures of physical verification of the stocks followed by the management are in our opinion, reasonable and adequate in relation with the size of the company and the nature of business.

(b) According to the information and explanations given to us and on the basis on our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.

(iii) With respect to investments made, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties:

(a) According to the information and explanation given to us during the year, Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. therefore, paragraph 3(iii)(a) of the said order is not applicable to the company.

(b) Based on the information and explanations provided to us and on our examination of the records of the Company, the investments made by the Company during the year in Assam Valley Fertilizer and Chemical Company Limited (AVFCCL), being a Joint Venture, are not prejudicial to the Company's interest.

(c) According to the information and explanation given to us during the year, Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. therefore, paragraph 3 (iii)(c) of the said order is not applicable to the company.

(d) According to the information and explanation given to us during the year, Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties, which has been overdue for more than 90 days. Therefore, paragraph 3 (iii)(d) of the said order is not applicable to the company.

(e) According to the information and explanation given to us during the year, company has not granted loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year except as mentioned in (d) above. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

(f) According to the information and explanation given to us during the year, Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, paragraph 3 (iii)(f) of the said order is not applicable to the company.

(iv) According to the information and explanations given to us, the Company has not granted any loans, provided guarantees, or given securities to the parties covered under Section 185 of the Companies Act, 2013. Accordingly, the provisions of Section 185 of the Act are not applicable to the Company.

Further, in respect of investments made in Assam Valley Fertilizer and Chemical Company Limited (AVFCCL), being a Joint Venture, the Company has complied with the provisions of Section 186 of the Companies Act, 2013, wherever applicable. The terms and conditions of such investments are not prejudicial to the interest of the Company.

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

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

(vii) (a) The company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no dues of Income Tax, Goods and Service Tax outstanding on account of any dispute.

(viii) 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 surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and on the basis of our audit procedures, The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful Defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the term loans taken during the year have been applied for the purposes for which they were obtained.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us, and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) In our opinion and according to the information and explanations given to us, the company has not raised any loans on the pledge of securities held in its subsidiaries, associates, or joint ventures during the period, therefore paragraph 3 (ix) (f) of the said order is not applicable to the company.

(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 made preferential allotment of equity shares in lieu of the Leased Land (ROU Assets) as mentioned in table below and disclosed on Note No. 34.19 (vii) of the standalone financial statements. The terms and conditions of such allotment are not prejudicial to the interest of the Company.

Sl. No.	Shareholder Name	No of Shares Issue of Rs 10 Each	Amount in Rs.	In lieu of the Leased Land Situated at
1.	Fertilizer Corporation of India Limited (FCIL)	28,39,95,782	2,83,99,57,820	Gorakhpur Plant of HURL
2.	Fertilizer Corporation of India Limited (FCIL)	28,32,21,951	2,83,22,19,510	Sindri Plant of HURL
3.	Hindustan Fertilizer Corporation Limited (HFCL)	28,32,21,952	2,83,22,19,520	Barauni Plant of HURL

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(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) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order is not applicable to the Company.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion The Company has an adequate internal audit system commensurate with the size of the Company and nature of its business

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors except mentioned in para x(b) of this report.

(xvi) (a) In our opinion, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not conducted any Non- Banking Financial activities or Housing Financial activities and therefore does not require a certificate of registration from Reserve Bank of India as per the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (b) of the Order is not applicable.

(c) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not a core investment company as defined in the regulations made by the Reserve Bank of India. Therefore, Provisions of the clause 3(xvi)© of the order is not applicable.

(d) In our Opinion, there is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in notes to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 34.15 to the financial statements.

(b) All amounts that are unspent under section (5) of section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance of with provisions of sub section (6) of section 135 of the said Act. This matter has been disclosed in note 34.15 to the standalone financial statements.

(xxi) The reporting under clause (xxi) of the Order is not applicable at the standalone level of reporting.

For Bansal & Co. LLP
Chartered Accountants
Firm's Registration No. 001113N/N500079

Sd/-
Amit Kumar Singh
Partner
Membership No.532180
UDIN: 26532180ENWPDK1883

Place : New Delhi
Date : July 13, 2026

ANNEXURE-C TO THE INDEPENDENT AUDITOR'S REPORT

We have examined the books of Accounts of **HINDUSTAN URVARAK & RASAYAN LIMITED**, for the year ended 31st March, 2026 and we are submitting our comments based on direction issued by Comptroller and Audit General of India, according to best our information and explanation given to us by management and as appears from the examination of books of accounts and records maintained, as under.

Directions indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of HINDUSTAN URVARAK & RASAYAN LIMITED for the year 2025-26 issued by the Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013

Sl. No.	Directions	Auditor's Remark
(i)	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 has not made any investments directly or through any trust in respect of post-retirement benefits of employees. Investments relating to post-retirement benefits are made through Life Insurance Corporation of India (LIC). Based on the information and explanations provided by the management, such investments have been valued by LIC in accordance with the applicable financial reporting framework and relevant regulatory requirements. No material deviations or misstatements have been identified.
(ii)	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 empaneled 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.	Based on information and explanations provided by the management and audit procedures performed, we observed that the Company has an IT-enabled accounting system in place for processing financial transactions. Further, Vulnerability Assessment and Penetration Testing (VAPT) of the IT systems was conducted during the year by Tata Advanced Systems Limited, a CERT-IN empaneled Information Security Auditing Organization. As per the report provided to us, no material discrepancies or vulnerabilities impacting financial reporting were observed. Further, based on our audit procedures, we did not observe any material accounting transactions processed outside the IT system. Accordingly, no adverse impact on the integrity of accounting records or financial statements was identified.
(iii)	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.	Based on the audit procedures performed and information and explanations provided by the management, the Company has not received any government grants during the year under audit. However, the Company is covered under the New Investment Policy, 2012 and is eligible to receive urea subsidy in accordance with the said policy. We have reviewed the accounting treatment of subsidy receivable/received and observed that the same has been accounted for in accordance with the applicable accounting standards and relevant policy guidelines. Further, based on the terms of the policy and information made available to us, no specific conditions were prescribed for utilization of such subsidy.

		Since no grants were received during the year carrying specific conditions relating to interest, accounting of interest earned on grants is not applicable. No instances of deviation in accounting or utilization of subsidy were observed during the course of our audit.
(iv)	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 management and review of relevant documents, the Company has identified key risk areas and has formulated a Risk Management Policy to mitigate such risks. The policy has been developed considering generally accepted global best practices and with reference to industry practices followed by peer fertilizer companies and promoter entities. Further, as informed by the management, the Company has not identified any data assets requiring separate valuation. Accordingly, valuation of data assets is not applicable.
(v)	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 our audit procedures performed and information and explanations provided by the management, the Company is complying with the requirements of the Department of Investment and Public Asset Management (DIPAM) and the Ministry of Corporate Affairs (MCA), to the extent applicable to the Company. Further, as informed by management and based on our review, the provisions of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, Reserve Bank of India (RBI), Telecom Regulatory Authority of India (TRAI), CERT-IN, Ministry of Electronics and Information Technology, National Payments Corporation of India (NPCI), Department of Public Enterprises (DPE), and other regulatory authorities are not applicable to the Company. No instances of material non-compliance with applicable regulatory requirements were observed during the course of our audit.

For Bansal & Co. LLP
Chartered Accountants
Firm's Registration No. 001113N/N500079

Sd/-
Amit Kumar Singh
Partner
Membership No.532180
UDIN: 26532180ENWPDK1883

Place : New Delhi
Date : July 13, 2026

STANDALONE BALANCE SHEET AS AT 31st MARCH 2026

(₹ in Crore)

	Note No.	As at 31st March 2026	As at 31st March 2025
ASSETS			
Non-Current Assets			
(a) Property, Plant & Equipment	3	22,599.96	21,509.35
(b) Capital Work in Progress	4	31.47	28.95
(c) Intangible Assets	5	1.78	2.25
(d) Right of Use Assets	6	1,051.63	719.48
(e) Financial Assets			
(i) Investments	7	7.42	-
(ii) Other Financial Assets		359.18	349.54
(f) Other Non-Current assets	8	31.64	39.88
Total Non-Current Assets (A)		**24,083.08**	**22,649.45**
Current Assets			
(a) Inventories	9	649.15	413.86
(b) Financial Assets			
(i) Investments	10	-	413.78
(ii) Trade Receivables	7A	5,236.76	3,449.76
(iii) Cash & Cash equivalents	11	16.04	233.25
(iv) Bank Balances (other than (iii) above)	12	53.00	148.09
(v) Other Financial Assets	7	0.02	0.03
(c) Current Tax Assets (Net)	8	5.51	5.14
(d) Other Current Assets	13	748.38	1,586.49
Total Current Assets (B)		**6,708.86**	**6,250.40**
Total Assets (A+B)		**30,791.94**	**28,899.85**
EQUITY AND LIABILITIES			
(a) Equity Share Capital	14	8,779.42	7,928.98
(b) Other Equity	15	3,728.14	3,107.36
Total Equity (A)		**12,507.56**	**11,036.34**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	10,532.08	11,753.90
(ii) Lease Liabilities	17	2.28	4.14
(iii) Other Financial Liabilities	19	136.20	132.44
(b) Provisions	20	625.27	639.51
(c) Deferred Tax Liabilities (net)	21	1,724.94	895.90
(d) Other Non-Current Liabilities	22	408.45	469.23
Total Non-Current Liabilities (B)		**13,429.22**	**13,895.12**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	2,879.67	1,571.14
(ii) Lease Liabilities	17	2.76	4.92
(iii) Trade payables:			
(iii a) Total outstanding dues of micro enterprises and small enterprises	18	9.55	23.09
(iii b) Total outstanding dues of creditors other than micro enterprises and small enterprises	18	705.82	957.28
(iv) Other Financial Liabilities	19	1,172.95	1,323.57
(b) Other Current Liabilities	23	57.68	48.07
(c) Provisions	20	26.73	40.32
Total Current Liabilities (C)		**4,855.16**	**3,968.39**
Total Equity and Liabilities (A+B+C)		**30,791.94**	**28,899.85**

Company Overview and Material Accounting Policies Information 1-2
The Accompanying Notes 1 to 34 form an integral part of these Standalone Financial Statements

As per our report annexed
For BANSAL & CO LLP
Chartered Accountants
FR No. 001113N/N500079

Sd/-
(CA Amit Kumar Singh)
Partner
Membership No. 532180

Date : 17 April 2026
Place : New Delhi

On behalf of the Board

Sd/-
(Virendra Malik)
Chairman
DIN-10427762

Sd/-
(Nitin Kumar)
Director
DIN-11237687

Sd/-
(Sanjay Shrivastava)
Director
DIN-11243864

Sd/-
(S.P. Mohanty)
Managing Director
DIN-05336787

Sd/-
(Iti Matta)
Company Secretary

Sd/-
(Poonam Jeswani)
Chief Financial Officer

STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2026

(₹ in Crore)

	Note No.	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
INCOME			
Revenue from Operations	24	21,216.53	15,745.61
Other Income	25	121.63	164.10
Total Income (A)		**21,338.16**	**15,909.71**
EXPENSES			
Cost of materials consumed	26	7,092.37	6,535.38
Purchases of Stock-in-Trade	27	4,441.13	1,116.34
Changes in inventories	28	52.02	6.34
Freight and Handling	29	639.99	442.41
Employee Benefits Expenses	30	165.46	178.18
Finance Costs	31	1,081.06	1,312.57
Depreciation and Amortisation expenses	32	991.20	927.79
Other Expenses	33	3,581.11	3,553.33
Total Expenses (B)		**18,044.34**	**14,072.34**
Profit/(Loss) before exceptional items and Tax			
C=(A-B)		**3,293.82**	**1,837.37**
Exceptional Items (D)		-	-
Profit/(Loss) before Tax E=(C-D)		**3,293.82**	**1,837.37**
Tax expense (F):			
a) Current Tax		7.31	-
b) Deferred Tax		828.91	455.29
Profit/(Loss) for the year G=(E-F)		**2,457.60**	**1,382.08**
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		1.56	(8.69)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.13)	2.19
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		-	-
Total Other Comprehensive Income (H)		**1.43**	**(6.50)**
Total Comprehensive Income for the year (G+H)		**2,459.03**	**1,375.58**
Earnings per equity share (₹)*			
(1) Basic		**2.90**	**1.63**
(2) Diluted		**2.90**	**1.63**

*restated for the year ended March 31, 2025
Company Overview and Material Accounting Policies Information 1-2
The Accompanying Notes 1 to 34 form an integral part of these Standalone Financial Statements

As per our report annexed
For BANSAL & CO LLP
Chartered Accountants
FR No. 001113N/N500079

Sd/-
(CA Amit Kumar Singh)
Partner
Membership No. 532180

Date : 17 April 2026
Place : New Delhi

On behalf of the Board

Sd/-
(Virendra Malik)
Chairman
DIN-10427762

Sd/-
(Nitin Kumar)
Director
DIN-11237687

Sd/-
(Sanjay Shrivastava)
Director
DIN-11243864

Sd/-
(S.P. Mohanty)
Managing Director
DIN-05336787

Sd/-
(Iti Matta)
Company Secretary

Sd/-
(Poonam Jeswani)
Chief Financial Officer

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2026

A. EQUITY SHARE CAPITAL

(₹ in Crore)

	Balance at the beginning of the current reporting period	Changes in equity share capital due to prior period erros	Restated balance at the beginning of current reporting period	Changes in Equity Share Capital during the year	Balance at the end of the current reporting period
As at 31.03.2026	7,928.98	-	-	850.44	8,779.42
As at 31.03.2025	7,928.98	-	-	-	7,928.98

B. OTHER EQUITY

	Shares to be issued against Right of use of Land and other Usable Assets	Share Application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Other Comprehensive Income						Money received against share warrants	Total
				Capital Reserve	Securities Premium	Other Reserves (specify nature)	Retained Earnings	Debt instru-ments through Other Compre-hensive Income	Equity Instru-ments through Other Compre-hensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Compre-hensive Income (specify nature)		
Balance as at 01.04.2025	495.00	–	-	-	-	-	2,618.59	-	-	-	-	-	(6.23)	-	3,107.36
Additions during the year	-	–	-	-	-	-	2,457.60	-	-	-	-	-	-	-	2,457.60
Comprehensive income for the year	-	–	-	-	-	-	-	-	-	-	-	-	1.43	-	1.43
Changes in accounting policy or prior period errors	-	–	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	–	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	–	-	-	-	-	2,457.60	-	-	-	-	-	1.43	-	2,459.03
Appropriation towards Interim Dividend (including expenses (net of tax))	-	–	-	-	-	-	(1,343.25)	-	-	-	-	-	-	-	(1,343.25)
Appropriation towards Final Dividend (including expenses (net of tax))	-	–	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	–	-	-	-	-	-	-	-	-	-	-	-	-	-
Share issued during the year	(495.00)	–	-	-	-	-	-	-	-	-	-	-	-	-	(495.00)
Any other change (to be specified)	-	–	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31.03.2026	-	–	-	-	-	-	**3,732.94**	-	-	-	-	-	**(4.80)**	-	**3,728.14**
Balance as at 01.04.2024	495.00	–	-	-	-	-	1,236.52	-	-	-	-	-	0.27	-	1,731.79
Additions during the year	-	–	-	-	-	-	1,382.07	-	-	-	-	-	-	-	1,382.07
Comprehensive income for the year	-	–	-	-	-	-	-	-	-	-	-	-	(6.50)	-	(6.50)
Changes in accounting policy or prior period errors															
Restated balance at the beginning of the reporting period	-	–	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	–	-	-	-	-	1,382.07	-	-	-	-	-	(6.50)	-	1,375.57
Appropriation towards Interim	-	–	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend (including expenses (net of tax))	-	–	-	-	-	-	-	-	-	-	-	-	-	-	-
Appropriation towards Final Dividend (including expenses (net of tax))	-	–	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	–	-	-	-	-	-	-	-	-	-	-	-	-	-
Share issued during the year	-	–	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change (to be specified)															
Balance as at 31.03.2025	**495.00**	–	-	-	-	-	**2,618.59**	-	-	-	-	-	**(6.23)**	-	**3,107.36**

As per our report annexed
For BANSAL & CO LLP
Chartered Accountants
FR No. 001113N/N500079

Sd/-
(CA Amit Kumar Singh)
Partner
Membership No. 532180

Date : 17 April 2026
Place : New Delhi

On behalf of the Board

Sd/-
(Virendra Malik)
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(S.P. Mohanty)
Managing Director
DIN-05336787

Sd/-
(Iti Matta)
Company Secretary

Sd/-
(Poonam Jeswani)
Chief Financial Officer

STANDALONE STATEMENT OF CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2026

(₹ in Crore)

		For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		3,293.82	1,837.37
Adjustments for:			
Depreciation and Amortisation		991.20	927.79
Finance Cost		1,081.06	1,312.57
Interest from Bank Deposits		(40.59)	(50.16)
Gain on Mutual Funds Investments & Deferred Income		(76.16)	(93.03)
Gain/Loss on Foreign exchange transactions		34.42	17.57
Loss on de-recognition of property, plant and equipment		0.05	0.00
Interest on Income Tax Refund		(0.05)	(0.27)
Operating Profit before working capital changes		**5,283.75**	**3,951.84**
Adjustment for :			
Security Deposits and Bank Deposits		85.45	(12.16)
Advances and Other Assets		(622.84)	(13.86)
Inventory		(235.28)	(59.10)
Trade Receivables		(1,787.01)	(476.14)
Liabilities and Outstanding Expenses		(523.59)	(36.84)
Cash Generated from Operation		**2,200.48**	**3,353.74**
Income Tax Received/(Paid)		(7.39)	5.36
Net Cash Flow from Operating Activities	**(A)**	**2,193.09**	**3,359.10**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(581.87)	(458.29)
Expenditure on Project Construction		(2.52)	(25.73)
Purchase of Intangible Assets		(0.70)	(1.82)
Investment / Redemption of Mutual Funds		413.78	55.75
Interest from Bank Deposits		42.22	47.29
Gain on Mutual Funds Investments		15.26	26.52
Investment in Equity Share		(7.42)	-
Net Cash from Investing Activities	**(B)**	**(121.25)**	**(356.28)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Borrowings		86.71	(1,890.04)
Interest and Other Borrowing Cost		(1,026.82)	(1,306.93)
Dividend Paid		(1,343.25)	-
Payment of Lease Obligations		(5.69)	(5.07)
Net Cash from Financing Activities	**(C)**	**(2,289.05)**	**(3,202.04)**
Net Increase / (Decrease) in Cash & Cash equivalents	**(A+B+C)**	**(217.21)**	**(199.22)**
Cash & Cash equivalents (Opening balance)		233.25	432.47
Cash & Cash equivalents (Closing balance)		16.04	233.25
(All figures in bracket represent outflow)			

As per our report annexed
For BANSAL & CO LLP
Chartered Accountants
FR No. 001113N/N500079

Sd/-
(CA Amit Kumar Singh)
Partner
Membership No. 532180

Date : 17 April 2026
Place : New Delhi

On behalf of the Board

Sd/-
(Virendra Malik)
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Managing Director
DIN-05336787

Sd/-
(Iti Matta)
Company Secretary

Sd/-
(Poonam Jeswani)
Chief Financial Officer

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Note 1: CORPORATE INFORMATION

Reporting Entity

Hindustan Urvarak and Rasayan Limited (the "Company") is a public company domiciled in India and has been incorporated under the provisions of the Companies Act, 2013 applicable in India (CIN: U24100DL2016PLC358399). The registered office of the company is located at Core-4, 9th Floor, Scope Minar, Laxmi Nagar District Centre, Delhi-110092, India. It is a Joint Venture Company of Coal India Limited (CIL), NTPC Limited (NTPC), Indian Oil Corporation Limited (IOCL), Fertiliser Corporation of India Limited (FCIL) and Hindustan Fertiliser Corporation Limited (HFCL) incorporated with an objective to establish and operate fertiliser and chemical complexes at Gorakhpur and Sindri units of FCIL and Barauni unit of HFCL and market their products, taking into consideration the assets of FCIL and HFCL at Gorakhpur, Sindri & Barauni, and trading of other fertilizer and Agri-products.

The standalone financial statements have been approved for issue in accordance with a resolution of the Board of Directors passed in its meeting held on April 17, 2026.

Note 2: MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation/Consolidation and Statement of compliance

2.1.1. Statement of Compliance

The standalone financial statements which comprise the Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows, and the Statement of Changes in Equity ("standalone financial statements") of the Company have been prepared on going concern basis, following accrual system of accounting, in accordance with the applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 ("Act") read with the Companies (Indian Accounting Standards) Rules and other relevant provisions of the Act and Rules thereunder, as amended from time to time.

The comparative information disclosed is based on the standalone financial statements of the Company prepared in accordance with Ind AS for the period ended 31st March, 2026 for the Statement of Profit & Loss and Balance Sheet as on that date.

2.2 Basis of measurement

- The standalone financial statements have been prepared on historical cost basis of measurement, except for Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments in para 2.11);
- Assets held for sale - measured at the lower of carrying amount and fair value less cost to sell; and
- Defined benefit plans- plan assets measured at fair value.

2.2.1 Functional and presentation currency

Amounts in these standalone financial statements are presented in Indian Rupees (₹) which is Company's presentation and functional currency and all values are rounded to the nearest Crore (up to two decimals), except when otherwise indicated.

The transactions and balances with values below rounding off norm adopted by the Company have been reflected as 0.00 in the standalone financial statements.

2.2.2 Current and Non-Current Classification

The Company classifies its assets and liabilities as current/non-current in the balance sheet considering 12 months as the normal operating cycle.

2.3 Revenue Recognition

2.3.1 Revenue from contracts with customers

Revenue from contracts with customers is recognized net of returns, trade allowances, rebates etc. when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. Revenue is measured based on the consideration specified in a contract with a customer.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. Revenue is recognized net of returns, trade allowances, rebates etc. when performance obligation is satisfied by transfer of control of goods or services to a customer and it is probable to collect the consideration.

2.3.2 Subsidy

Subsidy on manufactured Urea is recognized at a point in time when control of the goods has been transferred from seller to buyer and there is no unfulfilled obligation, and it is recognised at the price determined according to the provisions of New Investment Policy (NIP) 2012 as notified and amended from time to time by the Government of India(GOI), with the adjustments for escalation/de-escalation in the prices of inputs and other adjustments as estimated by the management in accordance with the known policy parameters/ guidelines/ instructions in this regard as notified by Government of India.

The subsidy recognition is subject to revision on finalization of monthly/quarterly and annual gas pool rates by Fertilizer Industry Coordination Committee (FICC), an office of Government of India which regulates such subsidy and difference if any, in the amount recoverable from Government of India are recognized in the year in which revised rates are notified by FICC.

Uniform freight subsidy on Urea has been accounted in accordance with the parameters and rates notified by FICC/GOI.

2.3.3 Other revenue

Interest income from financial assets is recognised using Effective Interest Method.

For interest due from customers, vendor's etc. interest income is recognized when no significant uncertainty as to its realization exists and is accounted on time proportion basis at contracted rates.

Dividends are recognised only when the right to receive payment is established.

Sale of scrap/waste material is recognised on disposal.

Insurance and other miscellaneous claims are recognized on receipt/acceptance of claim.

Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company fulfils its performance obligation by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract Liabilities in respect of advance from customers is disclosed under "other current liabilities". Contract liabilities are recognised as revenue when the Company performs under the contract.

2.4 Government Grant

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

2.4.1 Grant relating to Assets (Capital Grants)

In case of Government grants relating to depreciable assets, the cost of the assets is shown at gross value and grant thereof is treated as Deferred Income in Other noncurrent liabilities which are recognized as income in the Statement of Profit and Loss over the period and in the proportion in which depreciation is charged.

In the event of such property, plant and equipment being disposed off before completion of its estimated useful life, the outstanding amount of such capital grant is fully credited to profit or loss in the year of its disposal.

2.4.2 Grant related to Expense (Revenue Grants)

Revenue grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognizes as expenses the related cost for which the grants are intended to compensate.

2.4.3 When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate or NIL interest rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Classification of the grant is made considering the terms and condition of the grant i.e. whether grants relate to assets or otherwise.

2.5 Leases

2.5.1 Company as a lessee

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short- term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The interest expense on the lease liability and the depreciation expense on the right-of-use asset is separately recognised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

2.5.2 Company as a lessor

2.5.2.1 Finance leases

Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.5.2.2 Operating leases

Lease income from operating leases such as rental income (excluding amounts for services such as insurance and maintenance) is recognised in income on a straight-line basis over the lease term, unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying assets is diminished.

2.6 Property, Plant and Equipment (PPE)

An item of property, plant and equipment is recognized as an asset if and only if 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.

An item of Property, plant and equipment is carried at its cost less any accumulated depreciation and any accumulated impairment losses under Cost Model. The cost of an item of property, plant and equipment comprises:

(a) its purchase price, including import duties, GST and non-refundable purchase taxes, after deducting trade discounts and rebates.

(b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Company incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item depreciated separately. However, significant part(s) of an item of PPE having same useful life and depreciation method are grouped together in determining the depreciation charge.

Catalysts which are used in commissioning of new plant are capitalized and are amortized based on the estimated useful life as technically assessed.

Subsequent cost of replacing parts of an item of property, plant and equipment is recognised in the carrying amount of the item, if 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 those parts that are replaced is derecognised in accordance with the derecognition policy mentioned below.

When major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if 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. Any remaining carrying amount of the cost of the previous inspection (as distinct from physical parts) is derecognised.

Costs of the day to-day servicing described as for the 'repairs and maintenance' are recognised in the statement of profit and loss in the period in which the same are incurred.

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized. Other spare parts are carried as inventory and recognized in the statement of profit and loss on consumption.

An item of Property, plant or equipment is derecognised upon disposal or when no future economic benefits are expected from the continued use of assets. Any gain or loss arising on such derecognition of an item of property plant and equipment is recognised in profit and Loss.

Depreciation on PPE, is provided as per cost model on straight line basis over the useful lives prescribed in Schedule II to the Companies Act, 2013 except freehold land and the asset referred below.

Depreciation on the following assets is provided on their estimated useful lives, which are different from the useful lives as prescribed under Schedule II of the Companies Act, 2013, ascertained on the basis of technical evaluation/assessment:

Right of use assets is recognised for assets under lease (including leasehold land) which are depreciated as per 2.5.1. Immovable assets constructed over leasehold land are depreciated at the estimated useful life as per Schedule-II or lease period of land (including renewable/ likely renewable period), whichever is earlier except for which useful life is different from schedule II is adopted by the company & tabulated below: -

Asset Type	Useful life in Years
Mobile Phones	2
Printer	3
Forklift and Hydra	8
Firefighting Tender and Ambulance	15

Depreciation on individual item of PPE whose actual cost does not exceed five thousand rupees, is provided at the rate of 100% in the year of capitalisation and the residual value of rupee one is retained.

The residual value of other Property, plant and equipment is considered as 5% of the original cost except for mobile phones for which residual value considered as NIL.

The estimated residual value, useful lives and method of depreciation of Property, plant and equipment are reviewed at each financial year and adjusted prospectively, if any.

Asset Type	Useful life in Years
Old Refurbished Building i.e. Guest House, Admin Building etc.	15
Main Plant and associated works	25

Depreciation on the assets added / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.

2.7 Capital Work in Progress

Cost incurred for property, plant and equipment that are not ready for their intended use as on the reporting date, is classified under capital work- in-progress.

Revenue expenses exclusively attributable to projects incurred during construction period are capitalised under Capital Work in Progress as Expenditure During Construction Period and allocated to the Property, Plant and Equipment at the time of Capitalization of the project.

Borrowing cost incurred during construction period on loans specifically borrowed and utilized for projects is capitalized on quarterly basis up to the date of capitalization.

Income pertaining to construction period such as interest earned on short term deposits attributable to the debt, interest on advance provided to the project contractors, price reduction and sale of goods (including subsidy) during trial run is adjusted against the Expenditure During Construction Period.

Assets under construction/Capital Work in Progress are not depreciated as these assets are not yet available for use. However, they are tested for impairment if any.

2.8 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation (calculated on a straight-line basis over their useful lives) and accumulated impairment losses, if any.

Technical know-how / license fee relating to production process and process design are recognized as Intangible Assets and amortized on a straight-line basis over the life of the underlying plant/ facility.

Internally generated intangibles, excluding capitalised development costs, are not capitalised. Instead, the related expenditure is recognised in the Statement of Profit or Loss and Other Comprehensive Income in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over their useful economic lives on a straight-line basis pro-rata from the date the asset is available to the Company for its use and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss.

An intangible asset with an indefinite useful life is not amortised but is tested for impairment at each reporting date.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss.

Cost of Software recognized as intangible asset, is amortised on straight line method over a period of legal right to use or three years, whichever is less; with a nil residual value. However, where such computer software is still in development stage, cost incurred during the development stage of such software are accounted as “Intangible Assets Under Development”. Web development and App development cost are recognized as intangible asset and amortised on straight line method over a period of five years, with a nil residual value.

Expenditure incurred on research & development, other than on capital account, is charged to revenue.

Investment Property

2.9 Non-Current Assets Held for Sale

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-Current Assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less cost to sell. Assets classified as held for sale are presented separately in the Balance Sheet.

PPE and Intangible Assets once classified as held for sale are not depreciated or amortized.

2.10 Impairment of Non-Financial Assets

The Company assesses at the end of each financial year whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment loss is recognized when the carrying amount of an asset exceeds recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

2.11 Financial Instruments

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

2.11.1 Financial assets

2.11.1.1 Initial recognition and measurement

All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

2.11.1.2 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

2.11.1.2.1 Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

2.11.1.2.2 Debt instruments at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

2.11.1.2.3 Debt instruments at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit or loss.

2.11.1.2.4 Equity Investments

All equity investments in scope of Ind AS 109 are measured at fair value.

The Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit or loss.

2.11.1.2.5 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

  When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

2.11.1.2.6 Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial assets that are debt instruments and are measured as at FVTOCI

c) Lease receivables under Ind AS 17

d) 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 follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

2.11.2 Financial Liabilities

2.11.2.1 Initial recognition and measurement

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

2.11.2.2 Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

2.11.2.2.1 Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

2.11.2.2.2 Financial liabilities at amortised cost

After initial recognition, these are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of profit and loss.

2.11.2.2.3 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2.11.3 Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Profit and Loss (P&L).
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. Effective Interest Rate (EIR) is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in Other Comprehensive Income (OCI). No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

2.11.4 Off setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Financial Risk Management

2.12 Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest cost.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying assets incurred during the period of time that is required to complete and prepare the asset for its intended use or sale less any investment income on the temporary investment of those borrowings are capitalized. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which the same are incurred.

2.13 Taxation

Income tax expense for the period represents the sum of tax currently payable, adjustments for tax provisions of previous years and deferred tax.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period. Taxable profit differs from “profit before income tax” as reported in the Statement of Profit or Loss and Other Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognised deferred tax assets are reassessed at the end of each reporting year and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.14 Employee Benefits

2.14.1 Short-term Benefits

Employee benefits which are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services are classified as short-term employee benefits. All short-term employee benefits are recognized in the period in which in which the services have been rendered.

2.14.2 Post-employment benefits and other long-term employee benefits

2.14.2.1 Defined Contribution plans

Under defined contribution scheme, provident fund is a post-employment benefit plan established under State Plan. The company pays fixed contribution into fund maintained by Employees Provident Fund Organisation

(EPFO) and the Company will have no legal or constructive obligation to pay further amounts. The contributions to the scheme are charged to the statement of profit and loss in the year when employee rendered related services.

2.14.2.2 Defined benefits plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Gratuity is covered under defined benefit plans (with ceilings on benefits). The company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return of their service in the current and prior periods. The benefit is discounted to determine its present value and reduced by the fair value of plan assets, if any. The discount rate is based on the prevailing market yields of Indian Government securities as at the reporting date that have maturity dates approximating the terms of the company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The application of actuarial valuation involves making assumptions about discount rate, expected rates of return on assets, future salary increases, mortality rates etc. Due to the long-term nature of these plans, such estimates are subject to uncertainties. The calculation is performed at each balance sheet by an actuary using the projected unit credit method. When the calculation results in to the benefit to the company, the recognised asset is limited to the present value of the economic benefits available in the form of any future refunds from the plan or reduction in future contributions to the plan. An economic benefit is available to the company if it is realisable during the life of the plan, or on settlement of plan liabilities.

Re-measurement of the net defined benefit liability, which comprise actuarial gain and losses considering the return on plan assets (excluding interest) and the effects of the assets ceiling (if any, excluding interest) are recognised immediately in the other comprehensive income. The company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit and loss.

The retirement benefit obligation recognized in balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of the plan assets.

When the benefits of the plan are improved, the portion of the increased benefit relating to past service by employees is recognised as expense immediately in the statement of profit and loss.

2.14.3 Other Long-term Employee benefits

Other employee benefits viz. leave encashment etc. are also recognised on the same basis as described above for defined benefits plan. These benefits do not have specific funding.

2.15 Foreign Currency Transactions

The company's reported currency and the functional currency for majority of its operations is in Indian Rupees (INR) being the principal currency of the economic environment in which it operates.

Transactions in foreign currencies are initially recorded by converting into the reported currency of the company using the exchange rate prevailing at the transaction date.

Monetary assets and liabilities denominated in foreign currencies outstanding at the end of the reporting period are translated at the exchange rates prevailing as at the end of reporting period. Exchange differences arising on the settlement of monetary assets and liabilities or on translating monetary assets and liabilities at rates different from those at which they were translated on initial recognition during the period or in previous standalone financial statements are recognised in statement of profit and loss in the period in which they arise.

Non-monetary items measured in terms of historical cost in a foreign currency are recorded at the exchange rate prevailing on the date of the transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of profit and loss are also recognised in OCI or Statement of profit and loss, respectively).

2.16 Inventories

Inventories are stated at the lower of weighted average cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work in progress, finished goods or traded goods includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Traded Fertilizers are valued at lower of cost determined on first-in-first-out basis and net realizable value.

The diminution in the value of obsolete, unserviceable, surplus and non-moving items of stores and spares is ascertained on review and provided for.

2.17 Provisions, Contingent Liabilities & Contingent Assets

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the company, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent assets are possible assets that arise 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 Company. Contingent assets are disclosed in the standalone financial statements when inflow of economic benefits is probable on the basis of judgment of management.

2.18 Cash and Cash Equivalents

Cash and Cash Equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.19 Earnings per share

Basic Earnings Per Share (EPS) is computed by dividing the net profit/ (loss) after tax for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted Earnings Per Shares is computed adjusting the figures used in the determination of basic earnings per share as follows:

a) profit or loss attributable to equity shareholders of the company is increased by the after-tax amount of dividends and interest recognised in the period in respect of the dilutive potential equity shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential equity shares; and

b) the weighted average number of equity shares outstanding is increased by the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

In the absence of dilutive potential equity shares, Basic EPS and Diluted EPS will remain same.

2.20 Adjustments pertaining to prior period

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

2.21 Prepaid Expenses

Individual expense up to Rs. 1,00,000 not being considered material is included in the expenditure of current period.

2.22 Judgements, Estimates and Assumptions

The preparation of the standalone financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of standalone financial statements and the amount of revenue and expenses during the reported period. Application of accounting policies involving complex and subjective judgements and the use of assumptions in these standalone financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the standalone financial statements.

2.22.1 Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the standalone financial statements:

2.22.1.1 Formulation of Accounting Policies

Accounting policies are formulated in a manner that result in standalone financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial.

In the absence of an Ind AS that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

a) relevant to the economic decision-making needs of users and

b) reliable in that standalone financial statements:

(i) represent faithfully the financial position, financial performance and cash flows of the Company

(ii) reflect the economic substance of transactions, other events and conditions, and not merely the legal form;

(iii) are neutral, i.e. free from bias;

(iv) are prudent; and

(v) are complete in all material respects on a consistent basis

In making the judgement management refers to, and considers the applicability of, the following sources in descending order:

(a) the requirements in Ind ASs dealing with similar and related issues; and

(b) the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the Framework.

In making the judgement, management considers the most recent pronouncements of International Accounting Standards Board and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

2.22.1.2 Materiality

Ind AS applies to items which are material. Management uses judgment in deciding whether individual items or group of items are material in the standalone financial statements. Materiality is judged by reference to the size and nature of the item. The deciding factor is whether omission or misstatement could individually or collectively influence the economic decisions that users make on the basis of the standalone financial statements. Management also uses judgement of materiality for determining the compliance requirement of the Ind AS. In particular circumstances either the nature or the amount of an item or aggregate of items could be the determining factor. Further the Company may also be required to present separately immaterial items when required by law.

2.22.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

2.22.2.1 Impairment of non-financial assets

There is an indication of impairment if, the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to other mining infrastructures. The key assumptions used to determine the recoverable amount for the different CGUs, are disclosed and further explained in respective notes.

2.22.2.2 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

2.23 Cash Flow Statement

The Cash Flow Statement has been prepared under the "Indirect Method" set out in Indian Accounting Standard - 7 on Statement of Cash Flows.

2.24 Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's board of directors.

2.25 Segment reporting

The Company has recognized the following operating segments, viz Manufactured Fertilizers, and Trading, the business activities it is primarily engaged into. The same has been done based on the review of the operating revenue, decision making relating to future allocation of resources, etc. carried out by its Chief Operating Decision Maker i.e. Board of Directors.

2.26 Recent pronouncements

The Ministry of Corporate Affairs (MCA) vide notification dated 7th May 2025 and 13th August 2025 notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended 31 March 2026, MCA has notified the following standards or amendments to the existing standards:

1. Ind As 21 – The Effects of Changes in Foreign Exchange Rates

2. Ind As 1 – Presentation of financial statements

3. Ind As 7 – Statement of Cash Flows

4. Ind As 107 – Financial Instruments: Disclosures

5. Ind As 12 – Income Taxes

The amendments of the above standard are not expected to have a material impact for the Company.

2.27 Abbreviation used:

a.	CGU	Cash generating unit
b.	DCF	Discounted Cash Flow
c.	FVTOCI	Fair value through Other Comprehensive Income
d.	FVTPL	Fair value through Profit & Loss
e.	GAAP	Generally accepted accounting principal
f.	Ind AS	Indian Accounting Standards
g.	OCI	Other Comprehensive Income
h.	P&L	Profit and Loss
i.	PPE	Property, Plant and Equipment
j.	SPPI	Solely Payment of Principal and Interest
k.	LSTK	Lumpsum Turnkey Contract

NOTE 3: PROPERTY, PLANT AND EQUIPMENT

(₹ in Crore)

Description	Freehold Land	Building	Non Plant Building	Furniture and Fixtures	Vehicles	Plant & Machinery	Electrical Equipment and Installations	Office Equipments	Computers and Data Processing Equipments	Railway Sidings	Road, Drain & Culvert	Total
Gross Carrying Amount:												
As at 1 April 2024	0.95	153.22	89.64	10.28	15.14	22,458.01	63.34	11.29	6.69	137.87	147.58	23,094.00
Additions	-	9.37	6.80	0.37	0.99	404.61	3.11	6.35	1.96	0.09	23.57	457.22
Deletions/Adjustments	-	-	-	-	-	-	-	(0.01)	(0.69)	-	-	(0.70)
As at 31 March 2025	**0.95**	**162.59**	**96.44**	**10.65**	**16.13**	**22,862.62**	**66.45**	**17.63**	**7.96**	**137.96**	**171.15**	**23,550.52**
As at 1 April 2025	0.95	162.59	96.44	10.65	16.13	22,862.62	66.45	17.63	7.96	137.96	171.15	23,550.52
Additions	-	9.35	19.99	2.12	0.35	1,996.74	2.27	3.43	3.14	9.08	10.08	2,056.55
Deletions/Adjustments	-	-	-	-	-	-	-	(0.09)	(1.36)	-	-	(1.45)
As at 31 March 2026	**0.95**	**171.94**	**116.43**	**12.77**	**16.48**	**24,859.36**	**68.72**	**20.97**	**9.74**	**147.04**	**181.23**	**25,605.62**
Accumulated Depreciation and Impairment												
As at 1 April 2024	-	3.57	4.28	2.64	2.35	1,079.23	7.68	4.38	3.64	10.07	15.98	1,133.84
Charge for the year	-	5.05	6.08	0.95	1.05	861.36	5.05	2.90	1.67	8.76	15.08	907.94
Deletions/Adjustments	-	-	-	-	-	-	-	(0.00)	(0.59)	-	-	(0.60)
As at 31 March 2025	-	**8.62**	**10.37**	**3.59**	**3.40**	**1,940.59**	**12.73**	**7.28**	**4.72**	**18.84**	**31.06**	**2,041.18**
As at 1 April 2025	-	8.62	10.37	3.59	3.40	1,940.59	12.73	7.28	4.72	18.84	31.06	2,041.18
Charge for the period	-	5.42	6.78	1.14	1.26	913.08	5.19	3.65	1.84	9.28	18.07	965.71
Deletions/Adjustments	-	-	-	-	-	-	-	(0.03)	(1.20)	-	-	(1.23)
As at 31 March 2026	-	**14.04**	**17.15**	**4.73**	**4.66**	**2,853.67**	**17.92**	**10.90**	**5.36**	**28.12**	**49.13**	**3,005.66**
Net Carrying Amount												
As at 31 March 2026	**0.95**	**157.90**	**99.28**	**8.04**	**11.82**	**22,005.69**	**50.80**	**10.07**	**4.38**	**118.92**	**132.11**	**22,599.96**
As at 31 March 2025	**0.95**	**153.97**	**86.07**	**7.06**	**12.73**	**20,922.03**	**53.72**	**10.35**	**3.24**	**119.12**	**140.10**	**21,509.35**

NOTE 4: CAPITAL WORK IN PROGRESS

(₹ in Crore)

	Project Development Expenses
Gross Carrying Amount:	
As at 1 April 2024	3.22
Additions	432.91
Capitalisation/Deletions	(407.18)
As at 31 March 2025	**28.95**
As at 1 April 2025	28.95
Additions/Deletions	1,945.14
Capitalisation	(1,942.62)
As at 31 March 2026	**31.47**
Net Carrying Amount	
As at 31 March 2026	**31.47**
As at 31 March 2025	**28.95**

NOTE 5: INTANGIBLE ASSETS

(₹ in Crore)

	Computer Software	Website Development Cost	Total
Gross Carrying Amount:			
As at 1 April 2024	1.97	0.12	2.09
Additions	1.82	-	1.82
Deletions/Adjustments	-	-	-
As at 31 March 2025	**3.79**	**0.12**	**3.91**
As at 1 April 2025	3.79	0.12	3.91
Additions	0.70	-	0.70
Deletions/Adjustments	(0.74)	-	(0.74)
As at 31 March 2026	**3.75**	**0.12**	**3.87**
Amortisation and Impairment			
As at 1 April 2024	1.02	0.07	1.09
Charge for the year	0.55	0.02	0.57
Impairment	-	-	-
Deletions/Adjustments	-	-	-
As at 31 March 2025	**1.57**	**0.09**	**1.66**
As at 1 April 2025	1.57	0.09	1.66
Charge for the period	1.15	0.02	1.17
Impairment	-	-	-
Deletions/Adjustments	(0.74)	-	(0.74)
As at 31 March 2026	**1.98**	**0.11**	**2.09**
Net Carrying Amount			
As at 31 March 2026	**1.76**	**0.02**	**1.78**
As at 31 March 2025	**2.22**	**0.03**	**2.25**

NOTE 6 : RIGHT OF USE ASSETS (ROU)

(₹ in Crore)

	Land and Other Assets	Building- Corporate Office & Plant Site	Total
Gross Carrying Amount:			
As at 1 April 2024	807.42	13.72	821.14
Additions	-	1.76	1.76
Deletions/Adjustments	-	-	-
As at 31 March 2025	**807.42**	**15.48**	**822.90**
As at 1 April 2025	807.42	15.48	822.90
Additions	355.44	1.04	356.48
Deletions/Adjustments	-	(0.28)	(0.28)
As at 31 March 2026	**1,162.86**	**16.24**	**1,179.10**
Amortisation and Impairment			
As at 1 April 2024	81.46	2.68	84.15
Charge for the year	14.68	4.60	19.28
Impairment	-	-	-
Deletions/Adjustments	-	-	-
As at 31 March 2025	**96.14**	**7.28**	**103.43**
As at 1 April 2025	96.14	7.28	103.43
Charge for the period	19.40	4.93	24.33
Impairment	-	-	-
Deletions/Adjustments	-	(0.28)	(0.28)
As at 31 March 2026	**115.54**	**11.93**	**127.48**
Net Carrying Amount			
As at 31 March 2026	**1,047.32**	**4.31**	**1,051.63**
As at 31 March 2025	**711.28**	**8.20**	**719.48**

1. ROU Land and other assets include leasehold land and other assets of Gorakhpur, Sindri and Barauni Plant. The complaince of the IND AS-116 resulted in recognition of 'Right of Use' asset of Gorakhpur- ₹ 494.12 Crore (Waiver of Stamp Duty ₹ 210.00 Crore) taken on lease from FCIL, Sindri- ₹ 283.36 Crore taken on lease from FCIL and Barauni - ₹ 385.39 Crore taken on lease from HFCL (Waiver of Stamp Duty ₹ 102.03 Crore).
2. Building- Corporate Office include leasehold building of corporate office, Guest House & Markeing office taken on lease from ONGC & Others.

NOTE 7 : FINANCIAL ASSETS

(i) : INVESTMENTS

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Non Current		
Investment in Equity Instrument		
In Joint Ventures (At Cost):		
Unquoted:		
Assam Valley Fertilizer and Chemcial Corporation Limited*	7.42	-
74,18,618 Shares of face value Rs 10 each (PY: NIL)		
TOTAL	**7.42**	-
Aggregate amount of unquoted investments	7.42	-

*As per DoF, OM No. 18017 /9/2008-FCA (Part) [e-38471] dated 07 April, 2025

(ii) : OTHER FINANCIAL ASSETS

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Non Current		
Security deposits	17.83	17.08
Security deposits to Related Parties	0.03	0.03
Bank Deposits - Margin money against bank guarantee	341.32	332.43
TOTAL	**359.18**	**349.54**

*Fixed deposits held as margin money against Debt Service Reserve Account (DSRA)/Bank Guarantee & others which has to be maintained as per contractual obligation. The above balance includes interest accrued as on 31.03.2026 amounting ₹ 1.19 Crore (PY ₹ 1.27 Crore).

Current		
Other Receivables	0.02	0.03
TOTAL	**0.02**	**0.03**

NOTE - 7A : Trade Receivable

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
a) Trade Receivables		
Unsecured, considered good	76.36	34.81
Doubtful	-	-
	76.36	34.81
Less: Allowance for doubtful debts (Expected Credit Loss)	-	-
Total (a)	**76.36**	**34.81**
b) Subsidy (Government of India)*	5,160.40	3,414.95
TOTAL (a + b)	**5,236.76**	**3,449.76**

* Refer to Note No. 34.19 (v)

NOTE 8 : OTHER NON-CURRENT ASSETS

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
(i) Capital Advances	31.64	39.88
(ii) Advances other than capital advances		
CGST/SGST/IGST- Input	-	-
TOTAL	**31.64**	**39.88**
Other Current Assets		
Current Tax Assets		
Advance tax, TDS and TCS (net of tax provision)	5.51	5.14
TOTAL	**5.51**	**5.14**

NOTE 9 : INVENTORIES

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Inventories :		
Finished Goods		
Neem Coated Urea^	175.36	232.49
Ammonia	55.96	51.73
	231.32	284.22
WIP		
Urea	0.88	-
	0.88	-
Traded Goods		
Traded Product (Imported)	1.79	-
Add : In Transit	2.77	-
	4.56	-
Raw Material		
Raw Water	0.06	-
Neem Oil	1.60	0.90
Chemicals	7.59	8.38
	9.25	9.28
Store & Spares and Others		
Packing Material	1.81	4.96
Spare Parts	198.77	115.40
Add : Material Under Inspection	202.56	-
	403.14	120.36
TOTAL	**649.15**	**413.86**

^ Includes Outward Material in Transit (Finished Goods) of 49,021.24 MT for the CY and 53,661.60 MT for the PY
Valuation of inventories are done as per point no. 2.16 of material accounting policies (Note-2)

Inventory Includes:		
Material Under Inspection		
a) Store and Spares	187.51	-
b) Others	15.05	-
TOTAL	**202.56**	-

NOTE 10 : INVESTMENTS

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Quoted Investments		
Investment in Mutual Funds*	-	413.78
TOTAL	-	**413.78**
*Aggregate amount of quoted investment (at fair value)	-	413.78

NOTE - 11 : CASH AND CASH EQUIVALENTS

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Balances with Banks		
- in Deposit Accounts	-	204.28
- in Current Accounts	16.04	28.97
TOTAL	**16.04**	**233.25**

NOTE - 12 : OTHER BANK BALANCES

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Balances with Banks		
- in Deposit Accounts	53.00	148.09
TOTAL	**53.00**	**148.09**

1. Fixed deposits held as margin money against BG/LC with validity upto 12 months.
2. Balance with banks in deposit accounts includes interest accrued up to 31.03.2026 amounting ₹ 0.43 Crore (PY ₹ 0.96 Crore).

NOTE -13 : OTHER CURRENT ASSETS

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Prepaid Expense	14.30	14.60
Advance for goods and services	449.25	13.22
Advance to employees	0.25	1.90
Advance to Related Parties	-	0.03
Input Tax Credit (CGST/SGST/IGST)**	284.58	1,556.74
TOTAL	**748.38**	**1,586.49**

* * Refer to Note No. 34.19 (viii)

NOTE - 14 : EQUITY SHARE CAPITAL

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Authorised		
12,00,00,00,000 Equity Shares of ₹ 10/- each	12,000.00	12,000.00
(PY 12,00,00,00,000) Equity Shares of ₹ 10/- each		
	12,000.00	**12,000.00**
Issued, Subscribed and Paid-up		
877,94,19,685 Equity Shares of ₹ 10/- each	8,779.42	7,928.98
(PY 792,89,80,000 Equity Shares of ₹ 10/- each)		
	8,779.42	**7,928.98**

1. Reconciliation of shares outstanding at the beginning and at the end of the reporting period.

(₹ in Crore)

Particulars	31st March 2026		31st March 2025	
	Numbers	Value	Numbers	Value
At the beginning of the year	7,92,89,80,000	7,928.98	7,92,89,80,000	7,928.98
Issued during the year	85,04,39,685	850.44	-	-
Outstanding at the end of the year	8,77,94,19,685	8,779.42	7,92,89,80,000	7,928.98

2. Shares in the Company held by each shareholder holding more than 5% shares:

Name of Shareholders	No.of Shares held (Face value of Rs.10 each)
As at 31.03.2026	
Coal India Limited	2,64,29,85,000
NTPC Limited	2,64,29,85,000
Indian Oil Corporation Limited	2,64,29,85,000
Fertilizer Corporation of India Limited	56,72,34,400
As at 31.03.2025	
Coal India Limited	2,64,29,85,000
NTPC Limited	2,64,29,85,000
Indian Oil Corporation Limited	2,64,29,85,000

3. Details of shareholding of promoters:

Name of Promoters	31.03.2026		31.03.2025		% change during the year
	Numbers	% of total Shares	Numbers	% of total Shares	
Coal India Limited	2,64,29,85,000	30.10%	2,64,29,85,000	33.33%	(0.03)
NTPC Limited	2,64,29,85,000	30.10%	2,64,29,85,000	33.33%	(0.03)
Indian Oil Corporation Limited	2,64,29,85,000	30.10%	2,64,29,85,000	33.33%	(0.03)
Fertilizer Corporation of India Limited	56,72,34,400	6.46%	16,667	0.00%	0.06
Hindustan Fertilizer and Corporation Limited	28,32,30,285	3.23%	8,333	0.00%	0.03
	8,77,94,19,685	**100.00%**	**7,92,89,80,000**	**100.00%**	**-**

Name of Promoters	31.03.2025		31.03.2024		% change during the year
	Numbers	% of total Shares	Numbers	% of total Shares	
Coal India Limited	2,64,29,85,000	33.33%	2,64,29,85,000	33.33%	-
NTPC Limited	2,64,29,85,000	33.33%	2,64,29,85,000	33.33%	-
Indian Oil Corporation Limited	2,64,29,85,000	33.33%	2,64,29,85,000	33.33%	-
Fertilizer Corporation of India Limited	16,667	0.00%	16,667	0.00%	-
Hindustan Fertilizer and Corporation Limited	8,333	0.00%	8,333	0.00%	-
	7,92,89,80,000	**100.00%**	**7,92,89,80,000**	**100.00%**	**-**

4. The Company has only one class of equity shares having a face value ₹ 10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meeting of shareholders.
5. Aggregate number of Equity shares allotted as fully paid up pursuant to contract without payment being received in cash;

Particulars	31-03-2026	31-03-2025	31-03-2024	31-03-2023	31-03-2022
Shares issued as consideration for concession rights in the land and value of useable assets	85,04,39,685	-	-	-	-

6. During the year, the company has issued 56,72,17,733 equity share to Fertilizers Corporation of India Limited and 28,32,21,952 equity shares to Hindustan Fertilizer and Corporation Limited against Right of Use of Land and Other Usable Assets obtained at Gorakhpur, Sindri and Barauni sites on registration of lease deed and concession agreement with FCIL and HFCL on dated 11.08.2025
7. There are no cases of shares bought back and shares alloted as fully paid up by way of bonus shares during the preceeding five financial years.
8. The Board of Directors in its Board Meeting held on April 17, 2026 have recommended final dividend of Rs. 0.36 per equity share with face value of Rs. 10 each for the financial year ending March 31, 2026, which amount to Rs. 318.52 Crore. The above is subject to approval at the ensuing Annual General Meeting of the company and hence not recognized as a liability.

NOTE 15 : OTHER EQUITY

(₹ in Crore)

	Shares to be issued against Right of use of Land and other Usable Assets	Retained Earning	Other Comprehensive income	Total
Balance as at 01.04.2025	**495.00**	**2,618.59**	**(6.23)**	**3,107.36**
Additions during the year	-	2,457.60	-	2,457.60
Other comprehensive income for the year	-	-	1.43	1.43
Adjustments during the year	(495.00)	-	-	(495.00)
Total comprehensive income during the year	**(495.00)**	**2,457.60**	**1.43**	**1,964.03**
Appropriation towards Interim Dividend	-	(1,343.25)	-	(1,343.25)
(including expenses (net of tax))				
Appropriation towards Final Dividend	-	-	-	-
(including expenses (net of tax))				
Balance as at 31.03.2026	-	**3,732.94**	**(4.80)**	**3,728.14**
Balance as at 01.04.2024	**495.00**	**1,236.52**	**0.27**	**1,731.79**
Additions during the year	-	1,382.07	-	1,382.07
Other comprehensive income for the year	-	-	(6.50)	(6.50)
Adjustments during the year	-	-	-	-
Total comprehensive income during the year	-	**1,382.07**	**(6.50)**	**1,375.57**
Appropriation towards Interim Dividend	-	-	-	-
(including expenses (net of tax))				
Appropriation towards Final Dividend	-	-	-	-
(including expenses (net of tax))				
Balance as at 31.03.2025	**495.00**	**2,618.59**	**(6.23)**	**3,107.36**

Interim Dividend @1.53 per equity share paid during the year

NOTE - 16 : BORROWINGS

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Non-Current		
Secured Term Loan		
Consortium Banks	-	11,094.85
Indian Railway Finance Corporation (IRFC)	9,953.66	-
Interest Free Loan from Govt. of India	578.42	659.05
TOTAL	**10,532.08**	**11,753.90**
Current		
From Banks :		
Loan Repayable on Demand	1,159.78	0.00
Current maturities of long term borrowings	23.45	1,557.74
From Others :		
Current maturities of long term borrowings IRFC	1,562.22	-
Current maturities of long term borrowings IFL	134.22	13.40
TOTAL	**2,879.67**	**1,571.14**

Note : Terms of repayment and security details

1. The long-term bank borrowings have been secured by creating charge in the favor of trustee assigned by consortium of banks against the fixed assets, movable and immovable, other than land (where lease deed would be charged), of the Project, both present and future.
2. Loan from Govt. of India is received as Interest Free Loan (IFL) to meet the expenditure towards Interest during construction period payable to banks against term loan. The total IFL received is ₹ 894.80 crores which is to be repaid in 8 years, 1st installment starting from Sept 2022. IFL repayment of ₹ 5.25 crores for Gorakhpur unit,₹ 4.24 crores for Barauni unit and ₹ 3.91 crores for Sindri unit has been made during FY 2025-26. IFL total repayment of Rs. 46.94 Crore has been made till 31.03.2026, IFL outstanding as on 31.03.2026 is Rs. 847.86 Crore which to be repayable as Rs. from 2026-27 to 2029-30. The present value of loan payable as on 31.03.2026 is shown under current borrowings, government grant in the nature of interest waiver is shown in Note- 22 as deferred income.Pari passu charge has been created on project assets in favour of Government of India against IFL.
3. Interest rate on loan from IRFC is 3M T-bill + spread of 2.04%. The loan from IRFC is repayable as Rs 1562.22 crore per year from 2026-27 to 2032-33 and Rs 580.32 crore in year 2033-34. Security Creation of the IRFC loan is under process.

NOTE - 17 : LEASE LIABILITIES

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Non current		
Lease Liabilities against ROU assets	2.28	4.14
TOTAL	**2.28**	**4.14**
Current		
Lease Liabilities against ROU assets	2.76	4.92
TOTAL	**2.76**	**4.92**

NOTE - 18 : TRADE PAYABLES

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Current		
Trade Payables for Micro, Small and Medium Enterprises (MSME)	9.55	23.09
Total Outstanding other than MSME		
Trade Payable - Related Party	232.20	170.01
Trade Payables - Others	473.62	787.27
TOTAL	**705.82**	**957.28**

NOTE - 19 : OTHER FINANCIAL LIABILITIES

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Non Current		
Security Deposits from Dealers	136.20	132.44
TOTAL	**136.20**	**132.44**
Current		
- Non MSME (LSTK)	0.02	40.56
- Non MSME (Others)	0.78	1.46
Security Deposits from Vendors	44.52	52.07
Earnest Money Deposit	5.01	4.69
Retention Money from Contractors	549.23	874.79
Liability for Employees	0.27	0.81
Outstanding expenses	573.12	349.19
TOTAL	**1,172.95**	**1,323.57**

NOTE - 20 : PROVISIONS

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Non Current		
Employee Benefits		
-Earned Leaves	16.33	12.06
-Sick Leaves	6.16	4.75
Enterprise Social Commitment	602.78	622.70
TOTAL	**625.27**	**639.51**
Current		
Employee Benefits		
-Earned Leaves	2.22	1.84
-Gratuity	0.23	3.22
-Sick Leaves	0.15	0.76
-Performance linked pay	22.66	34.50
-Income Tax	1.47	-
TOTAL	**26.73**	**40.32**

NOTE 21 : DEFERRED TAX LIABILITIES/(ASSET)

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Opening Balance	895.90	442.79
Deferred Tax Liabilities/(Asset) recognised during the year	829.04	453.11
TOTAL	**1,724.94**	**895.90**

NOTE - 22 : OTHER NON CURRENT LIABILITIES

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Deferred Income- Right of Use Assets	273.23	280.42
Deferred Income- Interest Free Loan from GOI	135.22	188.81
TOTAL	**408.45**	**469.23**

NOTE - 23 : OTHER CURRENT LIABILITIES

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Advance from Customers	28.21	23.33
Total	**28.21**	**23.33**
Statutory Dues:		
TDS (Income Tax) payable	6.70	4.10
GST payable	16.91	14.89
TDS (GST) payable	2.89	2.79
Contribution to Approved Funds	2.83	2.62
Other Statutory Dues	0.14	0.34
Total	**29.47**	**24.74**
TOTAL	**57.68**	**48.07**

NOTE 24 : REVENUE FROM OPERATIONS

(₹ in Crore)

	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Sale of Goods		
A) Finished Goods		
Neem-Coated Urea	1,965.48	1,667.98
Ammonia	54.50	27.52
	2,019.98	1,695.50
Subsidy from GOI - Urea #		
Subsidy- Price	13,937.91	12,562.14
Subsidy- Freight	522.99	432.25
Less: Transferred to expenditure during construction period (Note-4)	8.22	(144.13)
	14,469.12	12,850.26
TOTAL (A)	16,489.10	14,545.76
B) Traded Goods - Domestic	483.66	425.48
TOTAL (B)	483.66	425.48
C) Traded Goods - Imported		
Bharat - DAP - Di Ammonium Phosphate	1,040.74	272.52
Bharat - TSP - Triple Super Phosphate	287.74	63.61
NPK (All Grade)	134.12	-
	1,462.60	336.13

(₹ in Crore)

	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Subsidy from GOI - Imported #		
Subsidy- Price	2,672.28	411.56
Subsidy- Freight	108.89	26.68
	2,781.17	438.24
TOTAL (C)	4,243.77	774.37
Revenue from Operations : Total (A + B + C)	**21,216.53**	**15,745.61**

Subsidy includes Past Period Subsidy and differential amount for the earlier years notified during the current year

Revenue disaggregation by timings of satisfaction of performance obligation

(₹ in Crore)

Particulars	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
At a point in time	21,216.53	15,745.61
Over a period of time	-	-
	21,216.53	**15,745.61**

Disaggregation revenue by geographical region

(₹ in Crore)

Particulars	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
	21,216.53	15,745.61
Within India	-	-
Outside India	**21,216.53**	**15,745.61**

NOTE 25 : OTHER INCOME

(₹ in Crore)

	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Interest from :		
Deposits with Banks	40.59	49.60
Mobilisation Advances	0.28	0.56
	40.87	50.16
Gain on Mutual Fund Investments	15.27	38.04
Deferred Income- Right of Use Assets	7.30	4.40
Deferred Income- Interest Free Loan from GOI	53.59	50.59
Miscellaneous income	4.60	20.91
	80.76	113.94
TOTAL	**121.63**	**164.10**

NOTE 26 : COST OF MATERIALS CONSUMED

(₹ in Crore)

	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Cost of Materials Consumed:		
Natural Gas	6,879.83	6,369.03
Packing Material	140.06	114.99
Neem Oil	27.88	18.56
Chemicals	31.69	20.92
Raw Water	12.91	11.88
TOTAL	**7,092.37**	**6,535.38**

NOTE 27 : PURCHASES OF STOCK-IN-TRADE

(₹ in Crore)

	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Traded Goods - Domestic	437.03	385.84
	437.03	385.84
Traded Goods - Imported		
Bharat - DAP - Di Ammonium Phosphate	3,057.21	621.94
Bharat - TSP - Triple Super Phosphate	736.95	108.57
NPK (All Grade)	209.94	-
	4,004.10	730.51
TOTAL	**4,441.13**	**1,116.34**

NOTE 28 : CHANGES IN INVENTORIES

(₹ in Crore)

	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Changes in Inventories:		
Neem Coated Urea	54.25	9.04
Ammonia	(2.23)	(2.70)
TOTAL	**52.02**	**6.34**

NOTE 29 : FREIGHT AND HANDLING

(₹ in Crore)

	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Freight and Handling Expense	484.10	393.35
Freight and Handling Expense (Trading Domestic)	-	1.27
Freight and Handling Expense (Trading Imported)	155.89	47.79
TOTAL	**639.99**	**442.41**

NOTE 30 : EMPLOYEE BENEFITS EXPENSES

(₹ in Crore)

	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Salary and other benefits		
Salary	152.13	161.30
Contribution to Provident Fund	9.98	9.55
Other Employee Benefits	2.27	1.74
	164.38	**172.59**
Deputation Cost		
For Employees of CIL	0.01	2.37
For Employees of NTPC	-	1.67
For Employees of IOCL	1.07	1.55
	1.08	**5.59**
TOTAL	**165.46**	**178.18**

NOTE 31 : FINANCE COST

(₹ in Crore)

	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Unwinding of discount on Lease Liabilities	0.65	1.02
Unwinding of discount on Interest Free Loan	53.59	50.59
Interest and Other Borrowing Cost	1,026.82	1,260.96
TOTAL	**1,081.06**	**1,312.57**

NOTE 32 : DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Crore)

	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
On Property Plant and Equipment (Note-3)	965.71	907.94
On Intangible Assets (Note-5)	1.17	0.57
On Right of Use of Assets (Note-6)	24.32	19.28
TOTAL	**991.20**	**927.79**

NOTE 33 : OTHER EXPENSES

(₹ in Crore)

	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Promotional expenses	24.33	37.26
Bagging Operations	36.11	34.67
Manpower Services	26.11	24.92
Telephone & Internet Expenses	0.89	0.90
Vehicle Hire Charges	5.10	4.80
Advertisement and Publicity Expenses	0.26	0.20
Auditor's Remuneration	0.11	0.10
Consultancy Expense	0.47	0.15
Credit Rating Fee	0.19	0.08
Electricity & Fuel Expenses	3,163.47	3,164.77
Loss on Foreign exchange (net)	34.42	17.57
Guest House Expenses	3.84	2.11
Hotel Accommodation Charges	0.50	0.61
Legal and Professional Expenses	1.40	0.94
Bank Charges	5.06	16.50
Insurance Premium	101.68	82.05
Office Expenses	1.19	0.54
Printing & Stationeries	0.33	0.25
Recruitment Expense	0.32	1.02
EDP & IT Expenses	5.03	5.40
Rent- Building	0.78	0.86
Repair & Maintenance	85.92	90.36
Security Service Charge	26.00	24.91
Housekeeping Expenses	3.62	3.23
Rate & Taxes	1.61	4.77
Travelling Expenses	6.81	5.96
Training Expenses	1.29	1.11
Environment Monitoring Expense	1.29	0.87
Horticulture Work	3.37	1.99
CSR Expenses	23.48	11.24
Canteen Expenses	7.56	6.65
Miscellaneous Expenses	8.57	6.55
TOTAL	**3,581.11**	**3,553.33**

NOTE 34: ADDITIONAL INFORMATION

34.1 Accounting for Leases

Inter-Ministerial Committee (IMC) constituted by Government of India with the approval of Union Cabinet had approved allotment of land at all the 3 project locations on a nominal lease rent for a period of 55 years. On receipt of final approval from the Union Cabinet by Department of Fertilizers the land agreement and concession agreement have been signed on Gorakhpur, Sindri and Barauni Site. Lease deed for land in respect of Gorakhpur, Sindri and Barauni site was registered on 08th May, 2019, 29th August, 2019 and 4th November, 2019 respectively. Accordingly, right of use for land and other usable assets at three sites was recognised for the first time during the year 2019-20 with corresponding lease liabilities shown under Financial Liabilities and Equity and will continue till lease period.

The impact of recognition in line with Ind AS 116 (Leases) is shown in Right of Use Assets, Lease Liabilities, Finance Cost, Amortisation Expense, Deferred Income and Deferred Income-Liability.

Information about leases for which the company is a lessee is presented below:

(i) Amount recognized in the Balance Sheet

(₹ in Crore)

Particulars	Year Ended 31-03-2026	Year Ended 31-03-2025
Balance at the beginning of the year	822.90	821.14
Additions to right-of-use assets	356.48	1.76
Deletion/ Derecognition of right to use assets	0.28	-
Balance at the ending of the year	1,179.10	822.90
Carrying amount of right-of-use assets at the end of the year by class of underlying asset	1,051.63	719.48

(ii) Amounts recognized in the Statement of Profit and Loss

(₹ in Crore)

Particulars	Year Ended 31-03-2026	Year Ended 31-03-2025
Interest expense on lease liabilities	0.65	1.02
Amortisation charged during the year	24.33	19.28
Expense relating to short term, low value leases and variable lease	0.78	0.86

(iii) Amounts recognized in the Statement of Cash Flows

(₹ in Crore)

Particulars	Amount
Year Ended 31.03.2026	5.69
Year Ended 31.03.2025	5.07

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2026	As at March 31, 2025
Less than one year	3.02	5.51
One to five years	2.28	4.24
More than five years	1.24	1.24
Total	**6.54**	**10.99**

34.2 Related Party & Key Management Personnel (KMP) Disclosures

A. Related Party Information

S.No.	Name of the related party	Description of relationship
1	Coal India Limited	Promoter Venturers
2	NTPC Limited	
3	Indian Oil Corporation Limited	
4	Hindustan Fertilizer Corporation Limited	
5	Fertilizer Corporation of India Limited	
6	Assam Valley Fertilizer and Chemcial Corporation Limited	Joint Venture
7	Utility Powertech Limited	Joint Venture of NTPC Ltd

B. Key Management Personnel

Mr. Siba Prasad Mohanty (S.P. Mohanty)	Managing Director (MD)
Ms. Poonam Jeswani	Chief Financial Officer (CFO) [w.e.f. 19.07.2024]
Mr. Anurag Shukla	Chief Financial Officer (CFO) [w.e.f. 28.09.2022 upto 07.06.2024]
Ms. Iti Matta	Company Secretary (CS)
Independent Directors	No Independent Directors during FY 2025-26

Transactions with Related Parties

(₹ in Crore)

S.No.	Name of the related party	For the year ended 31.03.2026	For the year ended 31.03.2025
1	**Deputation Cost**		
	NTPC Limited	0.00	1.67
	Coal India Limited	0.01	2.37
	Indian Oil Corporation Limited	1.07	1.55
2	**Others**		
	Indian Oil Corporation Limited		
	-Purchase of Fuel/Natural Gas	1,713.99	1,175.48
	-Purchase of Lubricants/Diesel	2.24	2.54
	-Others	-	0.05
	NTPC Limited		
	-Others	0.00	-
	Assam Valley Fertilizer and Chemcial Corporation Limited		
	-Other Income	0.01	-
	-Out of Pocket Expenses	0.86	-
	Fertilizer Corporation of India Limited		
	- Rent Expenses	0.52	0.44
	Hindustan Fertilizer Corporation Limited		
	- Rent Expenses	0.01	0.01
	Utility Powertech Limited		
	- Purchase of Services	9.16	8.57
3	**Dividend Paid**		
	NTPC Limited	404.38	-
	Coal India Limited	404.38	-
	Indian Oil Corporation Limited	404.38	-
	Fertilizer Corporation of India Limited	86.79	-
	Hindustan Fertilizer Corporation Limited	43.33	-
4	**Shares issued**		
	Fertilizer Corporation of India Limited	567.22	-
	Hindustan Fertilizer Corporation Limited	283.22	-

Outstanding Balance Receivable/(Payable)

(₹ in Crore)

S.No.	Name of the related party	As at 31.03.2026	As at 31.03.2025
1	**Promoter Venturers**		
i.	NTPC Limited	0.00	(.69)
ii.	Coal India Limited	0.00	(.00)
iii.	Indian Oil Corporation Limited	(232.18)	(169.28)
iv.	Hindustan Fertilizer Corporation Limited	-	-
v.	Fertilizer Corporation of India Limited	(.01)	(.01)
2	**Others**		
I.	Utility Powertech Limited	(.54)	(1.13)

Apart from above, lease liabilities are recognised during the year against right of use of land and other usable assets (Note 34.1). The balance of lease liabilities as on 31.03.2026 & 31.03.2025 towards Promoter Venturers is as follows:

Outstanding Balance Receivable/(Payable)

(₹ in Crore)

Particulars	As at 31.03.2026	As at 31.03.2025
Lease Liabilities (Present value of lease rent)		
FCIL (for Gorakhpur and Sindri)	0.24	0.24
HFCL (for Barauni)	0.12	0.12
Value of Shares to be issued against Right of use of Land and other Usable Assets		
FCIL (for Gorakhpur and Sindri)	0.00	330.00
HFCL (for Barauni)	0.00	165.00

Remuneration of Key Managerial Personnel

(₹ in Crore)

S.No.	Name of the related party	For the year ended 31.03.2026	For the year ended 31.03.2025
1	**Salary and Other Benefits**		
	Mr. Siba Prasad Mohanty, MD	0.89	0.79
	Ms. Iti Matta, CS	0.49	0.39
2	**Deputation Cost**		-
	Ms. Poonam Jeswani, CFO [w.e.f. 19.07.2024]	0.95	0.57
	Mr. Anurag Shukla, CFO [w.e.f. 28.09.2022 upto 07.06.2024]	0.00	0.30

34.3 Earnings Per Share

S.No.	Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025#
i.	Net profit after tax attributable to Equity Shareholders (₹ in Crore)	2457.60	1,382.08
ii.	Weighted Average no. of Equity Shares Outstanding as on reporting date*	8,47,18,63,415	8,47,18,63,415
iii.	Basic and Diluted Earnings per Share in Rupees (Face value ₹10/- per share)	2.90	1.63

restated

* Calculated as (7,92,89,80,000*365/365) + (85,04,39,685*233/365) considering allotment of fresh equity shares on 11.08.2025

34.4 Disclosure for employee Benefits as per Actuary's Certificate

The disclosures as per actuary's certificate for employee benefits for gratuity, earned leaves and sick leaves are given below:

ACTUARIAL VALUATION OF EMPLOYEE BENEFITS AS AT 31.03.2026 CERTIFICATES AS PER IND AS 19

(a) Table Showing Changes in Present Value of Obligations:

(₹ in Crore)

Period	Gratuity	Earned Leaves	Sick Leaves
Present value of the obligation at the end of the period	13.65	18.55	6.30

(b) Key results (The amount to be recognized in the Balance Sheet):

(₹ in Crore)

Period	Gratuity	Earned Leaves	Sick Leaves
Present value of the obligation at the beginning of the period	10.37	13.90	5.51
Interest Cost	0.73	0.97	0.39
Current Service Cost	3.33	5.06	1.45
Benefits paid	-0.61	-1.34	-
Actuarial (gain)/loss	-0.18	-0.04	-1.05
Present value of the obligation at the end of the period	13.65	18.55	6.30
Fair value of plan assets at end of period	13.42	-	-
Funded Status - Surplus/ (Deficit)	(.23)	(18.55)	(6.30)

c) Summary of membership data at the date of valuation and statistics based thereon:

(₹ in Crore)

Period	Gratuity	Earned Leaves	Sick Leaves
Number of employees	1063	1,063	1,063
Total monthly salary (₹ in Cr)	7.21	7.21	10.77
Average Past Service (Years)	3.1	3.1	3.1
Average Future Service (Years)	26.1	26.1	26.1
Average Age (Years)	33.9	33.9	33.9
Total Leave With Cap/Without Cap (No.s)	-	70051	15023
Total CTC for Availment/ Rate	-	10.77/ 3%	-
Weighted average duration (based on discounted cash flows) in years	14.24	14.24	14.24
Average monthly salary	0.0068	0.0068	0.0101
Encashable	-	75%	-
Non- Encashable	-	25%	100%
Expected Future Service taking into account Decrements (Years)	15.00	-	-

(d) Actuarial assumptions selected by the company and employed for the calculations are tabulated:

Discount rate	7.00 % per annum
Salary Growth Rate	7.00 % per annum
Mortality	IALM 2012-14
Withdrawal rate (Per Annum)	10.00% p.a.

(e) Benefits valued:

Normal Retirement Age	60 Years
Salary	Last drawn qualifying salary
Earned Leave Benefits on Normal Retirement	1/30 * Salary * Number of leaves.
Gratuity Benefits on Normal Retirement	15/26 * Salary * Past Service (yr)
Sick Leave Benefits	NIL (Non-Encashable)
Vesting Period for Gratuity	**5/1 years of service**
Benefit on early exit	Same as normal retirement benefit based on service upto the date of exit.
Benefit on death	Same as normal retirement benefit based on service upto the date of death & no vesting conditions apply.
Gratuity Limit (₹ in Cr)	0.25

(f) Current Liability (Expected pay-out in next year as per schedule III of the Companies Act, 2013):

(₹ in Crore)

Period	Gratuity	Earned Leaves	Sick Leaves
Current Liability (Short Term)	0.23	2.22	0.14
Non-Current Liability (Long Term)		16.33	6.16
Total Liability	0.23	18.56	6.30

34.4 Disclosure for employee Benefits as per Actuary's Certificate

The disclosures as per actuary's certificate for employee benefits for gratuity, earned leaves and sick leaves are given below:

ACTUARIAL VALUATION OF EMPLOYEE BENEFITS AS AT 31.03.2025 CERTIFICATES AS PER IND AS 19

(a) Table Showing Changes in Present Value of Obligations:

(₹ in Crore)

Period	Gratuity	Earned Leaves	Sick Leaves
Present value of the obligation at the end of the period	10.37	13.9	5.5

(b) Key results (The amount to be recognized in the Balance Sheet):

Period	Gratuity	Earned Leaves	Sick Leaves
Present value of the obligation at the beginning of the period	3.83	5.02	3.69
Interest Cost	0.27	0.36	0.26
Current Service Cost	2.85	4.10	1.63
Benefits paid	0.41	0.52	-
Actuarial (gain)/loss	3.83	4.94	0.08
Present value of the obligation at the end of the period	10.37	13.90	5.50
Fair value of plan assets at end of period	7.13	-	-
Funded Status - Surplus/ (Deficit)	(3.24)	(13.90)	(5.50)

(c) Summary of membership data at the date of valuation and statistics based thereon:

Period	Gratuity	Earned Leaves	Sick Leaves
Number of employees	859	859	859
Total monthly salary (₹ in Cr)	6.20	6.20	9.65
Average Past Service (Years)	2.9	2.9	2.9
Average Future Service (Years)	25.7	25.7	25.7
Average Age (Years)	34.3	34.3	34.3
Total Leave With Cap/Without Cap (No.s)	-	49517/49517	12559/12559
Total CTC for Availment/ Rate	-	964.88/ 3%	-
Weighted average duration (based on discounted cash flows) in years	22	22	-
Average monthly salary	0.0072	0.0072	0.0112
Encashable	-	75%	-
Non- Encashable	-	25%	100%
Expected Future Service taking into account Decrements (Years)	15.00	-	-

(d) Actuarial assumptions selected by the company and employed for the calculations are tabulated:

Discount rate	7.00 % per annum
Salary Growth Rate	7.00 % per annum
Mortality	IALM 2012-14
Withdrawal rate (Per Annum)	10.00% p.a.

(e) Benefits valued:

Normal Retirement Age	60 Years
Salary	Last drawn qualifying salary
Earned Leave Benefits on Normal Retirement	1/30 * Salary * Number of leaves.
Gratuity Benefits on Normal Retirement	15/26 * Salary * Past Service (yr)
Sick Leave Benefits	NIL (Non-Encashable)
Vesting Period for Gratuity	5 Years of service
Benefit on early exit	As above, subject to rules of the company
Benefit on death	As above, subject to rules of the company
Gratuity Limit (₹ in Lakh)	20

(f) Current Liability (Expected pay-out in next year as per schedule III of the Companies Act, 2013):

(₹ in Crore)

Period	Gratuity	Earned Leaves	Sick Leaves
Current Liability (Short Term)	0.76	1.84	0.76
Non-Current Liability (Long Term)	9.61	12.06	4.74
Total Liability	10.37	13.90	5.50

34.5 Financial Instruments

Financial risk management

The Company's activities expose it to liquidity risk, market risk and credit risk.
This note explains the sources of risk which the entity is exposed to and how the entity manages the risk :-

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, Other bank balances, Trade Receivables and security deposits, Mutual funds	Ageing analysis	Diversified bank deposits & investment in 100% debt SBI Mutual fund or in Scheduled Banks current account and Financial Assets.
Liquidity risk	Retention Money/deposits from contractors, Borrowings & others	Rolling cash flow forecasts	Availiablity of enough cash & cash equivalents & reserves, availability of committed credit line and borrowing facilities and availiability of equity commitment from the promoters. Continuous monitoring of cash flows and matching of maturities of financial assets & liabilities.
Market risk- foreign currency	Purchase/acquisition of capital goods	Prevailing foreign exchange movements	Management monitor foreign exchange fluctuation to manage the risk relating to foreign exchange variance.
Market risk- Interest Rate	Long-term borrowings at variable interest rates	Sensitivity analysis	Management regularly monitors the prevailing market conditions to address the risk relating to interest rate.

(A) Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the company. Credit risk arises from company's activities in investments, dealing in derivatives and receivables from customers. The Company ensure that sales of products are made to customers with appropriate creditworthiness. Investment and other market exposures are managed against counterparty exposure limits. Credit information is regularly shared between businesses and finance function, with a framework in place to quickly identify and respond to cases of credit deterioration.

The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. Credit risk is actively managed through advance payments and security deposit etc to avoid concentration of risk. The company restricts its fixed income investments to liquid securities carrying high credit rating of State Bank of India.

(B) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and maketetable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligation when due. The construction phase has completed recently and Company need to maintain liquidity for operations. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash requirements, adequate working capital facilities with the consortium banks.

(i) Financing arrangement:

During the year, the Company has access of undrawn term loan facilities amounting to ₹ 945.51 crore.During the year, the Company has access to undrawn fund-based working capital facilities of ₹ 4,609.86 crore and undrawn non-fund-based working capital facilities of ₹ 2,355 crore.

(ii) **Maturities of Financial liabilities:**

The following table details the company's remaining contractual maturity for the non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flow of financial liabilities based on the earliest date on which the company may be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the company may be required to pay.

Contractual maturities of financial liabilities:

(₹ in Crore)

31-03-2026	Less than One Year	One to Five Year	More than Five Year	Total
Non-derivatives				
Creditors for captial goods/services and others	1,289.53	-	-	1,289.53
Lease liabilities	3.02	2.28	1.24	6.54
Retention Money/Deposits	598.76	136.20	-	734.96
Borrowings	2,879.67	-	10,532.08	13,411.75
Total non-derivative liabilities	**4,770.98**	**138.48**	**10,533.32**	**15,442.78**

31-03-2025	Less than One Year	One to Five Year	More than Five Year	Total
Non-derivatives				
Creditors for captial goods/services and others	1,372.38	-	-	1,372.38
Lease liabilities	5.51	4.24	1.24	10.99
Retention Money/Deposits	931.55	132.44	-	1,064.00
Borrowings	1,571.14	7,811.00	3,942.90	13,325.04
Total non-derivative liabilities	**3,880.58**	**7,947.68**	**3,944.14**	**15,772.40**

(C) Market Risks

(i) Foreign Currency Risk

The Company had imported certain plant and machineries and other project items which are denominated in Euro/GBP/JPY/US dollars and exposed it to foreign currency risk. The Company monitors the foreign currency rates in the prevailing market to manage the risk relating to foreign exchange. The Company has not hedged any foreign currency risk as at the reporting date. At present the company s only importing spares and equipment for operations purpose as and when required. The company's exposure to foreign currency risks at the end of the reporting period expressed, i.e. solely related to project constuction in INR as follows:

(₹ in Crore)

31-03-2025	31-03-2026	31-03-2025
Financial Liabilities		
Creditors	215.96	12.32

Sensitivity Analysis with respect to financial liabilities of creditors for the project, change in exchange rate shall have an impact on the profitability of the company. A change of 1 % in exchange rate would increase/decrease the profit for the year ended 31st March 2026 by Rs. 2.16 crore (increase/decrease the profit for year ended 31st March 2025 by Rs. 0.12 Crore)

ii) Interest Rate Risk

The Company's interest rates risk arises from long-term and short-term borrowings with variable interest rates which expose the Company to cash flow interest rate risk. The Company monitors the interest rates in the market and accordingly will pursue replacement existing loans and renegotiate interest rate of existing facilities based on improvement in credit rating and market scenario.

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

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the company's loss for the year ended March 31, 2026 would increase/decrease by Rs. 6.71 crore (for the year ended March 31, 2025: increase/decrease By Rs. 6.66 crore). This is mainly attributable to the company's exposure to interest rate on its variable rate borrowings.

risks at the end of the reporting period expressed, i.e. solely related to project constuction in INR as follows:

Capital Management

Risk Management

The Company's objectives in managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain optimal capital structure.

The company monitors capital on the basis of the following gearing ratio :

Net Debt (total borrowings including lease liabilities, cash & cash equivalents) divided by Total 'equity' (as shown in the balance sheet)

The company's strategy is to maintain Debt Equity ratio as agreed with bank. Present Debt Equity ratio is as follows :

(₹ in Crore)

Particulars	31.03.2026	As at 31.03.2025
Net Debt	13,416.79	13,334.11
Total Equity	12,507.56	11,036.34
Net Debt to equity ratio (in times)	1.07	1.21

Loan covenants

As per restated term loan agreement, the company is required to maintain the following ratios (the "Financial Covenants") for the financial year ended March 31, 2026, and if there is an adverse deviation by more than 5%~10% from the level stipulated below in respect of any two of the following items default interest at deafult rate shall be payable.

Ratio of Debt to EBITDA of a maximum of 5.00

Interest coverage ratio of a minimum of 1.50

DSCR of a minimum of 1.15 and

FACR of a minimum of 1.20

As per the financial of FY 2025-26, company has not breached any of the covenants and will be not liable for additional interest payout during the FY 2025-26.

Fair Value Mesurements

Financial instruments by category

(₹ in Crore)

	31-03-2026		31-03-2025	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Investments	-	-	413.78	-
Cash and cash equivalents	-	16.04	-	233.25
Other bank balances	-	53.00	-	148.09
Bank deposits with more than 12 months maturity	-	341.32	-	332.44
Security deposit	-	17.86	-	17.11
Trade receivable	-	5,236.76	-	3,449.76
Others	-	0.02	-	0.03
Total	-	**5,665.00**	**413.78**	**4,180.68**
Financial Liabilities				
Other financials liabilities	-	2,029.53	-	2,445.44
Borrowings	-	13,411.75	-	13,325.04
Total	-	**15,441.28**	-	**15,770.48**

Fair Value of financial assets and liabilities measured at amortised cost

(₹ in Crore)

	31-03-2026		31-03-2025	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
Financial Assets				
Investments	-	-	413.78	413.78
Cash and cash equivalents	16.04	16.04	233.25	233.25
Other bank balances	53.00	53.00	148.09	148.09
Bank deposits with more than 12 months maturity	341.32	341.32	332.44	332.44
Security deposit	17.86	17.86	17.11	17.11
Trade receivable	5,236.76	5,236.76	3,449.76	3,449.76
Others	0.02	0.02	0.03	0.03
Total	**5,665.00**	**5,665.00**	**4,594.46**	**4,594.46**
Financial Liabilities				
Other financials liabilities	2,029.53	2,029.53	2,445.44	2,445.44
Borrowings	13,411.75	13,411.75	13,325.04	13,325.04
Total	**15,441.28**	**15,441.28**	**15,770.48**	**15,770.48**

Fair value hierarchy

This explains the judgements and estimates made in determining the fair values of the financial instruments that is (a) measured at amortised cost and (b) measured at fair value for which fair values are disclosed in the financial statements. To provide an indication about the realiability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Assets and liabilities which are measured at amortised cost for which fair values are disclosed.

(₹ in Crore)

31-03-2026	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments	-	-	-	-
Cash and cash equivalents	-	-	16.04	16.04
Other bank balances	-	-	53.00	53.00
Bank deposits with more than 12 months maturity	-	-	341.32	341.32
Security deposit	-	-	17.86	17.86
Trade receivable	-	-	5,236.76	5,236.76
Others	-	-	0.02	0.02
Total	-	-	**5,665.00**	**5,665.00**
Financial Liabilities				
Other financials liabilities	-	-	2,029.53	2,029.53
Borrowings	-	-	13,411.75	13,411.75
Total	-	-	**15,441.28**	**15,441.28**

(₹ in Crore)

31-03-2025	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments	413.78	-	-	413.78
Cash and cash equivalents	-	-	233.25	233.25
Other bank balances	-	-	148.09	148.09
Bank deposits with more than 12 months maturity	-	-	332.44	332.44
Security deposit	-	-	17.11	17.11
Trade receivable	-	-	3,449.76	3,449.76
Others	-	-	0.03	0.03
Total	**413.78**	-	**4,180.68**	**4,594.46**
Financial Liabilities				
Other financials liabilities	-	-	2,445.44	2,445.44
Borrowings	-	-	13,325.04	13,325.04
Total	-	-	**15,770.48**	**15,770.48**

The financial instruments are categorised into three levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs based on unobservable market data.

Valuation Methodology

All financial instruments are initially recognised and

a) The fair value of investment in Mutual Funds is measured at quoted price or NAV.

b) The fair value of other financial liabilities, cash and cash equivalents, other bank balances, trade receivables etc are considered to be the same as the carrying amounts due to their liquidity in nature.

c) The fair values for borrowings were calculated based on the future cash flows discounted using a current borrowing rate.

34.6 Information in respect of micro and small enterprises reported as required by Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act):

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Amount remained unpaid (Trade Payables & Capital Goods)		
a) Principal amount (Note-18)	9.55	23.09
b) Interest due thereon	-	-
Total interest paid on all delayed payments during the year under the provisions of the Act	-	-
The amount of interest due and payable for the period (Where the principal has been paid but interest under the MSMED Act, 2006 not paid);	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year;	-	-
The amount of further interest due and payable even in the succeeding year, 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.	-	-

Note: The above information has been disclosed in respect of parties which have been identified on the basis of the information available with the Company.

34.7 Unit wise revised Project Cost and COD

The approved revised project cost is tabulated below:

Name of Project	Original Cost (₹ in crore) (in year 2017)	Revised Estimated cost (₹ in crore) (in year 2021)	Further Revised cost (₹ in crore) (in year 2023)	COD
Gorakhpur	7,085.77	8,602.71	9,443.20	03.05.2022
Sindri	6,977.01	8,130.09	8,939.25	15.04.2023
Barauni	7,043.26	8,387.99	9,512.15	30.04.2023
Total	**21,106.04**	**25,120.79**	**27,894.60**	

34.8 Commitments & Contingent Liabilities & Pending Litigations:

a) Commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for as on 31.03.2026 is ₹ 9.11 crore (PY ₹ 763.60 crore for FY 2024-25).

b) Contingent Liabilities: Claims against the company not acknowledged as debt ₹ 195.39 crore (PY ₹ 1,707.42 crore).

The total claims from government authorities amount to ₹ 2.85 crores which a demand letter issued by Eastern railway for which suitable reply have been provided by the management but there is no further update on the same.

c) Pending Litigations:

NAME OF PARTY	PENDING BEFORE COURT - Lower Court/ Arbitration/ HC/SC	CASE NO. OR PETITION NO. OR COMPLAINT NO.	NATURE OF CLAIM	RELIEF CLAIMED BY PARTY	PRESENT STATUS
M/s S.B Protech Pvt. Ltd.	Arbitral Trbunal, Delhi	ARB.P.-871/2022	Arbitration	28.88	Next date is 06.05.2026 for recording of remaining cross examination.
M/s Sanjeet Kumar	Labour Court, Begusarai	P.W-18/2023	Labour / Service	0.39	Hearing on Recall of witness for re-examination.
Ms. Nitu Devi	Employees Compensation Commissioner, Dhanbad	WC 01/2022	Labour / Service	0.33	Argument was partly heard on 09.04.2026 and the next date is fixed for 22.04.2026 for further argument.
BGR Energy System Ltd	Arbitral Trbunal, Delhi		Arbitration	48.06	In the first session, the Tribunal will take up for consideration the application for vacating the order of stay filed by the Respondent. In the second sitting, the Tribunal will take up for consideration the application filed by the Claimant under Section 17 of the Arbitration and Conciliation Act.
Labour Enforcement Officer (Central) - III, Dhanbad	Regional Labour Commissioner, Central Dhanbad	MW Claim(27)(2023)/LEO/D-III	Labour/ Service	0.18	NCLT order of Nice is under scruitiny at RLC Office.
Mumbai Port Authority	City Civil Court, Bombay	S C S No. 100735 of 2024	Commercial/ Merchantile	0.26	Posted to 23.06.2026 for filing of draft issues.
Md Parvez Alam	Labour Court, Begusarai	P.W-09/2024	Labour/ Service	0.57	Hearing on Recall of witness for re-examination.
	District Magistrate, Gorakhpur		Stamp Duty	54.63	Pending with District Magistrate. No fresh date was given.
Basant Kumar Rai	Arbitral Tribunal	Arbitration 563/ 2025 DIAC: DIAC/11475/09-25	Arbitration	7.86	The matter has now been listed for hearing on 04.05.2026.
M/s. P. S. Contruction	Sub Judge Court, Begusarai	Money Suit No.31 / 2022	Delayed/ non-payment	1.80	Written Statement filed on behalf of HURL

Md. Qurvan	Labour Court		Labour / Service	0.72	Reply to be filed on behalf of HURL
M/S COMT Construction Pvt Ltd.	Arbitral Trbunal, Delhi		Arbitration	48.85	Case was referred to mediation dated 06.04.2026 in which the claimant stated to withdraw the case and next hearing scheduled before the High Court is 04.05.2026.
			Total	**192.54**	

Note: The above amount has already been included in contingent liabilities.

34.9 Expenditure in Foreign Currency

(₹ in Crore)

Unit	For the year ended 31.03.2026	For the year ended 31.03.2025
CAPEX Expenditure (in GBP, USD, EUR and JPY)	278.36	40.22
O&M Expenditure (in GBP, USD, EUR and JPY)	3,769.24	49.40

34.10 Enterprise Social Commitment/ Corporate Environment Responsibility (ESC/ CER)

Provision for ESC/CER as on 31.03.2026 is ₹ 602.78 crore (PY ₹ 622.70 crore).

34.11 Disclosure in respect of Indian Accounting Standard (Ind AS)-36 "Impairment of assets"

The Company, at each balance sheet date, assesses whether there is any indication of impairment of any asset and/or cash generating unit. If such indication exists, assets are impaired by comparing carrying amount of each asset and/or cash generating unit to the recoverable amount being higher of the net selling price or value in use. Value in use is determined from the present value of the estimated future cash flows from the continuing use of the assets. The Company has no impairment loss during the current and previous year.

34.12 Trade Payables ageing schedule as at 31st March, 2026

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	9.55	-	-	-	-	9.55
(ii) Others	610.16	94.81	0.06	0.12	0.67	705.82
(iii) Disputed dues – MSME	-	-	-	-	-	0.00
(iv) Disputed dues – Others	-	-	-	-	-	0.00
Total	**619.71**	**94.81**	**0.06**	**0.12**	**0.67**	**715.37**

Trade Payables ageing schedule as at 31st March, 2025

(₹ in Crore)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	23.09	-	-	-	-	23.09
(ii) Others	911.57	44.05	0.68	0.77	0.22	957.28
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
Total	**934.66**	**44.05**	**0.68**	**0.77**	**0.22**	**980.37**

34.13 Trade Receivable ageing schedule as at 31st March, 2026

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Less than 6 Months	6 Months to 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables considered good	3,278.80	1,940.45	16.30	-	-	-	5,236.76
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables– which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables– credit impaired	-	-	-	-	-	-	-
Total	**3,278.80**	**1,940.45**	**16.30**	**-**	**-**	**-**	**5,236.76**

Trade Receivable ageing schedule as at 31st March, 2025

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Less than 6 Months	6 Months to 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables considered good	34.65	3357.78	57.33	-	-	-	3449.76
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-

(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables– which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables– credit impaired	-	-	-	-	-	-	-
Total	**34.65**	**3357.78**	**57.33**	**-**	**-**	**-**	**3449.76**

34.14 Additional Regulatory Information:

i) The Company does not hold any Immovable Property of which Title deeds are not held in name of the Company as at 31 March 2026.

ii) The company does not hold any Investment Property in its books of accounts, so fair valuation of investment property is not applicable.

iii) During the year the company has not revalued any of its Property, Plant and equipment & Intangible Assets.

iv) The company has not granted any loans or advances to promoters, directors, Key Management Personnel (KMP) and the related parties that are repayable on demand or without specifying any terms or period of repayment.

v) Capital-Work-in Progress (CWIP) - Ageing Schedule as at 31 March 2026

(₹ in Crore)

Capital-Work-in Progress (CWIP)	**Amount in CWIP for a period of**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	13.17	18.30	-	-	31.47
Projects temporarily suspended	-	-	-	-	-

Capital-Work-in Progress (CWIP) - Ageing Schedule as at 31 March 2025

(₹ in Crore)

Capital-Work-in Progress (CWIP)	**Amount in CWIP for a period of**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	28.95	-	-	-	28.95
Projects temporarily suspended	-	-	-	-	-

v) (a) There are no Capital-Work-in Progress (CWIP) whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2026 & March 31, 2025

vi) The Company does not have any intangible assets under development as on date.

vii) No proceedings have been initiated or pending against the company under the Benami Transactions (Prohibition) Act,1988.

viii) The quarterly returns / statement of current assets filed by the company with banks / financial institutions are in agreement with the books of accounts.

ix) The company has not been declared as a wilful defaulter by any bank or financial institution or any other lender.

x) There are no transactions with respect to struck off companies as mentioned under section 248 of the Companies Act, 2013.

xi) The company has no cases of any charges or satisfaction yet to be registered with ROC beyond the statutory time limits.

xii) During the year, the Company did not have any subsidiary, and accordingly, the provisions of clause (87) of section 2 of the Act, read with the Companies (Restriction on Number of Layers) Rules, 2017, are not applicable to the Company.

xiii) The Company does not have any scheme of arrangements which have been approved by the Competent Authority in terms of Section 230 to 237 of the Companies Act, 2013

xiv) The company has not provided nor taken any loan or advance to/from any other person or entity with the understanding that benefit of the transaction will go to a third party, the ultimate beneficiary.

xv) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of Income Tax Act, 1961).

xvi) The Company has not traded or invested in crypto currency or virtual currency during the respective financial year.

xvii) Disclosure of Ratios

Ratio	Numerator	Denominator	FY 2025-26	FY 2024-25	% Variance	Reason for Variance
Current ratio	Current Assets	Current Liabilities	1.38	1.23	12.25	
Debt-equity ratio	Paid-up debt capital (Long term borrowings+ Short term borrowings)	Shareholder's Equity (Total Equity)	1.07	1.21	-11.38	
Debt service coverage ratio	Profit for the year+ Finance costs+ Depreciation and amortiation expenses+ Exceptional items	Finance Costs + lease payments+ Scheduled principal repayments of long term borrowings	1.71	1.27	35.16	Improvement in Profitability has increased DSCR
Return on equity ratio	Profit for the year	Average Shareholder's Equity	19.65%	12.52%	56.91	Improvement in Profitability has incre-ased Return on equity.
Inventory turnover ratio	Revenue from operations	Average Inventory	39.92	40.97	-2.56	
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	4.88	4.90	-0.53	
Trade payables turnover ratio	Total Purchases (Fuel Cost + Other Expenses +Closing Inventory-Opening Inventory)	Average Trade Payables	8.36	10.09	-17.12	
Net capital turnover ratio	Revenue from operations	Working Capital+ current maturities of long term borrowings	6.99	6.38	9.58	
Net profit ratio	Profit for the year	Revenue from operations	11.58	8.78	31.93	Net Profit Ratio of current year is higher due to higher production and sale of urea.
Return on capital employed	Earning before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liabilities	16.88%	12.93%	30.55	EBIT increaseded due to higher production
Return on investment Investments in others (Mutual Fund)	Income from Mutual Funds	Average amount of Mutual Funds	7.38%	7.11%	3.84	

34.15 : Corporate Social Responsibility

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

(₹ in Crore)

Particulars	31-03-2026	31-03-2025
Balance of CSR Fund carried forward from earlier year	10.68	-
Amount required to be spent by the company during the year	23.48	11.24
Amount of expenditure incurred	20.56	0.56
Shortfall at the end of the year	13.60	10.68
Total of previous years shortfall	-	**10.68**
Provision made for CSR ongoing projects expenses for the amount	13.60	-
to be deposited in separate Bank Account.		
Provision made for unspent CSR expenditure (Other than Ongoing projects).	-	10.68

Breakup of CSR expenditure

(₹ in Crore)

Particulars	31-03-2026	31-03-2025
Health and Sanitation	6.37	-
Education & Skill Development	1.96	-
Environmental & Sustainability	0.38	-
Contributions to Prime Minister’s National Relief Fund or other funds	10.68	-
Total	19.39	-

34.16 : Statutory Auditor's Remunerartion

(in ₹)

Particulars	31-03-2026	31-03-2025
Statutory Audit Fee	7,20,000.00	6,00,000.00
Limited Review Fee	1,70,000.00	1,33,000.00
Tax Audit Fee	70,000.00	50,000.00
Certification charges	1,51,200.00	2,23,000.00
Out of Pocket Expenses	25,400.00	14,700.00
Total	**11,36,600.00**	**10,20,700.00**

34.17 : Operating Segment

The Company has recognized the operating segments based on the review of the operating revenue, decision making relating to future allocation of resources, etc. carried out by its Chief Operating Decision Maker i.e. Board of Directors.

Based on the nature of business activities undertaken by the Company and requirement of Ind AS 108-Operating Segment, following are the operating segments identified

Segment	Nature of Activities
Manufactured goods	Production and supply of Fertilizers for agricultural use.
Trading goods	Represents fertilizers imported / locally sourced and marketed for agricultural use.

(₹ in Crore)

Particulars	31-03-2026				31-03-2025			
	Manufactured goods	Trading goods	Unallocated	Total	Manufactured goods	Trading goods	Unallocated	Total
Segment Revenue								
Sale of products	2,019.98	1,946.27	-	3,966.24	1,695.50	761.60	-	2,457.11
Subsidy	14,469.11	2,781.17	-	17,250.29	12,850.26	438.24	-	13,288.50
Total Revenue	16,489.09	4,727.44	-	21,216.53	14,545.76	1,199.85	-	15,745.60
Segment Expenses								-
Interest Expense	1,058.03	23.03	-	1,081.06	1,312.57	-	-	1,312.57
Others	12,347.83	4,615.44	-	16,963.27	11,594.37	1,165.40	-	12,759.77
Total Expenses	13,405.86	4,638.47	-	18,044.33	12,906.94	1,165.40	-	14,072.34
Segment Results	3,083.23	88.96	-	3,172.20	1,638.82	34.45	-	1,673.26
								-
Interest Revenue	0.28	-	40.59	40.87	0.56	-	49.60	50.16
Other Income	65.49		15.26	80.76	75.90	-	38.04	113.94
Profit Before Tax				3,293.82				1,837.37
Current Tax				7.31				-
Deferred tax				828.91				455.29
Profit After Tax				2,457.60				1,382.08
Other Information								
Segment Assets	29,105.71	1,678.81	7.42	30,791.94	28,332.26	153.81	413.78	28,899.85
Segment Liabilities	18,259.22	25.16		18,284.38	17,851.61	11.90	-	17,863.51
Other Disclosures				-				
Capital Expenditure	2,057.24	-	-	2,057.24	459.04	-	-	459.04
Depreciation and Amortisation	991.20	-	-	991.20	927.79	-	-	927.79
Other Non Cash Expenses/ (Income)	60.90	-	-	60.90	55.00	-	11.51	66.51

34.18 Disclosure on Impact of Geopolitical Developments

The Company has considered the potential impact of ongoing geopolitical developments, including the Russia–Ukraine War and the evolving tensions involving Israel, United States, and Iran, on its financial statements.

These geopolitical events have led to significant volatility in global energy markets, particularly affecting the availability and pricing of natural gas. However, as fertilizer sector is a priority sector, the natural gas curtailment for HURL was very minimum. The shortfall of natural gas provided by the long term gas suppliers was made good from EPMC gas. As a result, the Company did not experience any major shortfall in the supply of natural gas during the year.

The temporary shortfall resulted in the following :-

1. The company has preponed the planned shut down for Gorakhpur unit in the month of March 26 which was duly planned in April 2026.
2. The company would have produced additional 12,465 MT of urea from Sindri unit which would generated an additional net revenue of Rs 2.83 crores approx.

34.19 Other Information

i) The Company has sought confirmation of outstanding balances appearing in the books from debtors & creditors. Pending receipt of responses from certain debtors & creditors balances in so far as these have since not been discharged/ adjusted/ realized are subject to confirmation/reconciliation and consequential adjustment impact of which in the opinion of the management is not material.

ii) Certain minor changes have been made in the accounting policy for improved disclosure and presentation and there is no material impact on financials statement due to these changes as per management.

iii) Pending annual pool rate to be notified by FICC for the FY 2025-26, the subsidy for the urea sold during the year is recognized based on monthly weighted average of delivered gas cost during the year and the subsidy eligibility as per New Investment Policy (NIP-2012). The recognized subsidy for the FY 2025-26 is subject to the finalization of annual pool rate by FICC.

iv) Pending distance notifications to claim freight subsidy, the amount is recognized based on latest freight reimbursements rates i.e. for the FY 2020-21 as declared by Ministry of Fertilizers.

v) Pending sale of Urea totaling 0.05 crore MT through POS device to beneficiaries as on 31.03.2026, subsidy of ₹ 1,728.68 crore (PY 1,891.11 crore) which has accrued on sale to dealers but shall become due for payment upon sale through POS device and same has been recognized in the current period. Further, freight subsidy of ₹ 341 cr CY (PY ₹ 75.55 crore) is unbilled.

vi) Provision of Rs. 50/MT for the quantity of urea sold during the year has been made for procurement of POS machines and execution of PMKSK programme etc.

vii) As per the JV Agreement between promoters, 56,72,17,733 equity shares are allotted to the promoter's M/s FCIL and 28,32,21,952 equity shares alloted to M/s HFCL in lieu of the land leased by them for setting up the plants.

viii) During the year, the Company has capitalised GST amounting to ₹ 1468.82 crore as part of Property, Plant and Equipment, as the company is not able to utilize the GST ITC. Accordingly the company has surrendered GST ITC during the year via filing DRC 03 on the GST portal.

ix) As at March 31, 2026, the total amount of outstanding Letter of Credit value is ₹ 1,655.71 crore and outstanding Bank Guarantee value is ₹ 741.62 crore.

x) It is not possible to quantify the impact of revision in freight rates notified in March 26 since the number of product movements pan India is huge. Further the portal has not yet taken effect of revised freight rates. Once the revised rates are incorporated on the portal, the impact can be quantified.

xi) There is no impact on the ability of the Company as a going concern.

xii) Previous period's figures have been rearranged, regroup and reclassified wherever considered necessary to facilitate comparisons.

As per our report annexed
For BANSAL & CO LLP
Chartered Accountants
FR No. 001113N/N500079

Sd/-
(CA Amit Kumar Singh)
Partner
Membership No. 532180

Date : 17 April 2026
Place : New Delhi

On behalf of the Board

Sd/-
(Virendra Malik)
Chairman
DIN-10427762

Sd/-
(Nitin Kumar)
Director
DIN-11237687

Sd/-
(Sanjay Shrivastava)
Director
DIN-11243864

Sd/-
(S.P. Mohanty)
Managing Director
DIN-05336787

Sd/-
(Iti Matta)
Company Secretary

Sd/-
(Poonam Jeswani)
Chief Financial Officer

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing sailent features of the financial statement of Subsidiaries / Associate companies / Joint Ventures

Part A – Subsidiaries

Name of Subsidiary Company	The date since when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Invest-ments	Turnover	Profit before taxation	Provisio for taxation	Profit after taxation	Proposed Dividend	% of share-holding	Reasons for non-consoli-dation:
Not applicable															

Part B - Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act,2013
relating Associates and Joint Ventures

(Amount in Crore)

Sl. No.	Name of the Joint Venture	Latest audited balance sheet date	Date on which associate or Joint Venture was associated or acquired / incorporation	Shares of Joint venture (JV) held by the company on the year end			Description of how there is significant influence	Reason why the joint venture is not consolidated	Net worth attributable to Shareholding as per latest audited Balance Sheet	Profit / (loss) for the year	
				No. of shares	Amount of invest-ment in Joint venture (JV)	% of share-holding				Considered in consolidation (amount is Rs.)	Not considered in consolidation (amount is Rs.)
	Assam Valley Fertilizer and Chemical Company Limited	NA	25.07.2025	74,18,618	7.42	14.62%	Joint Venture Agreement	NA	7.24	(0.18)	(1.04)

1. **Name of associates or Joint Ventures which are yet to commence operations. NIL**
2. **Name of associates or Joint Ventures which have been liquidated or sold during the year. NIL**

For and on behalf of Board of Directors

Sd/-
Shri Virendra Malik
Chairman
(DIN:10427762)

Sd/-
Shri Siba Prasad Mohanty
Managing Director
(DIN: 05336787)

Sd/-
Shri Sanjay Shrivastava
Director
(DIN: 11243864)

Sd/-
Ms. Poonam Jeswani
Chief Financial Officer

Sd/-
Ms. Iti Matta
Company Secretary

Sd/-
Shri Nitin Kumar
Director
(DIN: 11237687)

Date : 17th April 2026
Place : New Delhi

INDEPENDENT AUDITORS' REPORT "Revised"

To,
The Members of
HINDUSTAN URVARAK & RASAYAN LIMITED

Report on the Audit of the Consolidated Financial Statements
This report supersedes our earlier report dated 17th April 2026

Opinion

We have audited the accompanying Ind AS Consolidated Financial Statements of **HINDUSTAN URVARAK & RASAYAN LIMITED** (hereinafter referred to as the "Holding Company") which includes its Joint Venture, (the Holding Company and its joint venture together referred to as "the Group"), which comprise of the Consolidated Ind AS Balance Sheet as at 31st March 2026, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended, and notes to Consolidated Ind AS financial statement including summary of material accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements") for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, and on consideration of audit report of other auditors on separate financial statements of joint venture, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 as amended (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2026 and their consolidated profit including their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Ind AS Financial Statements in accordance with the Standards on Auditing ("SA"s) 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 Consolidated Ind AS Financial Statements section of our report. We are independent of the Holding Company and its Joint Venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Ind AS 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors of the Joint Venture is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

Information Other than the Ind AS Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report including Annexures to the Board's Report but does not include the Consolidated Ind AS 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 auditor's report.

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

In connection with our audit of the Consolidated Ind AS Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information as stated above and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe necessary actions required as per applicable laws and regulations. Other information so far as it relates to the Joint Venture, is traced from their financial statements/financial information audited by other auditors.

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Ind AS Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian accounting standards specified under section 133 of the act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and its Joint Venture are responsible 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Ind AS Financial Statements, the Boards of Directors of the respective management and Board of Directors of the companies included in its Joint Venture is responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the companies included in the Company and its Joint Venture are responsible for overseeing the financial reporting process of their respective companies.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS 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 Standard on auditing 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 Consolidated Ind AS Financial Statements.

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Act, we are also responsible for expressing our

opinion on whether the Holding Company has adequate internal financial controls system with reference to the consolidated Ind AS Financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of 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 ability of the Company and its Joint Venture 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 Consolidated 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 and its Joint Venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial statements, including the disclosures, and whether the Consolidated Financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its Joint Venture to express an opinion on the consolidated financial statements. We are responsible for direction, supervision, and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements.

We communicate with those charged with governance of holding company and such other entities included in the consolidated financial statements 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.

Emphasis of Matter

We draw attention to Note 14 to the Consolidated Financial Statements regarding the shareholding pattern of the Company.

As at 31 March 2026, the shareholding pattern of the Company was not in accordance with the shareholding proportions stipulated under the Joint Venture (JV) Agreement among the Promoter Shareholders. Consequently, the equity shareholding of Fertilizer Corporation of India Limited (FCIL) and Hindustan Fertilizer Corporation Limited (HFCL) was lower, while the shareholding of Coal India Limited (CIL), NTPC Limited and Indian Oil Corporation Limited (IOCL) was correspondingly higher than the proportions envisaged under the JV Agreement.

Subsequent to the reporting date, on 29 June 2026, the Company allotted 8,57,17,404 equity shares to Fertilizer Corporation of India Limited and 4,28,00,221 equity shares to Hindustan Fertilizer Corporation Limited by way of rights issue, resulting in the shareholding pattern being aligned with the proportions prescribed under the JV Agreement which is presented below.

Shareholders	Position as at 31 March, 2026	% as at 31 March 2026	Allotment of right equity shares as at 29 June 2026	Position as at 29 June, 2026	% as at 29 June 2026
Coal India Limited	2,64,29,85,000	30.10%	-	2,64,29,85,000	29.67%
NTPC Limited	2,64,29,85,000	30.10%	-	2,64,29,85,000	29.67%
Indian Oil Corporation Limited	2,64,29,85,000	30.10%	-	2,64,29,85,000	29.67%
Fertilizer Corporation of India Limited	56,72,34,400	6.46%	8,57,17,404.00	65,29,51,804	7.33%
Hindustan Fertilizer and Corporation Limited	28,32,30,285	3.23%	4,28,00,221.00	32,60,30,506	3.66%
Total	**8,77,94,19,685**	**100.00%**	**12,85,17,625.00**	**8,90,79,37,310**	**100.00%**

Our opinion is not modified in respect of this matter.

Other Matters

a. We did not audit the financial statements of one joint venture, whose financial information reflects Group's share of net profit/(loss) of Rs (-) 0.18 Crore for the year ended March 31, 2026, as considered in the Consolidated Ind AS Financial Statements. Financial statements of joint venture have been audited by other auditor whose report have been furnished to us by the Management, and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the joint venture and our report in term of sub section (3) of section 143 of the Act, in so far as it relates to the aforesaid joint venture, is based solely on the report of the other auditor.

b. The statutory auditor of the joint venture has expressed a qualified opinion on the separate financial statements of the joint venture in respect of the capitalisation of stone-laying ceremony expenditure amounting to Rs 26.1844 crore instead of recognising the same as an expense. The gross impact attributable to the Holding Company, based on its 14.62% interest in the joint venture, is approximately Rs 3.83 crore before considering consequential depreciation and tax effects. Based on our evaluation of the nature and significance of the matter in relation to the consolidated financial statements, the matter is not material to the consolidated financial statements.

   Our opinion is not modified in respect of these matters.

c. This revised auditor's report supersedes our earlier auditor's report dated 17 April 2026. The report has been revised to correct certain clerical note cross-references and to incorporate certain disclosures pursuant to observations received during the supplementary audit conducted by the Comptroller and Auditor General of India. The revisions do not result in any change in our audit opinion on the consolidated financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our report and on consideration of Management certification on separate financial statements of joint venture, 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 of the aforesaid Consolidated Financial Statements.

   (b) In our opinion, proper books of account as required by law maintained by the Company, including relevant records relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, consolidated statement of changes in equity and the Consolidated statements of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the accounting standards specified under Section 133 of the Act, read with Rule 7 of the companies (Accounts) Rules 2014.

(e) On the basis of the written representations received from the directors of the Holding company as on March 31, 2026 taken on record by the Board of Directors of the Holding Company and the report of statutory auditor of joint venture incorporated in India, none of the directors of the Holding Company and Joint Venture incorporated in India are disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act.

(f) with respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements of the Holding Company, and its Joint Venture incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company's internal financial controls with reference to the Consolidated Financial Statements.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding company and its Joint Venture to its directors during the year is in accordance with the provisions of section 197 read with Schedule V of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company and its Joint Venture – (Refer Note 34.8(c) to the consolidated financial statements).

ii. The Holding Company and its Joint venture did not have any on long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group during the year ended March 31, 2026.

iv. a. The respective Managements of the Holding Company and its Joint Venture whose financial statements have been audited under the act has represented to us and to the other auditors of such Joint Venture 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 Holding Company or its Joint Venture in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company and its Joint Venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. zThe respective Managements of the Holding Company and Joint Venture and whose financial statements have been audited under the act has represented to us and to the other auditors of such Joint Venture 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 Holding Company and Joint Venture from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company and Joint Venture 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; and

c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the joint venture whose separate financial statements have been audited under the Act, nothing has come to our or other auditor to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement.

v. During the year the Holding Company has declared and paid an interim dividend of ₹1.53 per equity share. and according to the information and explanations given to us, there has been no default in the payment of such dividend. (Refer Note 15 to the consolidated Ind AS financial statements). In case of Joint Venture, based on the audit report of joint venture there is no dividend has been declared or paid during the year.

vi. Based on our audit procedures, including test checks and consideration of the report of the other auditor of the joint venture, we report that:

(a) In respect of the holding company, the Holding Company has maintained its books of account for the financial year ended March 31, 2026, using an accounting software which has the feature of recording an audit trail (edit log) facility. We have obtained reasonable assurance that the audit trail feature was operated throughout the year for all relevant transactions recorded in the software. During the course of our audit, we did not come across any instance of the audit trail feature being tampered with. The management has represented that the audit trail feature cannot be disabled. Further, the holding company has preserved the audit trail as per the statutory requirements for record retention.

(b) Based on the audit report of joint venture, the Joint Venture has used accounting software (Tally Edit Log) 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. Further, during the course of audit of the Joint Venture they did not come across any instance of the audit trail feature being tampered with.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditors's Report) Order, 2020 ("the Order"/"CARO") issued by the Central Government in terms of section 143 (11) of the companies act 2013, to be included in the Auditor's report, according to the information and explanation given to us, and based on the CARO report issued by us and other auditors of companies included in the Consoldiated Financial Statements of the Holding Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in the CARO reports except as follows-

Name	Holding company/ subsidiary/ joint venture	Clause number of the CARO report which is qualified or is adverse
Assam Valley Fertilizer and Chemical Company Limited	Joint venture	xvii

3. As required in terms of section 143(5) of the Act, we give in the **"Annexure B"**, information in respect of the directions issued by the Comptroller and Auditor General of India in respect of the company and its Joint Venture.

For BANSAL & CO LLP
Chartered Accountants
(Firm's Registration No.: 001113N /N500079)

Sd/-
Amit Kumar Singh
Partner
(Membership No. 532180)
UDIN: 26532180VWPCXI4856

Place: New Delhi
Date: July 13, 2026

Annexure ''A" to Independent Auditors' Report of even date on Consolidated Financial Statement of HINDUSTAN URVARAK & RASAYAN LIMITED

Referred to in paragraph 1 (f) under "Report on Other Legal and Regulatory Requirements" section of our report to the members of HINDUSTAN URVARAK & RASAYAN 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")

In conjunction with our audit of the Consolidated Financial statements of the Holding Company as of and for the year ended March 31, 2026, we have audited the internal financial controls over financial reporting with reference to the consolidated financial statements of **HINDUSTAN URVARAK & RASAYAN LIMITED** (hereinafter referred to as "the holding Company") and its Joint Venture as March 31, 2026.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and joint venture is responsible for establishing and maintaining internal financial controls based on the internal control over consolidated financial reporting criteria established by the holding company and Joint venture 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the holding company and Joint venture'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 consolidated financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the holding company and joint venture based on our audit. We conducted our audit in accordance with the 'Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the 'Standards on Auditing', both issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal financial controls and both issued by the ICAI. 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 control over consolidated financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over consolidated financial reporting and their operating effectiveness. Our audit of internal financial controls over consolidated financial reporting includes obtaining an understanding of internal financial controls over consolidated financial report, 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 judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over consolidated financial reporting.

Meaning of Internal Financial Controls over Consolidated Financial Reporting

A Holding Company's internal financial control over consolidated financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over consolidated financial reporting includes those policies and procedures that:

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the holding company and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the holding company's assets that could have a material effect on the Consolidated Financial Statements.

Inherent Limitations of Internal Financial Controls over Consolidated Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on consideration of the report of the other auditor referred to in the Other Matters paragraph, the Holding Company and its Joint Venture has, in all material respects, an adequate internal financial controls with reference to Consolidated Financial Reports were operating effectively as at 31st March, 2026, based on the criteria for internal financial control with reference to Consolidated Financial Statements established by the respective companies 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 established by the holding company considering the essential components of internal control stated in the Guidance Note on audit of Internal financial controls over consolidated financial reporting issued by the ICAI.

For BANSAL & CO LLP
Chartered Accountants
(Firm's Registration No. 01113N /N500079)

Sd/-
Amit Kumar Singh
Partner
(Membership No. 532180)
UDIN: 26532180VWPCXI4856

Place: New Delhi
Date: July 13, 2026

Annexure 'B' to Independent Auditors' Report

Directions under Section 143 (5) of the Companies Act, 2013 issued by the Comptroller & Auditor General of India in respect of HINDUSTAN URVARAK & RASAYAN LIMITED (“Holding Company”) and its Joint Venture Assam Valley Fertilizer and Chemical Company Limited on the Accounts for the year ended 31st March, 2026.

Sl. No.	Directions	Auditor’s Remark
(i)	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	**In respect of the Holding Company:** The Company has not made any investments directly or through any trust in respect of post-retirement benefits of employees. Investments relating to post-retirement benefits are made through Life Insurance Corporation of India (LIC). Based on the information and explanations provided by the management, such investments have been valued by LIC in accordance with the applicable financial reporting framework and relevant regulatory requirements. No material deviations or misstatements have been identified. **In respect of the Joint Venture:** During the audit period the company have not made any investment in both quoted and unquoted Equity/ Other Investment Option.
(ii)	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 empaneled 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.	**In respect of the Holding Company:** Based on information and explanations provided by the management and audit procedures performed, we observed that the Company has an IT-enabled accounting system in place for processing financial transactions. Further, Vulnerability Assessment and Penetration Testing (VAPT) of the IT systems was conducted during the year by Tata Advanced Systems Limited, a CERT-IN empaneled Information Security Auditing Organization. As per the report provided to us, no material discrepancies or vulnerabilities impacting financial reporting were observed. Further, based on our audit procedures, we did not observe any material accounting transactions processed outside the IT system. Accordingly, no adverse impact on the integrity of accounting records or financial statements was identified. **In respect of the Joint Venture:** The company maintains its books of accountant in Tally accounting software. Hence all accounting transaction are processed through tally accounting software. The company is maintaining its accounting in tally accounting software with Audit Trial Edit log feature.

		The company is newly formed and one year since incorporation is not completed. Hence the company till date have not identified information Security auditing organization empaneled by Cert-in for Companies' financial reporting process as well as cyber security, Since all the financial transaction have been routed through tally accounting software, therefore implication of processing accounting transaction outside IT system does not arise.
(iii)	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.	**In respect of the Holding Company:** Based on the audit procedures performed and information and explanations provided by the management, the Company has not received any government grants during the year under audit. However, the Company is covered under the New Investment Policy, 2012 and is eligible to receive urea subsidy in accordance with the said policy. We have reviewed the accounting treatment of subsidy receivable/received and observed that the same has been accounted for in accordance with the applicable accounting standards and relevant policy guidelines. Further, based on the terms of the policy and information made available to us, no specific conditions were prescribed for utilization of such subsidy. Since no grants were received during the year carrying specific conditions relating to interest, accounting of interest earned on grants is not applicable. No instances of deviation in accounting or utilization of subsidy were observed during the course of our audit. **In respect of the Joint Venture:** No cash grant/subsidy have been received from Central / State Government or its agencies, during the reporting period.
(iv)	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?	**In respect of the Holding Company:** Based on the information and explanations provided by the management and review of relevant documents, the Company has identified key risk areas and has formulated a Risk Management Policy to mitigate such risks. The policy has been developed considering generally accepted global best practices and with reference to industry practices followed by peer fertilizer companies and promoter entities. Further, as informed by the management, the Company has not identified any data assets requiring separate valuation. Accordingly, valuation of data assets is not applicable.

		In respect of the Joint Venture: The company is newly formed, the company is yet to identify the key Risk areas.
(v)	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.	**In respect of the Holding Company:** Based on our audit procedures performed and information and explanations provided by the management, the Company is complying with the requirements of the Department of Investment and Public Asset Management (DIPAM) and the Ministry of Corporate Affairs (MCA), to the extent applicable to the Company. Further, as informed by management and based on our review, the provisions of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, Reserve Bank of India (RBI), Telecom Regulatory Authority of India (TRAI), CERT-IN, Ministry of Electronics and Information Technology, National Payments Corporation of India (NPCI), Department of Public Enterprises (DPE), and other regulatory authorities are not applicable to the Company. No instances of material non-compliance with applicable regulatory requirements were observed during the course of our audit. **In respect of the Joint Venture:** The company is not listed with Securities and Exchange Board of India (SEBI), hence (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 etc is not applicable on Company.

For BANSAL & CO LLP
Chartered Accountants
(Firm's Registration No. 01113N /N500079)

Sd/-
Amit Kumar Singh
Partner
(Membership No. 532180)
UDIN: 26532180VWPCXI4856

Place: New Delhi
Date: July 13, 2026

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2026

(₹ in Crore)

	Note No.	As at 31st March 2026	As at 31st March 2025
ASSETS			
Non-Current Assets			
(a) Property, Plant & Equipment	3	22,599.96	21,509.35
(b) Capital Work in Progress	4	31.47	28.95
(c) Intangible Assets	5	1.78	2.25
(d) Right of Use Assets	6	1,051.63	719.48
(e) Financial Assets			
(i) Investments	7	7.24	-
(ii) Other Financial Assets		359.18	349.54
(f) Other Non-Current assets	8	31.64	39.88
Total Non-Current Assets (A)		**24,082.90**	**22,649.45**
Current Assets			
(a) Inventories	9	649.15	413.86
(b) Financial Assets			
(i) Investments	10	-	413.78
(ii) Trade Receivables	7A	5,236.76	3,449.76
(iii) Cash & Cash equivalents	11	16.04	233.25
(iv) Bank Balances (other than (iii) above)	12	53.00	148.09
(v) Other Financial Assets	7	0.02	0.03
(c) Current Tax Assets (Net)	8	5.51	5.14
(d) Other Current Assets	13	748.38	1,586.49
Total Current Assets (B)		**6,708.86**	**6,250.40**
Total Assets (A+B)		**30,791.76**	**28,899.85**
EQUITY AND LIABILITIES			
(a) Equity Share Capital	14	8,779.42	7,928.98
(b) Other Equity	15	3,727.96	3,107.36
Total Equity (A)		**12,507.38**	**11,036.34**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	10,532.08	11,753.90
(ii) Lease Liabilities	17	2.28	4.14
(iii) Other Financial Liabilities	19	136.20	132.44
(b) Provisions	20	625.27	639.51
(c) Deferred Tax Liabilities (net)	21	1,724.94	895.90
(d) Other Non-Current Liabilities	22	408.45	469.23
Total Non-Current Liabilities (B)		**13,429.22**	**13,895.12**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	2,879.67	1,571.14
(ii) Lease Liabilities	17	2.76	4.92
(iii) Trade payables:			
(iii a) Total outstanding dues of micro enterprises and small enterprises	18	9.55	23.09
(iii b) Total outstanding dues of creditors other than micro enterprises and small enterprises	18	705.82	957.28
(iv) Other Financial Liabilities	19	1,172.95	1,323.57
(b) Other Current Liabilities	23	57.68	48.07
(c) Provisions	20	26.73	40.32
Total Current Liabilities (C)		**4,855.16**	**3,968.39**
Total Equity and Liabilities (A+B+C)		**30,791.76**	**28,899.85**

Company Overview and Material Accounting Policies Information 1-2
The Accompanying Notes 1 to 34 form an integral part of these Standalone Financial Statements

As per our report annexed
For BANSAL & CO LLP
Chartered Accountants
FR No. 001113N/N500079

Sd/-
(CA Amit Kumar Singh)
Partner
Membership No. 532180

Date : 17 April 2026
Place : New Delhi

On behalf of the Board

Sd/- **(Virendra Malik)** Chairman DIN-10427762	Sd/- **(Nitin Kumar)** Director DIN-11237687	Sd/- **(Sanjay Shrivastava)** Director DIN-11243864
Sd/- **(S.P. Mohanty)** Managing Director DIN-05336787	Sd/- **(Iti Matta)** Company Secretary	Sd/- **(Poonam Jeswani)** Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2026

(₹ in Crore)

	Note No.	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
INCOME			
Revenue from Operations	24	21,216.53	15,745.61
Other Income	25	121.63	164.10
Total Income (A)		**21,338.16**	**15,909.71**
EXPENSES			
Cost of materials consumed	26	7,092.37	6,535.38
Purchases of Stock-in-Trade	27	4,441.13	1,116.34
Changes in inventories	28	52.02	6.34
Freight and Handling	29	639.99	442.41
Employee Benefits Expenses	30	165.46	178.18
Finance Costs	31	1,081.06	1,312.57
Depreciation and Amortisation expenses	32	991.20	927.79
Other Expenses	33	3,581.11	3,553.33
Total Expenses (B)		**18,044.34**	**14,072.34**
Profit before share of profit / (loss) of joint venture as per equity method, exceptional item and taxC=(A-B)		**3,293.82**	**1,837.37**
Share of Profit / (loss) of Joint Venture as per Equity Method (D)		(0.18)	**-**
Profit / (Loss) before exceptional item and tax E= (C+D)		**3,293.64**	
Exceptional Items (F)		-	-
Profit/(Loss) before Tax G=(E-F)		**3,293.64**	**1,837.37**
Tax expense (H):			
a) Current Tax		7.31	-
b) Deferred Tax		828.91	455.29
Profit/(Loss) for the year I=(G-H)		**2,457.42**	**1,382.08**
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		1.56	(8.69)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.13)	2.19
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		-	-
Total Other Comprehensive Income (H)		**1.43**	**(6.50)**
Total Comprehensive Income for the year (G+H)		**2,458.85**	**1,375.58**
Earnings per equity share (₹) *			
(1) Basic		**2.90**	**1.63**
(2) Diluted		**2.90**	**1.63**

*restated for the year ended March 31, 2025

Company Overview and Material Accounting Policies Information 1-2

The Accompanying Notes 1 to 34 form an integral part of these Consolidated Financial Statements

As per our report annexed
For BANSAL & CO LLP
Chartered Accountants
FR No. 001113N/N500079

Sd/-
(CA Amit Kumar Singh)
Partner
Membership No. 532180

Date : 17 April 2026
Place : New Delhi

On behalf of the Board

Sd/-
(Virendra Malik)
Chairman
DIN-10427762

Sd/-
(Nitin Kumar)
Director
DIN-11237687

Sd/-
(Sanjay Shrivastava)
Director
DIN-11243864

Sd/-
(S.P. Mohanty)
Managing Director
DIN-05336787

Sd/-
(Iti Matta)
Company Secretary

Sd/-
(Poonam Jeswani)
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2026

A. EQUITY SHARE CAPITAL

(₹ in Crore)

	Balance at the beginning of the current reporting period	Changes in equity share capital due to prior period erros	Restated balance at the beginning of current reporting period	Changes in Equity Share Capital during the year	Balance at the end of the current reporting period
As at 31.03.2026	7,928.98	-	-	850.44	8,779.42
As at 31.03.2025	7,928.98	-	-	-	7,928.98

B. OTHER EQUITY

	Shares to be issued against Right of use of Land and other Usable Assets	Share Application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus: Capital Reserve	Reserves and Surplus: Securities Premium	Reserves and Surplus: Other Reserves (specify nature)	Reserves and Surplus: Retained Earnings	Other Comprehensive Income: Debt instru-ments through Other Compre-hensive Income	Other Comprehensive Income: Equity Instru-ments through Other Compre-hensive Income	Other Comprehensive Income: Effective portion of Cash Flow Hedges	Other Comprehensive Income: Revaluation Surplus	Other Comprehensive Income: Exchange differences on translating the financial statements of a foreign operation	Other items of Other Compre-hensive Income (specify nature)	Money received against share warrants	Total
Balance as at 01.04.2025	495.00	-	-	-	-	-	2,618.59	-	-	-	-	-	(6.23)	-	3,107.36
Additions during the year	-	-	-	-	-	-	2,457.42	-	-	-	-	-	-	-	2,457.42
Comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-	1.43	-	1.43
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	2,457.42	-	-	-	-	-	1.43	-	2,458.85
Appropriation towards Interim Dividend (including expenses (net of tax))	-	-	-	-	-	-	(1,343.25)	-	-	-	-	-	-	-	(1,343.25)
Appropriation towards Final Dividend (including expenses (net of tax))	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share issued during the year	(495.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	(495.00)
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31.03.2026	-	-	-	-	-	-	**3,732.76**	-	-	-	-	-	**(4.80)**	-	**3,727.96**
Balance as at 01.04.2024	495.00	-	-	-	-	-	1,236.52	-	-	-	-	-	0.27	-	1,731.79
Additions during the year	-	-	-	-	-	-	1,382.07	-	-	-	-	-	-	-	1,382.07
Comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-	(6.50)	-	(6.50)
Changes in accounting policy or prior period errors															
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	1,382.07	-	-	-	-	-	(6.50)	-	1,375.57
Appropriation towards Interim	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend (including expenses (net of tax))	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Appropriation towards Final Dividend (including expenses (net of tax))	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share issued during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change (to be specified)															
Balance as at 31.03.2025	**495.00**	-	-	-	-	-	**2,618.59**	-	-	-	-	-	**(6.23)**	-	**3,107.36**

As per our report annexed
For BANSAL & CO LLP
Chartered Accountants
FR No. 001113N/N500079

Sd/-
(CA Amit Kumar Singh)
Partner
Membership No. 532180

Date : 17 April 2026
Place : New Delhi

On behalf of the Board

Sd/-
(Virendra Malik)
Chairman
DIN-10427762

Sd/-
(Nitin Kumar)
Director
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(S.P. Mohanty)
Managing Director
DIN-05336787

Sd/-
(Iti Matta)
Company Secretary

Sd/-
(Poonam Jeswani)
Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2026

(₹ in Crore)

	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax		
Adjustments for :	3,293.82	1,837.37
Depreciation and Amortisation		
Finance Cost	991.20	927.79
Interest from Bank Deposits	1,081.06	1,312.57
Gain on Mutual Funds Investments & Deferred Income	(40.59)	(50.16)
Gain/Loss on Foreign exchange transactions	(76.16)	(93.03)
Loss on de-recognition of property, plant and equipment	34.42	17.57
Interest on Income Tax Refund	0.05	0.00
Operating Profit before working capital changes	(0.05)	(0.27)
Adjustment for :	**5,283.75**	**3,951.84**
Security Deposits and Bank Deposits		
Advances and Other Assets	85.45	(12.16)
Inventory	(622.84)	(13.86)
Trade Receivables	(235.28)	(59.10)
Liabilities and Outstanding Expenses	(1,787.01)	(476.14)
Cash Generated from Operation	(523.59)	(36.84)
Income Tax Received/(Paid)	**2,200.48**	**3,353.74**
Net Cash Flow from Operating Activities (A)	(7.39)	5.36
	2,193.09	**3,359.10**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets		
Expenditure on Project Construction	(581.87)	(458.29)
Purchase of Intangible Assets	(2.52)	(25.73)
Investment / Redemption of Mutual Funds	(0.70)	(1.82)
Interest from Bank Deposits	413.78	55.75
Gain on Mutual Funds Investments	42.22	47.29
Investment in Equity Share	15.26	26.52
Net Cash from Investing Activities (B)	(7.42)	-
	(121.25)	**(356.28)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings		
Interest and Other Borrowing Cost	86.71	(1,890.04)
Dividend Paid	(1,026.82)	(1,306.93)
Payment of Lease Obligations	(1,343.25)	-
Net Cash from Financing Activities (C)	(5.69)	(5.07)
	(2,289.05)	**(3,202.04)**
Net Increase / (Decrease) in Cash & Cash equivalents (A+B+C)		
Cash & Cash equivalents (Opening balance)	(217.21)	(199.22)
Cash & Cash equivalents (Closing balance)	233.25	432.47
(All figures in bracket represent outflow)	16.04	233.25

As per our report annexed
For BANSAL & CO LLP
Chartered Accountants
FR No. 001113N/N500079

Sd/-
(CA Amit Kumar Singh)
Partner
Membership No. 532180

Date : 17 April 2026
Place : New Delhi

On behalf of the Board

Sd/-
(Virendra Malik)
Chairman
DIN-10427762

Sd/-
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Director
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Managing Director
DIN-05336787

Sd/-
(Iti Matta)
Company Secretary

Sd/-
(Poonam Jeswani)
Chief Financial Officer

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note: 1 CORPORATE INFORMATION

Reporting Entity

Hindustan Urvarak and Rasayan Limited (the "Company") is a public company domiciled in India and has been incorporated under the provisions of the Companies Act, 2013 applicable in India (CIN: U24100DL2016PLC358399). The registered office of the company is located at Core-4, 9th Floor, Scope Minar, Laxmi Nagar District Centre, Delhi-110092, India. It is a Joint Venture Company of Coal India Limited (CIL), NTPC Limited (NTPC), Indian Oil Corporation Limited (IOCL), Fertiliser Corporation of India Limited (FCIL) and Hindustan Fertiliser Corporation Limited (HFCL) incorporated with an objective to establish and operate fertiliser and chemical complexes at Gorakhpur and Sindri units of FCIL and Barauni unit of HFCL and market their products, taking into consideration the assets of FCIL and HFCL at Gorakhpur, Sindri & Barauni, and trading of other fertilizer and Agri-products.

The consolidated financial statements have been approved for issue in accordance with a resolution of the Board of Directors passed in its meeting held on April 17, 2026.

Note 2 : MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation/Consolidation and Statement of compliance

2.1.1. Statement of Compliance

The consolidated financial statements which comprise the Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows, and the Statement of Changes in Equity ("consolidated financial statements") of the Company have been prepared on going concern basis, following accrual system of accounting, in accordance with the applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 ("Act") read with the Companies (Indian Accounting Standards) Rules and other relevant provisions of the Act and Rules thereunder, as amended from time to time.

The comparative information disclosed is based on the consolidated financial statements of the Company prepared in accordance with Ind AS for the period ended 31st March, 2026 for the Statement of Profit & Loss and Balance Sheet as on that date.

2.1.2. Basis of Consolidation

Investment in Joint Venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

In the consolidated Balance Sheet Interests in the joint venture are accounted for using the equity method under Ind AS 28. Under the equity method of accounting, the investment are initially being recognised at cost and adjusted thereafter to recognise the group's share of the post- acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investments joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the loss as 'Share of profit of an associate and a joint venture' in the Statement of Profit and Loss.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described below.

These consolidated financial statements comprise the financial statement of Hindustan Urvarak & Rasayan Limited (the company") and its joint ventures (JV) (the "Group"), as given in the following table:

Name of Joint Venture	Country of Incorporation	Extent of Holding	
		31-03-2026	31-03-2025
Assam Valley Fertilizer and Chemical Company Limited	India	14.62%	NA

2.2 Basis of measurement

The consolidated financial statements have been prepared on historical cost basis of measurement, except for

- Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments in para 2.11);
- Assets held for sale - measured at the lower of carrying amount and fair value less cost to sell; and
- Defined benefit plans- plan assets measured at fair value.

2.2.1 Functional and presentation currency

Amounts in these consolidated financial statements are presented in Indian Rupees (₹) which is Company's presentation and functional currency and all values are rounded to the nearest Crore (up to two decimals), except when otherwise indicated.

The transactions and balances with values below rounding off norm adopted by the Company have been reflected as 0.00 in the consolidated financial statements.

2.2.2 Current and Non-Current Classification

The Company classifies its assets and liabilities as current/non-current in the balance sheet considering 12 months as the normal operating cycle.

2.3 Revenue Recognition

2.3.1 Revenue from contracts with customers

Revenue from contracts with customers is recognized net of returns, trade allowances, rebates etc. when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. Revenue is measured based on the consideration specified in a contract with a customer.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. Revenue is recognized net of returns, trade allowances, rebates etc. when performance obligation is satisfied by transfer of control of goods or services to a customer and it is probable to collect the consideration.

2.3.2 Subsidy

Subsidy on manufactured Urea is recognized at a point in time when control of the goods has been transferred from seller to buyer and there is no unfulfilled obligation, and it is recognised at the price determined according to the provisions of New Investment Policy (NIP) 2012 as notified and amended from time to time by the Government of India(GOI), with the adjustments for escalation/de-escalation in the prices of inputs and other adjustments as estimated by the management in accordance with the known policy parameters/guidelines/instructions in this regard as notified by Government of India.

The subsidy recognition is subject to revision on finalization of monthly/quarterly and annual gas pool rates by Fertilizer Industry Coordination Committee (FICC), an office of Government of India which regulates such subsidy and difference if any, in the amount recoverable from Government of India are recognized in the year in which revised rates are notified by FICC.

Uniform freight subsidy on Urea has been accounted in accordance with the parameters and rates notified by FICC/GOI.

2.3.3 Other revenue

Interest income from financial assets is recognised using Effective Interest Method.

For interest due from customers, vendor's etc. interest income is recognized when no significant uncertainty as to its realization exists and is accounted on time proportion basis at contracted rates.

Dividends are recognised only when the right to receive payment is established.

Sale of scrap/waste material is recognised on disposal.

Insurance and other miscellaneous claims are recognized on receipt/acceptance of claim.

Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company fulfils its performance obligation by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract Liabilities in respect of advance from customers is disclosed under "other current liabilities". Contract liabilities are recognised as revenue when the Company performs under the contract.

2.4 Government Grant

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

2.4.1 Grant relating to Assets (Capital Grants)

In case of Government grants relating to depreciable assets, the cost of the assets is shown at gross value and grant thereof is treated as Deferred Income in Other noncurrent liabilities which are recognized as income in the Statement of Profit and Loss over the period and in the proportion in which depreciation is charged.

In the event of such property, plant and equipment being disposed off before completion of its estimated useful life, the outstanding amount of such capital grant is fully credited to profit or loss in the year of its disposal.

2.4.2 Grant related to Expense (Revenue Grants)

Revenue grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognizes as expenses the related cost for which the grants are intended to compensate.

2.4.3 When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate or NIL interest rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Classification of the grant is made considering the terms and condition of the grant i.e. whether grants relate to assets or otherwise.

2.5 Leases

2.5.1 Company as a lessee

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short- term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The interest expense on the lease liability and the depreciation expense on the right-of-use asset is separately recognised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

2.5.2 Company as a lessor

2.5.2.1 Finance leases

Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.5.2.2 Operating leases

Lease income from operating leases such as rental income (excluding amounts for services such as insurance and maintenance) is recognised in income on a straight-line basis over the lease term, unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying assets is diminished.

2.6 Property, Plant and Equipment (PPE)

An item of property, plant and equipment is recognized as an asset if and only if 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.

An item of Property, plant and equipment is carried at its cost less any accumulated depreciation and any accumulated impairment losses under Cost Model. The cost of an item of property, plant and equipment comprises:

(a) its purchase price, including import duties, GST and non-refundable purchase taxes, after deducting trade discounts and rebates.

(b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Company incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item depreciated separately. However, significant part(s) of an item of PPE having same useful life and depreciation method are grouped together in determining the depreciation charge.

Catalysts which are used in commissioning of new plant are capitalized and are amortized based on the estimated useful life as technically assessed.

Subsequent cost of replacing parts of an item of property, plant and equipment is recognised in the carrying amount of the item, if 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 those parts that are replaced is derecognised in accordance with the derecognition policy mentioned below.

When major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if 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. Any remaining carrying amount of the cost of the previous inspection (as distinct from physical parts) is derecognised.

Costs of the day to-day servicing described as for the 'repairs and maintenance' are recognised in the statement of profit and loss in the period in which the same are incurred.

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized. Other spare parts are carried as inventory and recognized in the statement of profit and loss on consumption.

An item of Property, plant or equipment is derecognised upon disposal or when no future economic benefits are expected from the continued use of assets. Any gain or loss arising on such derecognition of an item of property plant and equipment is recognised in profit and Loss.

Depreciation on PPE, is provided as per cost model on straight line basis over the useful lives prescribed in Schedule II to the Companies Act, 2013 except freehold land and the asset referred below.

Depreciation on the following assets is provided on their estimated useful lives, which are different from the useful lives as prescribed under Schedule II of the Companies Act, 2013, ascertained on the basis of technical evaluation/assessment:

Asset Type	Useful life in Years
Mobile Phones	2
Printer	3
Forklift and Hydra	8
Firefighting Tender and Ambulance	15

Right of use assets is recognised for assets under lease (including leasehold land) which are depreciated as per 2.5.1. Immovable assets constructed over leasehold land are depreciated at the estimated useful life as per Schedule-II or lease period of land (including renewable/ likely renewable period), whichever is earlier except for which useful life is different from schedule II is adopted by the company & tabulated below: -

Asset Type	Useful life in Years
Old Refurbished Building i.e. Guest House, Admin Building etc.	15
Main Plant and associated works	25

Depreciation on individual item of PPE whose actual cost does not exceed five thousand rupees, is provided at the rate of 100% in the year of capitalisation and the residual value of rupee one is retained.

The residual value of other Property, plant and equipment is considered as 5% of the original cost except for mobile phones for which residual value considered as NIL.

The estimated residual value, useful lives and method of depreciation of Property, plant and equipment are reviewed at each financial year and adjusted prospectively, if any.

Depreciation on the assets added / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.

2.7 Capital Work in Progress

Cost incurred for property, plant and equipment that are not ready for their intended use as on the reporting date, is classified under capital work- in-progress.

Revenue expenses exclusively attributable to projects incurred during construction period are capitalised under Capital Work in Progress as Expenditure During Construction Period and allocated to the Property, Plant and Equipment at the time of Capitalization of the project.

Borrowing cost incurred during construction period on loans specifically borrowed and utilized for projects is capitalized on quarterly basis up to the date of capitalization.

Income pertaining to construction period such as interest earned on short term deposits attributable to the debt, interest on advance provided to the project contractors, price reduction and sale of goods (including subsidy) during trial run is adjusted against the Expenditure During Construction Period.

Assets under construction/Capital Work in Progress are not depreciated as these assets are not yet available for use. However, they are tested for impairment if any.

2.8 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation (calculated on a straight-line basis over their useful lives) and accumulated impairment losses, if any.

Technical know-how / license fee relating to production process and process design are recognized as Intangible Assets and amortized on a straight-line basis over the life of the underlying plant/ facility.

Internally generated intangibles, excluding capitalised development costs, are not capitalised. Instead, the related expenditure is recognised in the Statement of Profit or Loss and Other Comprehensive Income in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over their useful economic lives on a straight-line basis pro-rata from the date the asset is available to the Company for its use and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss.

An intangible asset with an indefinite useful life is not amortised but is tested for impairment at each reporting date.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss

Cost of Software recognized as intangible asset, is amortised on straight line method over a period of legal right to use or three years, whichever is less; with a nil residual value. However, where such computer software is still in development stage, cost incurred during the development stage of such software are accounted as “Intangible Assets Under Development”. Web development and App development cost are recognized as intangible asset and amortised on straight line method over a period of five years, with a nil residual value.

Expenditure incurred on research & development, other than on capital account, is charged to revenue.

Investment Property

2.9 Non-Current Assets Held for Sale

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-Current Assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less cost to sell. Assets classified as held for sale are presented separately in the Balance Sheet.

PPE and Intangible Assets once classified as held for sale are not depreciated or amortized.

2.10 Impairment of Non-Financial Assets

The Company assesses at the end of each financial year whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment loss is recognized when the carrying amount of an asset exceeds recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

2.11 Financial Instruments

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

2.11.1 Financial assets

2.11.1.1 Initial recognition and measurement

All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

2.11.1.2 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

2.11.1.2.1 Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

2.11.1.2.2 Debt instruments at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

2.11.1.2.3 Debt instruments at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit or loss.

2.11.1.2.4 Equity Investments

All equity investments in scope of Ind AS 109 are measured at fair value.

The Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit or loss.

2.11.1.2.5 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

2.11.1.2.6 Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial assets that are debt instruments and are measured as at FVTOCI

c) Lease receivables under Ind AS 17

d) 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 follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

2.11.2 Financial Liabilities

2.11.2.1 Initial recognition and measurement

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

2.11.2.2 Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

2.11.2.2.1 Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

2.11.2.2.2 Financial liabilities at amortised cost

After initial recognition, these are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of profit and loss.

2.11.2.2.3 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2.11.3 Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Profit and Loss (P&L).
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. Effective Interest Rate (EIR) is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in Other Comprehensive Income (OCI). No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

2.11.4 Off setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Financial Risk Management

2.12 Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest cost.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying assets incurred during the period of time that is required to complete and prepare the asset for its intended use or sale less any investment income on the temporary investment of those borrowings are capitalized. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which the same are incurred.

2.13 Taxation

Income tax expense for the period represents the sum of tax currently payable, adjustments for tax provisions of previous years and deferred tax.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period. Taxable profit differs from "profit before income tax" as reported in the Statement of Profit or Loss and Other Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognised deferred tax assets are reassessed at the end of each reporting year and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.14 Employee Benefits

2.14.1 Short-term Benefits

Employee benefits which are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services are classified as short-term employee benefits. All short-term employee benefits are recognized in the period in which in which the services have been rendered.

2.14.2 Post-employment benefits and other long-term employee benefits

2.14.2.1 Defined Contribution plans

Under defined contribution scheme, provident fund is a post-employment benefit plan established under State Plan. The company pays fixed contribution into fund maintained by Employees Provident Fund Organisation (EPFO) and the Company will have no legal or constructive obligation to pay further amounts. The contributions to the scheme are charged to the statement of profit and loss in the year when employee rendered related services.

2.14.2.2 Defined benefits plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Gratuity is covered under defined benefit plans (with ceilings on benefits). The company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return of their service in the current and prior periods. The benefit is discounted to determine its present value and reduced by the fair value of plan assets, if any. The discount rate is based on the prevailing market yields of Indian Government securities as at the reporting date that have maturity dates approximating the terms of the company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The application of actuarial valuation involves making assumptions about discount rate, expected rates of return on assets, future salary increases, mortality rates etc. Due to the long-term nature of these plans, such estimates are subject to uncertainties. The calculation is performed at each balance sheet by an actuary using the projected unit credit method. When the calculation results in to the benefit to the company, the recognised asset is limited to the present value of the economic benefits available in the form of any future refunds from the plan or reduction in future contributions to the plan. An economic benefit is available to the company if it is realisable during the life of the plan, or on settlement of plan liabilities.

Re-measurement of the net defined benefit liability, which comprise actuarial gain and losses considering the return on plan assets (excluding interest) and the effects of the assets ceiling (if any, excluding interest) are recognised immediately in the other comprehensive income. The company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit and loss.

The retirement benefit obligation recognized in balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of the plan assets.

When the benefits of the plan are improved, the portion of the increased benefit relating to past service by employees is recognised as expense immediately in the statement of profit and loss.

2.14.3 Other Long-term Employee benefits

Other employee benefits viz. leave encashment etc. are also recognised on the same basis as described above for defined benefits plan. These benefits do not have specific funding.

2.15 Foreign Currency Transactions

The company's reported currency and the functional currency for majority of its operations is in Indian Rupees (INR) being the principal currency of the economic environment in which it operates.

Transactions in foreign currencies are initially recorded by converting into the reported currency of the company using the exchange rate prevailing at the transaction date.

Monetary assets and liabilities denominated in foreign currencies outstanding at the end of the reporting period are translated at the exchange rates prevailing as at the end of reporting period. Exchange differences arising on the settlement of monetary assets and liabilities or on translating monetary assets and liabilities at rates different from those at which they were translated on initial recognition during the period or in previous consolidated financial statements are recognised in statement of profit and loss in the period in which they arise.

Non-monetary items measured in terms of historical cost in a foreign currency are recorded at the exchange rate prevailing on the date of the transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of profit and loss are also recognised in OCI or Statement of profit and loss, respectively).

2.16 Inventories

Inventories are stated at the lower of weighted average cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work in progress, finished goods or traded goods includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Traded Fertilizers are valued at lower of cost determined on first-in-first-out basis and net realizable value.

The diminution in the value of obsolete, unserviceable, surplus and non-moving items of stores and spares is ascertained on review and provided for.

2.17 Provisions, Contingent Liabilities & Contingent Assets

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the company, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent assets are possible assets that arise 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 Company. Contingent assets are disclosed in the consolidated financial statements when inflow of economic benefits is probable on the basis of judgment of management.

2.18 Cash and Cash Equivalents

Cash and Cash Equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.19 Earnings per share

Basic Earnings Per Share (EPS) is computed by dividing the net profit/ (loss) after tax for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted Earnings Per Shares is computed adjusting the figures used in the determination of basic earnings per share as follows:

a) profit or loss attributable to equity shareholders of the company is increased by the after-tax amount of dividends and interest recognised in the period in respect of the dilutive potential equity shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential equity shares; and

b) the weighted average number of equity shares outstanding is increased by the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

In the absence of dilutive potential equity shares, Basic EPS and Diluted EPS will remain same.

2.20 Adjustments pertaining to prior period

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

2.21 Prepaid Expenses

Individual expense up to Rs. 1,00,000 not being considered material is included in the expenditure of current period.

2.22 Judgements, Estimates and Assumptions

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of consolidated financial statements and the amount of revenue and expenses during the reported period. Application of accounting policies involving complex and subjective judgements and the use of assumptions in these consolidated financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the consolidated financial statements.

2.22.1 Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

2.22.1.1 Formulation of Accounting Policies

Accounting policies are formulated in a manner that result in consolidated financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial.

In the absence of an Ind AS that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

a) relevant to the economic decision-making needs of users and

b) reliable in that consolidated financial statements:

(I) represent faithfully the financial position, financial performance and cash flows of the Company

(ii) reflect the economic substance of transactions, other events and conditions, and not merely the legal form;

(iii) are neutral, i.e. free from bias;

(iv) are prudent; and

(v) are complete in all material respects on a consistent basis

In making the judgement management refers to, and considers the applicability of, the following sources in descending order:

(a) the requirements in Ind ASs dealing with similar and related issues; and

(b) the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the Framework.

In making the judgement, management considers the most recent pronouncements of International Accounting Standards Board and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

2.22.1.2 Materiality

Ind AS applies to items which are material. Management uses judgment in deciding whether individual items or group of items are material in the consolidated financial statements. Materiality is judged by reference to the size and nature of the item. The deciding factor is whether omission or misstatement could individually or collectively influence the economic decisions that users make on the basis of the consolidated financial statements. Management also uses judgement of materiality for determining the compliance requirement of the Ind AS. In particular circumstances either the nature or the amount of an item or aggregate of items could be the determining factor. Further the Company may also be required to present separately immaterial items when required by law.

2.22.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

2.22.2.1 Impairment of non-financial assets

There is an indication of impairment if, the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to other mining infrastructures. The key assumptions used to determine the recoverable amount for the different CGUs, are disclosed and further explained in respective notes.

2.22.2.2 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

2.23 Cash Flow Statement

The Cash Flow Statement has been prepared under the "Indirect Method" set out in Indian Accounting Standard - 7 on Statement of Cash Flows.

2.24 Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's board of directors.

2.25 Segment reporting

The Company has recognized the following operating segments, viz Manufactured Fertilizers, and Trading, the business activities it is primarily engaged into. The same has been done based on the review of the operating revenue, decision making relating to future allocation of resources, etc. carried out by its Chief Operating Decision Maker i.e. Board of Directors.

2.26 Recent pronouncements

The Ministry of Corporate Affairs (MCA) vide notification dated 7th May 2025 and 13th August 2025 notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended 31 March 2026, MCA has notified the following standards or amendments to the existing standards:

1. Ind As 21 – The Effects of Changes in Foreign Exchange Rates
2. Ind As 1 – Presentation of financial statements
3. Ind As 7 – Statement of Cash Flows
4. Ind As 107 – Financial Instruments: Disclosures
5. Ind As 12 – ncome Taxes

The amendments of the above standard are not expected to have a material impact for the Company.

2.27 Abbreviation used:

a.	CGU	Cash Generating Unit
b.	DCF	Discounted Cash Flow
c.	FVTOCI	Fair value through Other Comprehensive Income
d.	FVTPL	Fair value through Profit & Loss
e.	GAAP	Generally accepted accounting principal
f.	Ind AS	Indian Accounting Standards
g.	OCI	Other Comprehensive Income
h.	P&L	Profit and Loss
I.	PPE	Property, Plant and Equipment
j.	SPPI	Solely Payment of Principal and Interest
k.	LSTK	Lumpsum Turnkey Contract

NOTE 3: PROPERTY, PLANT AND EQUIPMENT

(₹ in Crore)

Description	Freehold Land	Building	Non Plant Building	Furniture and Fixtures	Vehicles	Plant & Machinery	Electrical Equipment and Installations	Office Equipments	Computers and Data Processing Equipments	Railway Sidings	Road, Drain & Culvert	Total
Gross Carrying Amount:												
As at 1 April 2024	0.95	153.22	89.64	10.28	15.14	22,458.01	63.34	11.29	6.69	137.87	147.58	23,094.00
Additions	-	9.37	6.80	0.37	0.99	404.61	3.11	6.35	1.96	0.09	23.57	457.22
Deletions/Adjustments	-	-	-	-	-	-	-	(0.01)	(0.69)	-	-	(0.70)
As at 31 March 2025	**0.95**	**162.59**	**96.44**	**10.65**	**16.13**	**22,862.62**	**66.45**	**17.63**	**7.96**	**137.96**	**171.15**	**23,550.52**
As at 1 April 2025	0.95	162.59	96.44	10.65	16.13	22,862.62	66.45	17.63	7.96	137.96	171.15	23,550.52
Additions	-	9.35	19.99	2.12	0.35	1,996.74	2.27	3.43	3.14	9.08	10.08	2,056.55
Deletions/Adjustments	-	-	-	-	-	-	-	(0.09)	(1.36)	-	-	(1.45)
As at 31 March 2026	**0.95**	**171.94**	**116.43**	**12.77**	**16.48**	**24,859.36**	**68.72**	**20.97**	**9.74**	**147.04**	**181.23**	**25,605.62**
Accumulated Depreciation and Impairment												
As at 1 April 2024	-	3.57	4.28	2.64	2.35	1,079.23	7.68	4.38	3.64	10.07	15.98	1,133.84
Charge for the year	-	5.05	6.08	0.95	1.05	861.36	5.05	2.90	1.67	8.76	15.08	907.94
Deletions/Adjustments	-	-	-	-	-	-	-	(0.00)	(0.59)	-	-	(0.60)
As at 31 March 2025	-	**8.62**	**10.37**	**3.59**	**3.40**	**1,940.59**	**12.73**	**7.28**	**4.72**	**18.84**	**31.06**	**2,041.18**
As at 1 April 2025	-	8.62	10.37	3.59	3.40	1,940.59	12.73	7.28	4.72	18.84	31.06	2,041.18
Charge for the period	-	5.42	6.78	1.14	1.26	913.08	5.19	3.65	1.84	9.28	18.07	965.71
Deletions/Adjustments	-	-	-	-	-	-	-	(0.03)	(1.20)	-	-	(1.23)
As at 31 March 2026	-	**14.04**	**17.15**	**4.73**	**4.66**	**2,853.67**	**17.92**	**10.90**	**5.36**	**28.12**	**49.13**	**3,005.66**
Net Carrying Amount												
As at 31 March 2026	**0.95**	**157.90**	**99.28**	**8.04**	**11.82**	**22,005.69**	**50.80**	**10.07**	**4.38**	**118.92**	**132.11**	**22,599.96**
As at 31 March 2025	**0.95**	**153.97**	**86.07**	**7.06**	**12.73**	**20,922.03**	**53.72**	**10.35**	**3.24**	**119.12**	**140.10**	**21,509.35**

NOTE 4 : CAPITAL WORK IN PROGRESS

(₹ in Crore)

	Project Development Expenses
Gross Carrying Amount:	
As at 1 April 2024	3.22
Additions	432.91
Capitalisation/Deletions	(407.18)
As at 31 March 2025	**28.95**
As at 1 April 2025	28.95
Additions/Deletions	1,945.14
Capitalisation	(1,942.62)
As at 31 March 2026	**31.47**
Net Carrying Amount	
As at 31 March 2026	**31.47**
As at 31 March 2025	**28.95**

NOTE 5 : INTANGIBLE ASSETS

(₹ in Crore)

	Computer Software	Website Development Cost	Total
Gross Carrying Amount:			
As at 1 April 2024	1.97	0.12	2.09
Additions	1.82	-	1.82
Deletions/Adjustments	-	-	-
As at 31 March 2025	**3.79**	**0.12**	**3.91**
As at 1 April 2025	3.79	0.12	3.91
Additions	0.70	-	0.70
Deletions/Adjustments	(0.74)	-	(0.74)
As at 31 March 2026	**3.75**	**0.12**	**3.87**
Amortisation and Impairment			
As at 1 April 2024	1.02	0.07	1.09
Charge for the year	0.55	0.02	0.57
Impairment	-	-	-
Deletions/Adjustments	-	-	-
As at 31 March 2025	**1.57**	**0.09**	**1.66**
As at 1 April 2025	1.57	0.09	1.66
Charge for the period	1.15	0.02	1.17
Impairment	-	-	-
Deletions/Adjustments	(0.74)	-	(0.74)
As at 31 March 2026	**1.98**	**0.11**	**2.09**
Net Carrying Amount			
As at 31 March 2026	**1.76**	**0.02**	**1.78**
As at 31 March 2025	**2.22**	**0.03**	**2.25**

NOTE 6 : RIGHT OF USE ASSETS (ROU)

(₹ in Crore)

	Land and Other Assets	Building- Corporate Office & Plant Site	Total
Gross Carrying Amount:			
As at 1 April 2024	807.42	13.72	821.14
Additions	-	1.76	1.76
Deletions/Adjustments	-	-	-
As at 31 March 2025	**807.42**	**15.48**	**822.90**
As at 1 April 2025	807.42	15.48	822.90
Additions	355.44	1.04	356.48
Deletions/Adjustments	-	(0.28)	(0.28)
As at 31 March 2026	**1,162.86**	**16.24**	**1,179.10**
Amortisation and Impairment			
As at 1 April 2024	81.46	2.68	84.15
Charge for the year	14.68	4.60	19.28
Impairment	-	-	-
Deletions/Adjustments	-	-	-
As at 31 March 2025	**96.14**	**7.28**	**103.43**
As at 1 April 2025	96.14	7.28	103.43
Charge for the period	19.40	4.93	24.33
Impairment	-	-	-
Deletions/Adjustments	-	(0.28)	(0.28)
As at 31 March 2026	**115.54**	**11.93**	**127.48**
Net Carrying Amount			
As at 31 March 2026	**1,047.32**	**4.31**	**1,051.63**
As at 31 March 2025	**711.28**	**8.20**	**719.48**

1. ROU Land and other assets include leasehold land and other assets of Gorakhpur, Sindri and Barauni Plant. The complaince of the IND AS-116 resulted in recognition of 'Right of Use' asset of Gorakhpur- ₹ 494.12 Crore (Waiver of Stamp Duty ₹ 210.00 Crore) taken on lease from FCIL, Sindri- ₹ 283.36 Crore taken on lease from FCIL and Barauni - ₹ 385.39 Crore taken on lease from HFCL (Waiver of Stamp Duty ₹ 102.03 Crore).

2. Building- Corporate Office include leasehold building of corporate office, Guest House & Markeing office taken on lease from ONGC & Others.

NOTE 7 : FINANCIAL ASSETS

(i) : INVESTMENTS

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Non Current		
Investment in Equity Instrument		
In Joint Ventures (At Cost):		
Unquoted:		
Assam Valley Fertilizer and Chemcial Corporation Limited*	7.42	-
74,18,618 Shares of face value Rs 10 each (PY: NIL)		
Share of Profit / (Loss) in Joint Venture	(0.18)	
		-
TOTAL	**7.24**	
Aggregate amount of unquoted investments	7.24	-

*As per DoF, OM No. 18017 /9/2008-FCA (Part) [e-38471] dated 07 April, 2025

(ii) : OTHER FINANCIAL ASSETS

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Non Current		
Security deposits	17.83	17.08
Security deposits to Related Parties	0.03	0.03
Bank Deposits - Margin money against bank guarantee	341.32	332.43
TOTAL	**359.18**	**349.54**

*Fixed deposits held as margin money against Debt Service Reserve Account (DSRA)/Bank Guarantee & others which has to be maintained as per contractual obligation. The above balance includes interest accrued as on 31.03.2026 amounting ₹ 1.19 Crore (PY ₹ 1.27 Crore).

Current		
Other Receivables	0.02	0.03
TOTAL	**0.02**	**0.03**

NOTE - 7A : Trade Receivable

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
a) Trade Receivables		
Unsecured, considered good	76.36	34.81
Doubtful	-	-
	76.36	34.81
Less: Allowance for doubtful debts (Expected Credit Loss)	-	-
Total (a)	**76.36**	**34.81**
b) Subsidy (Government of India)*	5,160.40	3,414.95
TOTAL (a + b)	**5,236.76**	**3,449.76**

* Refer to Note No. 34.19 (v)

NOTE 8 : OTHER NON-CURRENT ASSETS

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
(I) Capital Advances	31.64	39.88
(ii) Advances other than capital advances		
CGST/SGST/IGST- Input	-	-
TOTAL	**31.64**	**39.88**
Other Current Assets		
Current Tax Assets		
Advance tax, TDS and TCS (net of tax provision)	5.51	5.14
TOTAL	**5.51**	**5.14**

NOTE 9 : INVENTORIES

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Inventories :		
Finished Goods		
Neem Coated Urea^	175.36	232.49
Ammonia	55.96	51.73
	231.32	284.22
WIP		
Urea	0.88	-
	0.88	-
Traded Goods		
Traded Product (Imported)	1.79	-
Add : In Transit	2.77	-
	4.56	-
Raw Material		
Raw Water	0.06	-
Neem Oil	1.60	0.90
Chemicals	7.59	8.38
	9.25	9.28
Store & Spares and Others		
Packing Material	1.81	4.96
Spare Parts	198.77	115.40
Add : Material Under Inspection	202.56	-
	403.14	120.36
TOTAL	**649.15**	**413.86**

^ Includes Outward Material in Transit (Finished Goods) of 49,021.24 MT for the CY and 53,661.60 MT for the PY
Valuation of inventories are done as per point no. 2.16 of material accounting policies (Note-2)

Inventory Includes:		
Material Under Inspection		
a) Store and Spares	187.51	-
b) Others	15.05	-
Total	**202.56**	-

NOTE 10 : INVESTMENTS

(₹ in Crore)

		As at 31st March 2025
Quoted Investments		
Investment in Mutual Funds*		413.78
TOTAL		**413.78**
*Aggregate amount of quoted investment (at fair value)		413.78

NOTE - 11 : CASH AND CASH EQUIVALENTS

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Balances with Banks		
- in Deposit Accounts	-	204.28
- in Current Accounts	16.04	28.97
TOTAL	**16.04**	**233.25**

NOTE - 12 : OTHER BANK BALANCES

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Balances with Banks		
- in Deposit Accounts	53.00	148.09
TOTAL	**53.00**	**148.09**

1. Fixed deposits held as margin money against BG/LC with validity upto 12 months.
2. Balance with banks in deposit accounts includes interest accrued up to 31.03.2026 amounting ₹ 0.43 Crore (PY ₹ 0.96 Crore).

NOTE -13 : OTHER CURRENT ASSETS

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Prepaid Expense	14.30	14.60
Advance for goods and services	449.25	13.22
Advance to employees	0.25	1.90
Advance to Related Parties	-	0.03
Input Tax Credit (CGST/SGST/IGST)**	284.58	1,556.74
TOTAL	**748.38**	**1,586.49**

* * Refer to Note No. 34.19 (viii)

NOTE - 14 : EQUITY SHARE CAPITAL

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Authorised		
12,00,00,00,000 Equity Shares of ₹ 10/- each	12,000.00	12,000.00
(PY 12,00,00,00,000) Equity Shares of ₹ 10/- each		
	12,000.00	**12,000.00**
Issued, Subscribed and Paid-up		
877,94,19,685 Equity Shares of ₹ 10/- each	8,779.42	7,928.98
(PY 792,89,80,000 Equity Shares of ₹ 10/- each)		
	8,779.42	**7,928.98**

1. Reconciliation of shares outstanding at the beginning and at the end of the reporting period.

(₹ in Crore)

Particulars	31st March 2026		31st March 2025	
	Numbers	Value	Numbers	Value
At the beginning of the year	7,92,89,80,000	7,928.98	7,92,89,80,000	7,928.98
Issued during the year	85,04,39,685	850.44	-	-
Outstanding at the end of the year	8,77,94,19,685	8,779.42	7,92,89,80,000	7,928.98

2. Shares in the Company held by each shareholder holding more than 5% shares:

Name of Shareholders	No.of Shares held (Face value of Rs.10 each)
As at 31.03.2026	
Coal India Limited	2,64,29,85,000
NTPC Limited	2,64,29,85,000
Indian Oil Corporation Limited	2,64,29,85,000
Fertilizer Corporation of India Limited	56,72,34,400
As at 31.03.2025	
Coal India Limited	2,64,29,85,000
NTPC Limited	2,64,29,85,000
Indian Oil Corporation Limited	2,64,29,85,000

3. Details of shareholding of promoters:

Name of Promoters	31.03.2026		31.03.2025		% change during the year
	Numbers	% of total Shares	Numbers	% of total Shares	
Coal India Limited	2,64,29,85,000	30.10%	2,64,29,85,000	33.33%	(0.03)
NTPC Limited	2,64,29,85,000	30.10%	2,64,29,85,000	33.33%	(0.03)
Indian Oil Corporation Limited	2,64,29,85,000	30.10%	2,64,29,85,000	33.33%	(0.03)
Fertilizer Corporation of India Limited	56,72,34,400	6.46%	16,667	0.00%	0.06
Hindustan Fertilizer and Corporation Limited	28,32,30,285	3.23%	8,333	0.00%	0.03
	8,77,94,19,685	**100.00%**	**7,92,89,80,000**	**100.00%**	**-**

Name of Promoters	31.03.2025		31.03.2024		% change during the year
	Numbers	% of tota Shares	Numbers	% of total Shares	
Coal India Limited	2,64,29,85,000	33.33%	2,64,29,85,000	33.33%	-
NTPC Limited	2,64,29,85,000	33.33%	2,64,29,85,000	33.33%	-
Indian Oil Corporation Limited	2,64,29,85,000	33.33%	2,64,29,85,000	33.33%	-
Fertilizer Corporation of India Limited	16,667	0.00%	16,667	0.00%	-
Hindustan Fertilizer and Corporation Limited	8,333	0.00%	8,333	0.00%	-
	7,92,89,80,000	**100.00%**	**7,92,89,80,000**	**100.00%**	-

4. The Company has only one class of equity shares having a face value ₹ 10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meeting of shareholders.

5. Aggregate number of Equity shares allotted as fully paid up pursuant to contract without payment being received in cash;

Particulars	31-03-2026	31-03-2025	31-03-2024	31-03-2023	31-03-2022
Shares issued as consideration for concession rights in the land and value of useable assets	85,04,39,685	-	-	-	-

6. During the year, the company has issued 56,72,17,733 equity share to Fertilizers Corporation of India Limited and 28,32,21,952 equity shares to Hindustan Fertilizer and Corporation Limited against Right of Use of Land and Other Usable Assets obtained at Gorakhpur, Sindri and Barauni sites on registration of lease deed and concession agreement with FCIL and HFCL on dated 11.08.2025

7. There are no cases of shares bought back and shares alloted as fully paid up by way of bonus shares during the preceeding five financial years.

8. The Board of Directors in its Board Meeting held on April 17, 2026 have recommended final dividend of Rs. 0.36 per equity share with face value of Rs.10 each for the financial year ending March 31, 2026, which amount to Rs. 318.52 Crore. The above is subject to approval at the ensuing Annual General Meeting of the company and hence not recognized as a liability.

NOTE 15 : OTHER EQUITY

(₹ in Crore)

	Shares to be issued against Right of use of Land and other Usable Assets	Retained Earning	Other Comprehensive income	Total
Balance as at 01.04.2025	**495.00**	**2,618.59**	**(6.23)**	**3,107.36**
Additions during the year	-	2,457.42	-	2,457.42
Other comprehensive income for the year	-	-	1.43	1.43
Adjustments during the year	(495.00)	-	-	(495.00)
Total comprehensive income during the year	**(495.00)**	**2,457.42**	**1.43**	**1,963.85**
Appropriation towards Interim Dividend	-	(1,343.25)	-	(1,343.25)
(including expenses (net of tax))				
Appropriation towards Final Dividend	-	-	-	-
(including expenses (net of tax))				
Balance as at 31.03.2026	-	**3,732.76**	**(4.80)**	**3,727.96**
Balance as at 01.04.2024	**495.00**	**1,236.52**	**0.27**	**1,731.79**
Additions during the year	-	1,382.07	-	1,382.07
Other comprehensive income for the year	-	-	(6.50)	(6.50)
Adjustments during the year	-	-	-	-
Total comprehensive income during the year	-	**1,382.07**	**(6.50)**	1,375.57
Appropriation towards Interim Dividend	-	-	-	-
(including expenses (net of tax))				
Appropriation towards Final Dividend	-	-	-	-
(including expenses (net of tax))				
Balance as at 31.03.2025	**495.00**	**2,618.59**	**(6.23)**	**3,107.36**
Interim Dividend @1.53 per equity				
share paid during the year				

Interim Dividend @1.53 per equity share paid during the year

NOTE - 16 : BORROWINGS

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Non-Current		
Secured Term Loan		
Consortium Banks	-	11,094.85
Indian Railway Finance Corporation (IRFC)	9,953.66	-
Interest Free Loan from Govt. of India	578.42	659.05
TOTAL	**10,532.08**	**11,753.90**
Current		
From Banks :		
Loan Repayable on Demand	1,159.78	0.00
Current maturities of long term borrowings	23.45	1,557.74
From Others :		
Current maturities of long term borrowings IRFC	1,562.22	-
Current maturities of long term borrowings IFL	134.22	13.40
TOTAL	**2,879.67**	**1,571.14**

Note :

Terms of repayment and security details

1. The long-term bank borrowings have been secured by creating charge in the favor of trustee assigned by consortium of banks against the fixed assets, movable and immovable, other than land (where lease deed would be charged), of the Project, both present and future.
2. Loan from Govt. of India is received as Interest Free Loan (IFL) to meet the expenditure towards Interest during construction period payable to banks against term loan. The total IFL received is ₹ 894.80 crores which is to be repaid in 8 years, 1st installment starting from Sept 2022. IFL repayment of ₹ 5.25 crores for Gorakhpur unit,₹ 4.24 crores for Barauni unit and ₹ 3.91 crores for Sindri unit has been made during FY 2025-26. IFL total repayment of Rs. 46.94 Crore has been made till 31.03.2026, IFL outstanding as on 31.03.2026 is Rs. 847.86 Crore which to be repayable as Rs. from 2026-27 to 2029-30. The present value of loan payable as on 31.03.2026 is shown under current borrowings, government grant in the nature of interest waiver is shown in Note- 22 as deferred income.Pari passu charge has been created on project assets in favour of Government of India against IFL.
3. Interest rate on loan from IRFC is 3M T-bill + spread of 2.04%. The loan from IRFC is repayable as Rs 1562.22 crore per year from 2026-27 to 2032-33 and Rs 580.32 crore in year 2033-34. Security Creation of the IRFC loan is under process.

NOTE - 17 : LEASE LIABILITIES

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Non current		
Lease Liabilities against ROU assets	2.28	4.14
TOTAL	**2.28**	**4.14**
Current		
Lease Liabilities against ROU assets	2.76	4.92
TOTAL	**2.76**	**4.92**

NOTE - 18 : TRADE PAYABLES

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Current		
Trade Payables for Micro, Small and Medium Enterprises (MSME)	9.55	23.09
Total Outstanding other than MSME	9.55	23.09
Trade Payable - Related Party	232.20	170.01
Trade Payables - Others	473.62	787.27
TOTAL	**705.82**	**957.28**

NOTE - 19 : OTHER FINANCIAL LIABILITIES

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Non Current		
Security Deposits from Dealers	136.20	132.44
TOTAL	**136.20**	**132.44**
Current		
- Non MSME (LSTK)	0.02	40.56
- Non MSME (Others)	0.78	1.46
Security Deposits from Vendors	44.52	52.07
Earnest Money Deposit	5.01	4.69
Retention Money from Contractors	549.23	874.79
Liability for Employees	0.27	0.81
Outstanding expenses	573.12	349.19
TOTAL	**1,172.95**	**1,323.57**

NOTE - 20 : PROVISIONS

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Non Current		
Employee Benefits		
-Earned Leaves	16.33	12.06
-Sick Leaves	6.16	4.75
Enterprise Social Commitment	602.78	622.70
TOTAL	**625.27**	**639.51**
Current		
Employee Benefits		
-Earned Leaves	2.22	1.84
-Gratuity	0.23	3.22
-Sick Leaves	0.15	0.76
-Performance linked pay	22.66	34.50
-Income Tax	1.47	-
TOTAL	**26.73**	**40.32**

NOTE 21 : DEFERRED TAX LIABILITIES/(ASSET)

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Opening Balance	895.90	442.79
Deferred Tax Liabilities/(Asset) recognised during the year	829.04	453.11
TOTAL	**1,724.94**	**895.90**

NOTE - 22 : OTHER NON CURRENT LIABILITIES

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Deferred Income- Right of Use Assets	273.23	280.42
Deferred Income- Interest Free Loan from GOI	135.22	188.81
TOTAL	**408.45**	**469.23**

NOTE - 23 : OTHER CURRENT LIABILITIES

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Advance from Customers	28.21	23.33
Total	**28.21**	**23.33**
Statutory Dues:		
TDS (Income Tax) payable	6.70	4.10
GST payable	16.91	14.89
TDS (GST) payable	2.89	2.79
Contribution to Approved Funds	2.83	2.62
Other Statutory Dues	0.14	0.34
Total	**29.47**	**24.74**
TOTAL	**57.68**	**48.07**

NOTE 24 : REVENUE FROM OPERATIONS

(₹ in Crore)

	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Sale of Goods		
A) Finished Goods		
Neem-Coated Urea	1,965.48	1,667.98
Ammonia	54.50	27.52
	2,019.98	1,695.50
Subsidy from GOI - Urea #		
Subsidy- Price	13,937.91	12,562.14
Subsidy- Freight	522.99	432.25
Less: Transferred to expenditure during construction	8.22	(144.13)
period (Note-4)	14,469.12	12,850.26
TOTAL (A)	**16,489.10**	**14,545.76**
B) Traded Goods - Domestic	**483.66**	**425.48**
TOTAL (B)	**483.66**	**425.48**
C) Traded Goods - Imported		
Bharat - DAP - Di Ammonium Phosphate	1,040.74	272.52
Bharat - TSP - Triple Super Phosphate	287.74	63.61
NPK (All Grade)	134.12	-
	1,462.60	336.13

(₹ in Crore)

	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Subsidy from GOI - Imported #		
Subsidy- Price	2,672.28	411.56
Subsidy- Freight	108.89	26.68
	2,781.17	438.24
TOTAL (C)	**4,243.77**	**774.37**
Revenue from Operations : Total (A + B + C)	**21,216.53**	**15,745.61**

Subsidy includes Past Period Subsidy and differential amount for the earlier years notified during the current year

Revenue disaggregation by timings of satisfaction of performance obligation

(₹ in Crore)

Particulars	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
At a point in time	21,216.53	15,745.61
Over a period of time	-	-
	21,216.53	**15,745.61**

Disaggregation revenue by geographical region

(₹ in Crore)

Particulars	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Within India	21,216.53	15,745.61
Outside India	-	-
	21,216.53	**15,745.61**

NOTE 25 : OTHER INCOME

(₹ in Crore)

	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Interest from :		
Deposits with Banks	40.59	49.60
Mobilisation Advances	0.28	0.56
	40.87	50.16
Gain on Mutual Fund Investments	15.27	38.04
Deferred Income- Right of Use Assets	7.30	4.40
Deferred Income- Interest Free Loan from GOI	53.59	50.59
Miscellaneous income	4.60	20.91
	80.76	113.94
TOTAL	**121.63**	**164.10**

NOTE 26 : COST OF MATERIALS CONSUMED

(₹ in Crore)

	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Cost of Materials Consumed:		
Natural Gas	6,879.83	6,369.03
Packing Material	140.06	114.99
Neem Oil	27.88	18.56
Chemicals	31.69	20.92
Raw Water	12.91	11.88
TOTAL	**7,092.37**	**6,535.38**

NOTE 27 : PURCHASES OF STOCK-IN-TRADE

(₹ in Crore)

	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Traded Goods - Domestic	437.03	385.84
	437.03	385.84
Traded Goods - Imported		
Bharat - DAP - Di Ammonium Phosphate	3,057.21	621.94
Bharat - TSP - Triple Super Phosphate	736.95	108.57
NPK (All Grade)	209.94	-
	4,004.10	730.51
TOTAL	**4,441.13**	**1,116.34**

NOTE 28 : CHANGES IN INVENTORIES

(₹ in Crore)

	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Changes in Inventories:		
Neem Coated Urea	54.25	9.04
Ammonia	(2.23)	(2.70)
TOTAL	**52.02**	**6.34**

NOTE 29 : FREIGHT AND HANDLING

(₹ in Crore)

	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Freight and Handling Expense	484.10	393.35
Freight and Handling Expense (Trading Domestic)	-	1.27
Freight and Handling Expense (Trading Imported)	155.89	47.79
TOTAL	**639.99**	**442.41**

NOTE 30 : EMPLOYEE BENEFITS EXPENSES

(₹ in Crore)

	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Salary and other benefits		
Salary	152.13	161.30
Contribution to Provident Fund	9.98	9.55
Other Employee Benefits	2.27	1.74
	164.38	**172.59**
Deputation Cost		
For Employees of CIL	0.01	2.37
For Employees of NTPC	-	1.67
For Employees of IOCL	1.07	1.55
	1.08	5.59
TOTAL	**165.46**	**178.18**

NOTE 31 : FINANCE COST

(₹ in Crore)

	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Unwinding of discount on Lease Liabilities	0.65	1.02
Unwinding of discount on Interest Free Loan	53.59	50.59
Interest and Other Borrowing Cost	1,026.82	1,260.96
TOTAL	**1,081.06**	**1,312.57**

NOTE 32 : DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Crore)

	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
On Property Plant and Equipment (Note-3)	965.71	907.94
On Intangible Assets (Note-5)	1.17	0.57
On Right of Use of Assets (Note-6)	24.32	19.28
TOTAL	**991.20**	**927.79**

NOTE 33 : OTHER EXPENSES

(₹ in Crore)

	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Promotional expenses	24.33	37.26
Bagging Operations	36.11	34.67
Manpower Services	26.11	24.92
Telephone & Internet Expenses	0.89	0.90
Vehicle Hire Charges	5.10	4.80
Advertisement and Publicity Expenses	0.26	0.20
Auditor's Remuneration	0.11	0.10
Consultancy Expense	0.47	0.15
Credit Rating Fee	0.19	0.08
Electricity & Fuel Expenses	3,163.47	3,164.77
Loss on Foreign exchange (net)	34.42	17.57
Guest House Expenses	3.84	2.11
Hotel Accommodation Charges	0.50	0.61
Legal and Professional Expenses	1.40	0.94
Bank Charges	5.06	16.50
Insurance Premium	101.68	82.05
Office Expenses	1.19	0.54
Printing & Stationeries	0.33	0.25
Recruitment Expense	0.32	1.02
EDP & IT Expenses	5.03	5.40
Rent- Building	0.78	0.86
Repair & Maintenance	85.92	90.36
Security Service Charge	26.00	24.91
Housekeeping Expenses	3.62	3.23
Rate & Taxes	1.61	4.77
Travelling Expenses	6.81	5.96
Training Expenses	1.29	1.11
Environment Monitoring Expense	1.29	0.87
Horticulture Work	3.37	1.99
CSR Expenses	23.48	11.24
Canteen Expenses	7.56	6.65
Miscellaneous Expenses	8.57	6.55
TOTAL	**3,581.11**	**3,553.33**

NOTE 34: ADDITIONAL INFORMATION

34.1 Accounting for Leases

Inter-Ministerial Committee (IMC) constituted by Government of India with the approval of Union Cabinet had approved allotment of land at all the 3 project locations on a nominal lease rent for a period of 55 years. On receipt of final approval from the Union Cabinet by Department of Fertilizers the land agreement and concession agreement have been signed on Gorakhpur, Sindri and Barauni Site. Lease deed for land in respect of Gorakhpur, Sindri and Barauni site was registered on 08th May, 2019, 29th August, 2019 and 4th November, 2019 respectively. Accordingly, right of use for land and other usable assets at three sites was recognised for the first time during the year 2019-20 with corresponding lease liabilities shown under Financial Liabilities and Equity and will continue till lease period.

The impact of recognition in line with Ind AS 116 (Leases) is shown in Right of Use Assets, Lease Liabilities, Finance Cost, Amortisation Expense, Deferred Income and Deferred Income-Liability.

Information about leases for which the company is a lessee is presented below:

(i) Amount recognized in the Balance Sheet

(₹ in Crore)

Particulars	Year Ended 31-03-2026	Year Ended 31-03-2025
Balance at the beginning of the year	822.90	821.14
Additions to right-of-use assets	356.48	1.76
Deletion/ Derecognition of right to use assets	0.28	-
Balance at the ending of the year	1,179.10	822.90
Carrying amount of right-of-use assets at the end of the	1,051.63	719.48
year by class of underlying asset		

(ii) Amounts recognized in the Statement of Profit and Loss

(₹ in Crore)

Particulars	Year Ended 31-03-2026	Year Ended 31-03-2025
Interest expense on lease liabilities		
Amortisation charged during the year	0.65	1.02
Expense relating to short term, low value leases	24.33	19.28
and variable lease	0.78	0.86

(iii) Amounts recognized in the Statement of Cash Flows

(₹ in Crore)

Particulars	Amount
Year Ended 31.03.2026	5.69
Year Ended 31.03.2025	5.07

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2026	As at March 31, 2025
Less than one year	3.02	5.51
One to five years	2.28	4.24
More than five years	1.24	1.24
Total	**6.54**	**10.99**

34.2 Related Party & Key Management Personnel (KMP) Disclosures

A. Related Party Information

S.No.	Name of the related party	Description of relationship
1	Coal India Limited	Promoter Venturers
2	NTPC Limited	
3	Indian Oil Corporation Limited	
4	Hindustan Fertilizer Corporation Limited	
5	Fertilizer Corporation of India Limited	
6	Assam Valley Fertilizer and Chemcial Corporation Limited	Joint Venture
7	Utility Powertech Limited	Joint Venture of NTPC Ltd

B. Key Management Personnel

Mr. Siba Prasad Mohanty (S.P. Mohanty)	Managing Director (MD)
Ms. Poonam Jeswani	Chief Financial Officer (CFO) [w.e.f. 19.07.2024]
Mr. Anurag Shukla	Chief Financial Officer (CFO) [w.e.f. 28.09.2022 upto 07.06.2024]
Ms. Iti Matta	Company Secretary (CS)
Independent Directors	No Independent Directors during FY 2025-26

Transactions with Related Parties

(₹ in Crore)

S.No.	Name of the related party	For the year ended 31.03.2026	For the year ended 31.03.2025
1	**Deputation Cost**		
	NTPC Limited	0.00	1.67
	Coal India Limited	0.01	2.37
	Indian Oil Corporation Limited	1.07	1.55
2	**Others**		
	Indian Oil Corporation Limited		
	-Purchase of Fuel/Natural Gas	1,713.99	1,175.48
	-Purchase of Lubricants/Diesel	2.24	2.54
	-Others	-	0.05
	NTPC Limited		
	-Others	0.00	-
	Assam Valley Fertilizer and Chemcial Corporation Limited		
	-Other Income	0.01	-
	-Out of Pocket Expenses	0.86	-
	Fertilizer Corporation of India Limited		
	- Rent Expenses	0.52	0.44
	Hindustan Fertilizer Corporation Limited		
	- Rent Expenses	0.01	0.01
	Utility Powertech Limited		
	- Purchase of Services	9.16	8.57
3	**Dividend Paid**		
	NTPC Limited	404.38	-
	Coal India Limited	404.38	-
	Indian Oil Corporation Limited	404.38	-
	Fertilizer Corporation of India Limited	86.79	-
	Hindustan Fertilizer Corporation Limited	43.33	-
4	**Shares issued**		
	Fertilizer Corporation of India Limited	567.22	-
	Hindustan Fertilizer Corporation Limited	283.22	-

Outstanding Balance Receivable/(Payable)

(₹ in Crore)

S.No.	Name of the related party	As at 31.03.2026	As at 31.03.2025
1	**Promoter Venturers**		
i.	NTPC Limited	0.00	(.69)
ii.	Coal India Limited	0.00	(.00)
iii.	Indian Oil Corporation Limited	(232.18)	(169.28)
iv.	Hindustan Fertilizer Corporation Limited	-	-
v.	Fertilizer Corporation of India Limited	(.01)	(.01)
2	**Others**		
I.	Utility Powertech Limited	(.54)	(1.13)

Apart from above, lease liabilities are recognised during the year against right of use of land and other usable assets (Note 34.1). The balance of lease liabilities as on 31.03.2026 & 31.03.2025 towards Promoter Venturers is as follows:

Outstanding Balance Receivable/(Payable)

(₹ in Crore)

Particulars	As at 31.03.2026	As at 31.03.2025
Lease Liabilities (Present value of lease rent)		
FCIL (for Gorakhpur and Sindri)	0.24	0.24
HFCL (for Barauni)	0.12	0.12
Value of Shares to be issued against Right of use of Land and other Usable Assets		
FCIL (for Gorakhpur and Sindri)	0.00	330.00
HFCL (for Barauni)	0.00	165.00

Remuneration of Key Managerial Personnel

(₹ in Crore)

S.No.	Name of the related party	For the year ended 31.03.2026	For the year ended 31.03.2025
1	**Salary and Other Benefits**		
	Mr. Siba Prasad Mohanty, MD	0.89	0.79
	Ms. Iti Matta, CS	0.49	0.39
2	**Deputation Cost**		-
	Ms. Poonam Jeswani, CFO [w.e.f. 19.07.2024]	0.95	0.57
	Mr. Anurag Shukla, CFO [w.e.f. 28.09.2022 upto 07.06.2024]	0.00	0.30

34.3 Earnings Per Share

S.No.	Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025#
i.	Net profit after tax attributable to Equity Shareholders (₹ in Crore)	2,457.42	1,382.08
ii.	Weighted Average no. of Equity Shares Outstanding as on reporting date*	8,47,18,63,415	8,47,18,63,415
iii.	Basic and Diluted Earnings per Share in Rupees (Face value ₹10/- per share)	2.90	1.63

restated

* Calculated as (7,92,89,80,000*365/365) + (85,04,39,685*233/365) considering allotment of fresh equity shares on 11.08.2025

34.4 Disclosure for employee Benefits as per Actuary's Certificate

The disclosures as per actuary's certificate for employee benefits for gratuity, earned leaves and sick leaves are given below:

ACTUARIAL VALUATION OF EMPLOYEE BENEFITS AS AT 31.03.2026 CERTIFICATES AS PER IND AS 19

(a) Table Showing Changes in Present Value of Obligations:

(₹ in Crore)

Period	Gratuity	Earned Leaves	Sick Leaves
Present value of the obligation at the end of the period	13.65	18.55	6.30

(b) Key results (The amount to be recognized in the Balance Sheet):

(₹ in Crore)

Period	Gratuity	Earned Leaves	Sick Leaves
Present value of the obligation at the beginning of the period	10.37	13.90	5.51
Interest Cost	0.73	0.97	0.39
Current Service Cost	3.33	5.06	1.45
Benefits paid	-0.61	-1.34	-
Actuarial (gain)/loss	-0.18	-0.04	-1.05
Present value of the obligation at the end of the period	13.65	18.55	6.30
Fair value of plan assets at end of period	13.42	-	-
Funded Status - Surplus/ (Deficit)	(.23)	(18.55)	(6.30)

c) Summary of membership data at the date of valuation and statistics based thereon:

(₹ in Crore)

Period	Gratuity	Earned Leaves	Sick Leaves
Number of employees	1063	1,063	1,063
Total monthly salary (₹ in Cr)	7.21	7.21	10.77
Average Past Service (Years)	3.1	3.1	3.1
Average Future Service (Years)	26.1	26.1	26.1
Average Age (Years)	33.9	33.9	33.9
Total Leave With Cap/Without Cap (No.s)	-	70051	15023
Total CTC for Availment/ Rate	-	10.77/ 3%	-
Weighted average duration (based on discounted cash flows) in years	14.24	14.24	14.24
Average monthly salary	0.0068	0.0068	0.0101
Encashable	-	75%	-
Non- Encashable	-	25%	100%
Expected Future Service taking into account Decrements (Years)	15.00	-	-

(d) Actuarial assumptions selected by the company and employed for the calculations are tabulated:

Discount rate	7.00 % per annum
Salary Growth Rate	7.00 % per annum
Mortality	IALM 2012-14
Withdrawal rate (Per Annum)	10.00% p.a.

(e) Benefits valued:

Normal Retirement Age	60 Years
Salary	Last drawn qualifying salary
Earned Leave Benefits on Normal Retirement	1/30 * Salary * Number of leaves.
Gratuity Benefits on Normal Retirement	15/26 * Salary * Past Service (yr)
Sick Leave Benefits	NIL (Non-Encashable)
Vesting Period for Gratuity	**5/1 years of service**
Benefit on early exit	Same as normal retirement benefit based on service upto the date of exit.
Benefit on death	Same as normal retirement benefit based on service upto the date of death & no vesting conditions apply.
Gratuity Limit (₹ in Cr)	0.25

(f) Current Liability (Expected pay-out in next year as per schedule III of the Companies Act, 2013):

(₹ in Crore)

Period	Gratuity	Earned Leaves	Sick Leaves
Current Liability (Short Term)	0.23	2.22	0.14
Non-Current Liability (Long Term)		16.33	6.16
Total Liability	0.23	18.56	6.30

34.4 Disclosure for employee Benefits as per Actuary's Certificate

ACTUARIAL VALUATION OF EMPLOYEE BENEFITS AS AT 31.03.2025 CERTIFICATES AS PER IND AS 19

(a) Table Showing Changes in Present Value of Obligations:

(₹ in Crore)

Period	Gratuity	Earned Leaves	Sick Leaves
Present value of the obligation at the end of the period	10.37	13.9	5.5

(b) Key results (The amount to be recognized in the Balance Sheet):

Period	Gratuity	Earned Leaves	Sick Leaves
Present value of the obligation at the beginning of the period	3.83	5.02	3.69
Interest Cost	0.27	0.36	0.26
Current Service Cost	2.85	4.10	1.63
Benefits paid	-0.41	-0.52	-
Actuarial (gain)/loss	3.83	4.94	-0.08
Present value of the obligation at the end of the period	10.37	13.90	5.50
Fair value of plan assets at end of period	7.13	-	-
Funded Status - Surplus/ (Deficit)	(3.24)	(13.90)	(5.50)

(c) Summary of membership data at the date of valuation and statistics based thereon:

Period	Gratuity	Earned Leaves	Sick Leaves
Number of employees	859	859	859
Total monthly salary (₹ in Cr)	6.20	6.20	9.65
Average Past Service (Years)	2.9	2.9	2.9
Average Future Service (Years)	25.7	25.7	25.7
Average Age (Years)	34.3	34.3	34.3
Total Leave With Cap/Without Cap (No.s)	-	49517/49517	12559/12559
Total CTC for Availment/ Rate	-	964.88/ 3%	-
Weighted average duration (based on discounted cash flows) in years	22	22	-
Average monthly salary	0.0072	0.0072	0.0112
Encashable	-	75%	-
Non- Encashable	-	25%	100%
Expected Future Service taking into account Decrements (Years)	15.00	-	-

(d) Actuarial assumptions selected by the company and employed for the calculations are tabulated:

Discount rate	7.00 % per annum
Salary Growth Rate	7.00 % per annum
Mortality	IALM 2012-14
Withdrawal rate (Per Annum)	10.00% p.a.

(e) Benefits valued:

Normal Retirement Age	60 Years
Salary	Last drawn qualifying salary
Earned Leave Benefits on Normal Retirement	1/30 * Salary * Number of leaves.
Gratuity Benefits on Normal Retirement	15/26 * Salary * Past Service (yr)
Sick Leave Benefits	NIL (Non-Encashable)
Vesting Period for Gratuity	5 Years of service
Benefit on early exit	As above, subject to rules of the company
Benefit on death	As above, subject to rules of the company
Gratuity Limit (₹ in Lakh)	20

(f) Current Liability (Expected pay-out in next year as per schedule III of the Companies Act, 2013):

(₹ in Crore)

Period	Gratuity	Earned Leaves	Sick Leaves
Current Liability (Short Term)	0.76	1.84	0.76
Non-Current Liability (Long Term)	9.61	12.06	4.74
Total Liability	10.37	13.90	5.50

34.5 Financial Instruments

Financial risk management

The Company's activities expose it to liquidity risk, market risk and credit risk.
This note explains the sources of risk which the entity is exposed to and how the entity manages the risk :-

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, Other bank balances, Trade Receivables and security deposits, Mutual funds	Ageing analysis	Diversified bank deposits & investment in 100% debt SBI Mutual fund or in Scheduled Banks current account and Financial Assets.
Liquidity risk	Retention Money/deposits from contractors, Borrowings & others	Rolling cash flow forecasts	Availiablity of enough cash & cash equivalents & reserves, availability of committed credit line and borrowing facilities and availiability of equity commitment from the promoters. Continuous monitoring of cash flows and matching of maturities of financial assets & liabilities.
Market risk- foreign currency	Purchase/acquisition of capital goods	Prevailing foreign exchange movements	Management monitor foreign exchange fluctuation to manage the risk relating to foreign exchange variance.
Market risk- Interest Rate	Long-term borrowings at variable interest rates	Sensitivity analysis	Management regularly monitors the prevailing market conditions to address the risk relating to interest rate.

(A) Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the company. Credit risk arises from company's activities in investments, dealing in derivatives and receivables from customers. The Company ensure that sales of products are made to customers with appropriate creditworthiness. Investment and other market exposures are managed against counterparty exposure limits. Credit information is regularly shared between businesses and finance function, with a framework in place to quickly identify and respond to cases of credit deterioration.

The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. Credit risk is actively managed through advance payments and security deposit etc to avoid concentration of risk. The company restricts its fixed income investments to liquid securities carrying high credit rating of State Bank of India.

(B) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and maketetable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligation when due. The construction phase has completed recently and Company need to maintain liquidity for operations. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash requirements, adequate working capital facilities with the consortium banks.

(i) Financing arrangement:

During the year, the Company has access of undrawn term loan facilities amounting to ₹ 945.51 crore.During the year, the Company has access to undrawn fund-based working capital facilities of ₹ 4,609.86 crore and undrawn non-fund-based working capital facilities of ₹ 2,355 crore.

(ii) **Maturities of Financial liabilities:**

The following table details the company's remaining contractual maturity for the non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flow of financial liabilities based on the earliest date on which the company may be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the company may be required to pay.

Contractual maturities of financial liabilities:

(₹ in Crore)

31-03-2026	Less than One Year	One to Five Year	More than Five Year	Total
Non-derivatives				
Creditors for captial goods/services and others	1,289.53	-	-	1,289.53
Lease liabilities	3.02	2.28	1.24	6.54
Retention Money/Deposits	598.76	136.20	-	734.96
Borrowings	2,879.67	-	10,532.08	13,411.75
Total non-derivative liabilities	**4,770.98**	**138.48**	**10,533.32**	**15,442.78**

31-03-2025	Less than One Year	One to Five Year	More than Five Year	Total
Non-derivatives				
Creditors for captial goods/services and others	1,372.38	-	-	1,372.38
Lease liabilities	5.51	4.24	1.24	10.99
Retention Money/Deposits	931.55	132.44	-	1,064.00
Borrowings	1,571.14	7,811.00	3,942.90	13,325.04
Total non-derivative liabilities	**3,880.58**	**7,947.68**	**3,944.14**	**15,772.40**

(C) Market Risks

(i) Foreign Currency Risk

The Company had imported certain plant and machineries and other project items which are denominated in Euro/GBP/JPY/US dollars and exposed it to foreign currency risk. The Company monitors the foreign currency rates in the prevailing market to manage the risk relating to foreign exchange. The Company has not hedged any foreign currency risk as at the reporting date. At present the company s only importing spares and equipment for operations purpose as and when required. The company's exposure to foreign currency risks at the end of the reporting period expressed, i.e. solely related to project constuction in INR as follows:

(₹ in Crore)

31-03-2025	31-03-2026	31-03-2025
Financial Liabilities		
Creditors	215.96	12.32

Sensitivity Analysis with respect to financial liabilities of creditors for the project, change in exchange rate shall have an impact on the profitability of the company. A change of 1 % in exchange rate would increase/decrease the profit for the year ended 31st March 2026 by Rs. 2.16 crore (increase/decrease the profit for year ended 31st March 2025 by Rs. 0.12 Crore)

ii) Interest Rate Risk

The Company's interest rates risk arises from long-term and short-term borrowings with variable interest rates which expose the Company to cash flow interest rate risk. The Company monitors the interest rates in the market and accordingly will pursue replacement existing loans and renegotiate interest rate of existing facilities based on improvement in credit rating and market scenario.

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

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the company's loss for the year ended March 31, 2026 would increase/decrease by Rs. 6.71 crore (for the year ended March 31, 2025: increase/decrease By Rs. 6.66 crore). This is mainly attributable to the company's exposure to interest rate on its variable rate borrowings.

Capital Management

Risk Management

The Company's objectives in managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain optimal capital structure.

The company monitors capital on the basis of the following gearing ratio :

Net Debt (total borrowings including lease liabilities, cash & cash equivalents) divided by Total 'equity' (as shown in the balance sheet)

The company's strategy is to maintain Debt Equity ratio as agreed with bank. Present Debt Equity ratio is as follows :

(₹ in Crore)

Particulars	31.03.2026	As at 31.03.2025
Net Debt	13,416.79	13,334.11
Total Equity	12,507.38	11,036.34
Net Debt to equity ratio (in times)	1.07	1.21

Loan covenants

As per restated term loan agreement, the company is required to maintain the following ratios (the "Financial Covenants") for the financial year ended March 31, 2026, and if there is an adverse deviation by more than 5%~10% from the level stipulated below in respect of any two of the following items default interest at deafult rate shall be payable.

Ratio of Debt to EBITDA of a maximum of 5.00

Interest coverage ratio of a minimum of 1.50

DSCR of a minimum of 1.15 and

FACR of a minimum of 1.20

As per the financial of FY 2025-26, company has not breached any of the covenants and will be not liable for additional interest payout during the FY 2025-26.

Fair Value Mesurements

Financial instruments by category

(₹ in Crore)

	31-03-2026		31-03-2025	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Investments	-	-	413.78	-
Cash and cash equivalents	-	16.04	-	233.25
Other bank balances	-	53.00	-	148.09
Bank deposits with more than 12 months maturity	-	341.32	-	332.44
Security deposit	-	17.86	-	17.11
Trade receivable	-	5,236.76	-	3,449.76
Others	-	0.02	-	0.03
Total	-	**5,665.00**	**413.78**	**4,180.68**
Financial Liabilities				
Other financials liabilities	-	2,029.53	-	2,445.44
Borrowings	-	13,411.75	-	13,325.04
Total	-	**15,441.28**	-	**15,770.48**

Fair Value of financial assets and liabilities measured at amortised cost (₹ in Crore)

	31-03-2026		31-03-2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Investments	-	-	413.78	413.78
Cash and cash equivalents	16.04	16.04	233.25	233.25
Other bank balances	53.00	53.00	148.09	148.09
Bank deposits with more than 12 months maturity	341.32	341.32	332.44	332.44
Security deposit	17.86	17.86	17.11	17.11
Trade receivable	5,236.76	5,236.76	3,449.76	3,449.76
Others	0.02	0.02	0.03	0.03
Total	**5,665.00**	**5,665.00**	**4,594.46**	**4,594.46**
Financial Liabilities				
Other financials liabilities	2,029.53	2,029.53	2,445.44	2,445.44
Borrowings	13,411.75	13,411.75	13,325.04	13,325.04
Total	**15,441.28**	**15,441.28**	**15,770.48**	**15,770.48**

Fair value hierarchy

This explains the judgements and estimates made in determining the fair values of the financial instruments that is (a) measured at amortised cost and (b) measured at fair value for which fair values are disclosed in the financial statements. To provide an indication about the realiability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Assets and liabilities which are measured at amortised cost for which fair values are disclosed.

(₹ in Crore)

31-03-2026	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments	-	-	-	-
Cash and cash equivalents	-	-	16.04	16.04
Other bank balances	-	-	53.00	53.00
Bank deposits with more than 12 months maturity	-	-	341.32	341.32
Security deposit	-	-	17.86	17.86
Trade receivable	-	-	5,236.76	5,236.76
Others	-	-	0.02	0.02
Total	-	-	**5,665.00**	**5,665.00**
Financial Liabilities				
Other financials liabilities	-	-	2,029.53	2,029.53
Borrowings	-	-	13,411.75	13,411.75
Total	-	-	**15,441.28**	**15,441.28**

(₹ in Crore)

31-03-2025	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments	413.78	_	-	413.78
Cash and cash equivalents	-	_	233.25	233.25
Other bank balances	-	_	148.09	148.09
Bank deposits with more than 12 months maturity	-	_	332.44	332.44
Security deposit	-	_	17.11	17.11
Trade receivable	-	_	3,449.76	3,449.76
Others	-	_	0.03	0.03
Total	**413.78**	_	**4,180.68**	**4,594.46**
Financial Liabilities				
Other financials liabilities	-	_	2,445.44	2,445.44
Borrowings	-	_	13,325.04	13,325.04
Total	-	_	**15,770.48**	**15,770.48**

The financial instruments are categorised into three levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs based on unobservable market data.

Valuation Methodology

All financial instruments are initially recognised and

a) The fair value of investment in Mutual Funds is measured at quoted price or NAV.

b) The fair value of other financial liabilities, cash and cash equivalents, other bank balances, trade receivables etc are considered to be the same as the carrying amounts due to their liquidity in nature.

c) The fair values for borrowings were calculated based on the future cash flows discounted using a current borrowing rate.

34.6 Information in respect of micro and small enterprises reported as required by Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act):

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Amount remained unpaid (Trade Payables & Capital Goods)		
a) Principal amount (Note-18)	9.55	23.09
b) Interest due thereon	-	-
Total interest paid on all delayed payments during the year under the provisions of the Act	-	-
The amount of interest due and payable for the period (Where the principal has been paid but interest under the MSMED Act, 2006 not paid);	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year;	-	-
The amount of further interest due and payable even in the succeeding year, 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.	-	-

Note: The above information has been disclosed in respect of parties which have been identified on the basis of the information available with the Company.

34.7 Unit wise revised Project Cost and COD

The approved revised project cost is tabulated below:

Name of Project	Original Cost (₹ in crore) (in year 2017)	Revised Estimated cost (₹ in crore) (in year 2021)	Further Revised cost (₹ in crore) (in year 2023)	COD
Gorakhpur	7,085.77	8,602.71	9,443.20	03.05.2022
Sindri	6,977.01	8,130.09	8,939.25	15.04.2023
Barauni	7,043.26	8,387.99	9,512.15	30.04.2023
Total	**21,106.04**	**25,120.79**	**27,894.60**	

34.8 Commitments & Contingent Liabilities & Pending Litigations:

a) Commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for as on 31.03.2026 is ₹ 9.11 crore (PY ₹ 763.60 crore for FY 2024-25).

b) Contingent Liabilities: Claims against the company not acknowledged as debt ₹ 195.39 crore (PY ₹ 1,707.42 crore).

The total claims from government authorities amount to ₹ 2.85 crores which a demand letter issued by Eastern railway for which suitable reply have been provided by the management but there is no further update on the same.

c) Pending Litigations:

NAME OF PARTY	PENDING BEFORE COURT - Lower Court/ Arbitration/ HC/SC	CASE NO. OR PETITION NO. OR COMPLAINT NO.	NATURE OF CLAIM	RELIEF CLAIMED BY PARTY	PRESENT STATUS
M/s S.B Protech Pvt. Ltd.	Arbitral Trbunal, Delhi	ARB.P.-871/2022	Arbitration	28.88	Next date is 06.05.2026 for recording of remaining cross examination.
M/s Sanjeet Kumar	Labour Court, Begusarai	P.W-18/2023	Labour / Service	0.39	Hearing on Recall of witness for re-examination.
Ms. Nitu Devi	Employees Compensation Commissioner, Dhanbad	WC 01/2022	Labour / Service	0.33	Argument was partly heard on 09.04.2026 and the next date is fixed for 22.04.2026 for further argument.
BGR Energy System Ltd	Arbitral Trbunal, Delhi		Arbitration	48.06	In the first session, the Tribunal will take up for consideration the application for vacating the order of stay filed by the Respondent. In the second sitting, the Tribunal will take up for consideration the application filed by the Claimant under Section 17 of the Arbitration and Conciliation Act.
Labour Enforcement Officer (Central) - III, Dhanbad	Regional Labour Commissioner, Central Dhanbad	MW Claim(27) (2023)/LEO/D-III	Labour/ Service	0.18	NCLT order of Nice is under scruitiny at RLC Office.
Mumbai Port Authority	City Civil Court, Bombay	S C S No. 100735 of 2024	Commercial/ Merchantile	0.26	Posted to 23.06.2026 for filing of draft issues.
Md Parvez Alam	Labour Court, Begusarai	P.W-09/2024	Labour/ Service	0.57	Hearing on Recall of witness for re-examination.
	District Magistrate, Gorakhpur		Stamp Duty	54.63	Pending with District Magistrate. No fresh date was given.
Basant Kumar Rai	Arbitral Tribunal	Arbitration 563/ 2025 DIAC: DIAC/11475/09-25	Arbitration	7.86	The matter has now been listed for hearing on 04.05.2026.
M/s. P. S. Contruction	Sub Judge Court, Begusarai	Money Suit No.31 / 2022	Delayed/ non-payment	1.80	Written Statement filed on behalf of HURL

Md. Qurvan	Labour Court	P.W.-20/2025	Labour / Service	0.72	Reply to be filed on behalf of HURL
M/S COMT Construction Pvt Ltd.	Arbitral Trbunal, Delhi		Arbitration	48.85	Case was referred to mediation dated 06.04.2026 in which the claimant stated to withdraw the case and next hearing scheduled before the High Court is 04.05.2026.
			Total	**192.54**	

Note: The above amount has already been included in contingent liabilities.

34.9 Expenditure in Foreign Currency

(₹ in Crore)

Unit	For the year ended 31.03.2026	For the year ended 31.03.2025
CAPEX Expenditure (in GBP, USD, EUR and JPY)	278.36	40.22
O&M Expenditure (in GBP, USD, EUR and JPY)	3,769.24	49.40

34.10 Enterprise Social Commitment/ Corporate Environment Responsibility (ESC/ CER)

Provision for ESC/CER as on 31.03.2026 is ₹ 602.78 crore (PY ₹ 622.70 crore).

34.11 Disclosure in respect of Indian Accounting Standard (Ind AS)-36 "Impairment of assets"

The Company, at each balance sheet date, assesses whether there is any indication of impairment of any asset and/or cash generating unit. If such indication exists, assets are impaired by comparing carrying amount of each asset and/or cash generating unit to the recoverable amount being higher of the net selling price or value in use. Value in use is determined from the present value of the estimated future cash flows from the continuing use of the assets. The Company has no impairment loss during the current and previous year.

34.12 Trade Payables ageing schedule as at 31st March, 2026

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	9.55	-	-	-	-	9.55
(ii) Others	610.16	94.81	0.06	0.12	0.67	705.82
(iii) Disputed dues – MSME	-	-	-	-	-	0.00
(iv) Disputed dues – Others	-	-	-	-	-	0.00
Total	**619.71**	**94.81**	**0.06**	**0.12**	**0.67**	**715.37**

Trade Payables ageing schedule as at 31st March, 2025

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	23.09	-	-	-	-	23.09
(ii) Others	911.57	44.05	0.68	0.77	0.22	957.28
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
Total	**934.66**	**44.05**	**0.68**	**0.77**	**0.22**	**980.37**

34.13 Trade Receivable ageing schedule as at 31st March, 2026

(₹ in Crore)

Particulars	Unbilled	Outstanding for following periods from due date of payment					
		Less than 6 Months	6 Months to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables considered good	3,278.80	1,940.45	16.30	1.21	-	-	5,236.76
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables– which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables– credit impaired	-	-	-	-	-	-	-
Total	**3,278.80**	**1,940.45**	**16.30**	**1.21**	**-**	**-**	**5,236.76**

Trade Receivable ageing schedule as at 31st March, 2025

(₹ in Crore)

Particulars	Unbilled	Outstanding for following periods from due date of payment					
		Less than 6 Months	6 Months to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables considered good	34.65	3357.78	57.33	-	-	-	3449.76
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– which have significant increase in credit risk	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– credit impaired	-	-	-	-	-	-	-
Total	**34.65**	**3357.78**	**57.33**	**-**	**-**	**-**	**3449.76**

34.14 Additional Regulatory Information:

i) The Company does not hold any Immovable Property of which Title deeds are not held in name of the Company as at 31 March 2026.

ii) The company does not hold any Investment Property in its books of accounts, so fair valuation of investment property is not applicable.

iii) During the year the company has not revalued any of its Property, Plant and equipment & Intangible Assets.

iv) The company has not granted any loans or advances to promoters, directors, Key Management Personnel (KMP) and the related parties that are repayable on demand or without specifying any terms or period of repayment.

v) Capital-Work-in Progress (CWIP) - Ageing Schedule as at 31 March 2026

(₹ in Crore)

Capital-Work-in Progress (CWIP)	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	13.17	18.30	-	-	31.47
Projects temporarily suspended	-	-	-	-	-

Capital-Work-in Progress (CWIP) - Ageing Schedule as at 31 March 2025

(₹ in Crore)

Capital-Work-in Progress (CWIP)	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	28.95	-	-	-	28.95
Projects temporarily suspended	-	-	-	-	-

v) (a) There are no Capital-Work-in Progress (CWIP) whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2026 & March 31, 2025

vi) The Company does not have any intangible assets under development as on date.

vii) No proceedings have been initiated or pending against the company under the Benami Transactions (Prohibition) Act,1988.

viii) The quarterly returns / statement of current assets filed by the company with banks / financial institutions are in agreement with the books of accounts.

ix) The company has not been declared as a wilful defaulter by any bank or financial institution or any other lender.

x) There are no transactions with respect to struck off companies as mentioned under section 248 of the Companies Act, 2013.

xi) The company has no cases of any charges or satisfaction yet to be registered with ROC beyond the statutory time limits.

xii) During the year, the Company did not have any subsidiary, and accordingly, the provisions of clause (87) of section 2 of the Act, read with the Companies (Restriction on Number of Layers) Rules, 2017, are not applicable to the Company.

xiii) The Company does not have any scheme of arrangements which have been approved by the Competent Authority in terms of Section 230 to 237 of the Companies Act, 2013

xiv) The company has not provided nor taken any loan or advance to/from any other person or entity with the understanding that benefit of the transaction will go to a third party, the ultimate beneficiary.

xv) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of Income Tax Act, 1961).

xvi) The Company has not traded or invested in crypto currency or virtual currency during the respective financial year.

xvii) Disclosure of Ratios

Ratio	Numerator	Denominator	FY 2025-26	FY 2024-25	% Variance	Reason for Variance
Current ratio	Current Assets	Current Liabilities	1.38	1.23	12.25	
Debt-equity ratio	Paid-up debt capital (Long term borrowings+ Short term borrowings)	Shareholder's Equity (Total Equity)	1.07	1.21	-11.38	
Debt service coverage ratio	Profit for the year+ Finance costs+ Depreciation and amortiation expenses+ Exceptional items	Finance Costs + lease payments+ Scheduled principal repayments of long term borrowings	1.71	1.27	35.16	Improvement in Profitability has increased DSCR
Return on equity ratio	Profit for the year	Average Shareholder's Equity	19.65%	12.52%	56.91	Improvement in Profitability has incre-ased Return on equity.
Inventory turnover ratio	Revenue from operations	Average Inventory	39.92	40.97	-2.56	
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	4.88	4.90	-0.53	
Trade payables turnover ratio	Total Purchases (Fuel Cost + Other Expenses +Closing Inventory- Opening Inventory)	Average Trade Payables	8.36	10.09	-17.12	
Net capital turnover ratio	Revenue from operations	Working Capital+ current maturities of long term borrowings	6.99	6.38	9.58	
Net profit ratio	Profit for the year	Revenue from operations	11.58	8.78	31.93	Net Profit Ratio of current year is higher due to higher production and sale of urea.
Return on capital employed	Earning before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liabilities	16.88%	12.93%	30.55	EBIT increaseded due to higher production
Return on investment Investments in others (Mutual Fund)	Income from Mutual Funds	Average amount of Mutual Funds	7.38%	7.11%	3.84	

34.15 : Corporate Social Responsibility

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

(₹ in Crore)

Particulars	31-03-2026	31-03-2025
Balance of CSR Fund carried forward from earlier year	10.68	-
Amount required to be spent by the company during the year	23.48	11.24
Amount of expenditure incurred	20.56	0.56
Shortfall at the end of the year	13.60	10.68
Total of previous years shortfall	-	**10.68**
Provision made for CSR ongoing projects expenses for the amount to be deposited in separate Bank Account.	13.60	-
Provision made for unspent CSR expenditure (Other than Ongoing projects).	-	10.68

Breakup of CSR expenditure

(₹ in Crore)

Particulars	31-03-2026	31-03-2025
Health and Sanitation	6.37	-
Education & Skill Development	1.96	-
Environmental & Sustainability	0.38	-
Contributions to Prime Minister's National Relief Fund or other funds	10.68	-
Total	19.39	-

34.16 : Statutory Auditor's Remunerartion

(in ₹)

Particulars	31-03-2026	31-03-2025
Statutory Audit Fee	7,20,000.00	6,00,000.00
Limited Review Fee	1,70,000.00	1,33,000.00
Tax Audit Fee	70,000.00	50,000.00
Certification charges	1,51,200.00	2,23,000.00
Out of Pocket Expenses	25,400.00	14,700.00
Total	**11,36,600.00**	**10,20,700.00**

34.17 : Operating Segment

The Company has recognized the operating segments based on the review of the operating revenue, decision making relating to future allocation of resources, etc. carried out by its Chief Operating Decision Maker i.e. Board of Directors.

Based on the nature of business activities undertaken by the Company and requirement of Ind AS 108-Operating Segment, following are the operating segments identified

Segment	Nature of Activities
Manufactured goods	Production and supply of Fertilizers for agricultural use.
Trading goods	Represents fertilizers imported / locally sourced and marketed for agricultural use.

(₹ in Crore)

Particulars	31-03-2026				31-03-2025			
	Manufactured goods	Trading goods	Unallo cated	Total	Manufactured goods	Trading goods	Unallo cated	Total
Segment Revenue								
Sale of products	2,019.98	1,946.27	-	3,966.24	1,695.50	761.60	-	2,457.11
Subsidy	14,469.11	2,781.17	-	17,250.29	12,850.26	438.24	-	13,288.50
Total Revenue	16,489.09	4,727.44	-	21,216.53	14,545.76	1,199.85	-	15,745.60
Segment Expenses								-
Interest Expense	1,058.03	23.03	-	1,081.06	1,312.57	-	-	1,312.57
Others	12,347.83	4,615.44	-	16,963.27	11,594.37	1,165.40	-	12,759.77
Total Expenses	13,405.86	4,638.47	-	18,044.33	12,906.94	1,165.40	-	14,072.34
Segment Results	3,083.23	88.96	-	3,172.20	1,638.82	34.45	-	1,673.26
								-
Interest Revenue	0.28	-	40.59	40.87	0.56	-	49.60	50.16
Other Income	65.49		15.26	80.76	75.90	-	38.04	113.94
Profit Before Tax				3,293.82				1,837.37
Current Tax				7.31				-
Deferred tax				828.91				455.29
Profit After Tax				2,457.60				1,382.08
Other Information								
Segment Assets	29,105.71	1,678.81	7.42	30,791.94	28,332.26	153.81	413.78	28,899.85
Segment Liabilities	18,259.22	25.16		18,284.38	17,851.61	11.90	-	17,863.51
Other Disclosures				-				
Capital Expenditure	2,057.24	-	-	2,057.24	459.04	-	-	459.04
Depreciation and Amortisation	991.20	-	-	991.20	927.79	-	-	927.79
Other Non Cash Expenses/ (Income)	60.90	-	-	60.90	55.00	-	11.51	66.51

34.18 Disclosure on Impact of Geopolitical Developments

The Company has considered the potential impact of ongoing geopolitical developments, including the Russia–Ukraine War and the evolving tensions involving Israel, United States, and Iran, on its financial statements.

These geopolitical events have led to significant volatility in global energy markets, particularly affecting the availability and pricing of natural gas. However, as fertilizer sector is a priority sector, the natural gas curtailment for HURL was very minimum. The shortfall of natural gas provided by the long term gas suppliers was made good from EPMC gas. As a result, the Company did not experience any major shortfall in the supply of natural gas during the year.

The temporary shortfall resulted in the following :-

1. The company has preponed the planned shut down for Gorakhpur unit in the month of March 26 which was duly planned in April 2026.

2. The company would have produced additional 12,465 MT of urea from Sindri unit which would generated an additional net revenue of Rs 2.83 crores approx.

34.19 Other Information

i) The Company has sought confimation of oustanding balances appearing in the books from debtors & creditors. Pending receipt of responses from certain debtors & creditors balances in so far as these have since not been discharged/ adjusted/ realized are subject to confirmation/reconciliation and consequential adjustment impact of which in the opinion of the management is not material.

ii) Certain minor changes have been made in the accounting policy for improved disclosure and presentation and there is no material impact on financials statement due to these changes as per management.

iii) Pending annual pool rate to be notified by FICC for the FY 2025-26, the subsidy for the urea sold during the year is recognized based on monthly weighted average of delivered gas cost during the year and the subsidy eligibility as per New Investment Policy (NIP-2012). The recognized subsidy for the FY 2025-26 is subject to the finalization of annual pool rate by FICC.

iv) Pending distance notifications to claim freight subsidy, the amount is recognized based on latest freight reimbursements rates i.e. for the FY 2020-21 as declared by Ministry of Fertilizers.

v) Pending sale of Urea totaling 0.05 crore MT through POS device to beneficiaries as on 31.03.2026, subsidy of ₹ 1,728.68 crore (PY 1,891.11 crore) which has accrued on sale to dealers but shall become due for payment upon sale through POS device and same has been recognized in the current period. Further, freight subsidy of ₹ 341 cr CY (PY ₹ 75.55 crore) is unbilled.

vi) Provision of Rs. 50/MT for the quantity of urea sold during the year has been made for procurement of POS machines and execution of PMKSK programme etc.

vii) As per the JV Agreement between promoters, 56,72,17,733 equity shares are allotted to the promoter's M/s FCIL and 28,32,21,952 equity shares alloted to M/s HFCL in lieu of the land leased by them for setting up the plants.

viii) During the year, the Company has capitalised GST amounting to ₹ 1468.82 crore as part of Property, Plant and Equipment, as the company is not able to utilize the GST ITC. Accordingly the company has surrendered GST ITC during the year via filing DRC 03 on the GST portal.

ix) As at March 31, 2026, the total amount of outstanding Letter of Credit value is ₹ 1,655.71 crore and outstanding Bank Guarantee value is ₹ 741.62 crore.

x) It is not possible to quantify the impact of revision in freight rates notified in March 26 since the number of product movements pan India is huge. Further the portal has not yet taken effect of revised freight rates. Once the revised rates are incorporated on the portal, the impact can be quantified.

xi) There is no impact on the ability of the Company as a going concern.

xii) Previous period's figures have been rearranged, regroup and reclassified wherever considered necessary to facilitate comparisons.

As per our report annexed
For BANSAL & CO LLP
Chartered Accountants
FR No. 001113N/N500079

Sd/-
(CA Amit Kumar Singh)
Partner
Membership No. 532180

Date : 17 April 2026
Place : New Delhi

On behalf of the Board

Sd/- **(Virendra Malik)** Chairman DIN-10427762	Sd/- **(Nitin Kumar)** Director DIN-11237687	Sd/- **(Sanjay Shrivastava)** Director DIN-11243864
Sd/- **(S.P. Mohanty)** Managing Director DIN-05336787	Sd/- **(Iti Matta)** Company Secretary	Sd/- **(Poonam Jeswani)** Chief Financial Officer

C&AG COMMENTS AND MANAGEMENT REPLIES

Date:14.08.2026

Management replies on Comments of the Comptroller and Auditor General (C&AG) of India on the Financial Statements of Hindustan Urvarak & Rasayan Limited (HURL) for the year ended 31st March, 2026

The Company received the final comments from the office of the C&AG through office of the Principal Director of Audit Central Expenditure, New Delhi vide letter dated22.07.2026 with Ref No: 1419-PDA/CE(AF/WR)/AMG-I/A/cs/HURL/Stand./2026-27/2263 for the FY 2025-26 on Financial Statements (Standalone) and with Ref No: 1420-PDA/CE(AF/WR)/AMG-I/A/cs/HURL/Conso./2026-27/2266 on Financial Statements (Consolidated). Copy of the comments of C&AG is enclosed as **Annexure -A**.

The Management replies to the comments of the C&AG on the Financial statements (Standalone & Consolidated) of the Company for the year ended 31st March 2026 have been approved by the Board of Directors of the Company on14.08.2026. The replies to the comments are provided below:

Standalone Financial Statements

S. No.	Comments on Financial Position	Management Replies
A. Comments on Financial Position Assets Current Assets Inventory (Note 9) ₹649.15 crore	The Company did not recognise goods in transit amounting to ₹309.91 crore as inventory. The Company imported 48,793 MT of Di-Ammonium Phosphate (DAP) from OCP Nutricrops S.A., Morocco under Contract Agreement No. CFR-3562-2025. The Bill of Lading for the consignment was issued on 17 February 2026 and payment of ₹309.91 crore was remitted through State Bank of India on 13 March 2026. In accordance with Clauses 10.1 and 11.1 of the Contract Agreement read with Incoterms 2020, control of the goods had transferred to the Company upon shipment (loading the consignment on board the vessel) on 17 February 2026. Accordingly, the consignment met the recognition criteria for inventories under Ind AS. 2. However, the Company continued to classify the amount as 'Advances to Suppliers' instead of recognising the goods as 'Inventory - Goods in Transit'. Consequently, inventories were understated by ₹309.91 crore and Advances to Suppliers were overstated by an equivalent amount.”	This was the only import consignment that remained in transit as at the balance sheet date. Inadvertently, the amount continued to be classified under “Advances to Suppliers” instead of “Inventory-Goods in Transit”. The observation relates only to the classification of the asset between “Advances to Suppliers” and "Inventory - Goods in Transit” and has **no impact on the Company's Profit after Tax, Net Worth, Total Assets or Cash Flows**. The Management has taken note of the observation and appropriate accounting procedures and internal controls have since been strengthened to ensure timely recognition and classification of goods in transit in accordance with the applicable provisions of Ind AS in future reporting periods.

Consolidated Financial Statements

S. No.	Comments on Financial Position	Management Replies
A. Comments on Financial Position Assets Current Assets Inventory (Note 9) ₹649.15 crore	The Company did not recognise goods in transit amounting to ₹309.91 crore as inventory. The Company imported 48,793 MT of Di-Ammonium Phosphate (DAP) from OCP Nutricrops S.A., Morocco under Contract Agreement No. CFR-3562-2025. The Bill of Lading for the consignment was issued on 17 February 2026 and payment of ₹309.91 crore was remitted through State Bank of India on 13 March 2026. In accordance with Clauses 10.1 and 11.1 of the Contract Agreement read with Incoterms 2020, control of the goods had transferred to the Company upon shipment (loading the consignment on board the vessel) on 17 February 2026. Accordingly, the consignment met the recognition criteria for inventories under Ind AS. 2. However, the Company continued to classify the amount as 'Advances to Suppliers' instead of recognising the goods as 'Inventory - Goods in Transit'. Consequently, inventories were understated by ₹309.91 crore and Advances to Suppliers were overstated by an equivalent amount.”	This was the only import consignment that remained in transit as at the balance sheet date. Inadvertently, the amount continued to be classified under “Advances to Suppliers” instead of “Inventory-Goods in Transit”. The observation relates only to the classification of the asset between “Advances to Suppliers" and "Inventory - Goods in Transit” and has **no impact on the Company's Profit after Tax, Net Worth, Total Assets or Cash Flows**. The Management has taken note of the observation and appropriate accounting procedures and internal controls have since been strengthened to ensure timely recognition and classification of goods in transit in accordance with the applicable provisions of Ind AS in future reporting periods.
B. Comments on Disclosure B.1 Note: 34: Additional Information	As per Schedule III (Division II) to the Companies Act, 2013, Part II - General Instructions for the Preparation of Consolidated Financial Statements, paragraph 2, an entity is required to disclose, by way of additional information, the share of each subsidiary, associate and joint venture in the consolidated net assets, profit or loss, other comprehensive income and total comprehensive income of the Group. No such disclosure was made in the consolidated financial statements of the Company.	The required disclosure is part of AOC -1 which is a part of financial statement and the company have duly disclosed all the information in the same. AOC-1 enclosed as part of Annual Report.

Annexure-A

C&AG COMMENTS

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

The preparation of financial statements of **Hindustan Urvarak & Rasayan Limited** for the year ended 31 March 2026 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is 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 Revised Audit Report dated 13 July 2026 which supersedes their earlier Audit Report dated 17 April 2026.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Hindustan Urvarak & Rasayan 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. The Audit Report has been revised by the statutory auditor to give effect to some of my audit observations raised during supplementary audit.

In addition, 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 are necessary for enabling a better understanding of the financial statements and the related audit report:

A. Comments on Financial Position

Assets
Current Assets
Inventory (Note 9) ₹649.15 crore

The Company did not recognise goods in transit amounting to ₹309.91 crore as inventory. The Company imported 48,793 MT of Di-Ammonium Phosphate (DAP) from OCP Nutricrops S.A., Morocco under contract Agreement No. CFR-3562-2025. Tthe Bill of Lading for the consignment was issued on 17 February 2026 and payment of t309.91 crore was remitted through State Bank of India on 13 March 2026. In accordance with Clauses 10.1 and 11.1 of the Contract Agreement read with Incoterms® 2020, control of the goods had transferred to the Company upon shipment (loading the consignment on board the vessel) on 17 February 2026. Accordingly, the consignment met the recognition criteria for inventories under Ind AS 2. However, the Company continued to classify the amount as 'Advances to Suppliers' instead of recognising the goods as 'Inventory - Goods in Transit'. Consequently, inventories were understated by ₹309.91 crore and Advances to Suppliers were overstated by an equivalent amount.”

For and on the behalf of the
Comptroller & Auditor General of India

Place: New Delhi
Date: 22.07.2026

Sd/-
(Tanya Singh)
Principal Director of Audit Central Expenditure
(Agriculture, Food & Water Resources)

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HINDUSTAN URVARAK & RASAYAN LIMITED FOR THE YEAR ENDED 31 MARCH 2026

The preparation of consolidated financial statements of Hindustan Urvarak and Rasayan Limited for the year ended 31 March 2026 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion· on the financial statements under section 143 read with section 129 (4) 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 Revised Audit Report dated 13 July 2026 which supersedes their earlier Audit Report dated 17 April 2026.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of Hindustan Urvarak and Rasayan Limited for the year ended 31 March 2026 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of Hindustan Urvarak and Rasayan Limited and Assam Valley Fertilizers and Chemicals Company Limited (a jointly controlled entity) for the year ended on that date. 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. The Audit Report has been revised by the statutory auditor to give effect to some of my audit observations raised during supplementary audit.

In addition, I would like to highlight the following significant matters under section 143(6)(b) read with section 129(4) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the consolidated financial statements and the related audit report:

A. Comments on Consolidated Financial Position

A. 1 Assets
Current Assets
Inventory (Note 9) ₹649.15 crore

The Company did not recognize goods in transit amounting to ₹309.91 crore as inventory. The Company imported 48,793 MT of Di-Ammonium Phosphate (DAP) from OCP Nutricrops S.A., Morocco under Contract Agreement No. CFR-3562-2025. The Bill of Lading for the consignment was issued on 17 February 2026 and payment of ₹309.91 crore was remitted through State Bank of India on 13 March 2026. In accordance with Clauses 10.1 and 11.1 of the Contract Agreement-read with Incoterms® 2020, control of the goods had transferred to the Company upon shipment (loading the consignment on board the vessel) on 17 February 2026. Accordingly, the consignment met the recognition criteria for inventories under Ind AS 2. However, the Company continued to classify the amount as 'Advances to Suppliers' instead of recognizing the_ goods as 'Inventory - Goods in Transit'. Consequently, inventories were understated by ₹309.91 crore and Advances to Suppliers were overstated by an equivalent amount.

B. Comments on Disclosure

B. 1 Assets
1 Note: 34: Additional Information

As per Schedule III (Division II) to the Companies Act, 2013, Part III - General Instructions for the Preparation of Consolidated Financial Statements, paragraph 2, an entity is required to disclose, by way of additional information, the share of each subsidiary, associate and joint venture in the consolidated net assets, profit or loss, other comprehensive income and total comprehensive income of the Group. No such disclosure was made in the consolidated financial statements of the Company.

For and on the behalf of the
Comptroller & Auditor General of India

Place: New Delhi
Date: 22.07.2026

Sd/-
(Tanya Singh)
Principal Director of Audit Central Expenditure
(Agriculture, Food & Water Resources)

HINDUSTAN URVARAK & RASAYAN LIMITED

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