



HINDUSTAN URVARAK & RASAYAN LIMITED

ANNUAL REPORT

2024-25



From **SOIL TO SOUL**,
HURL Powers Progress!



CONTENTS

STRATEGIC REPORT

From Soil to Soul, HURL Powers Progress	4
Our Promoters	5
Corporate Information	6
Letter to Shareholders	8
Journey of HURL	10
Performance Highlights for the FY 2024-25	11
Our Product Portfolio	13
HURL Territories	15
Awards & Recognition	16
Board of Directors	18

STATUTORY REPORT

Directors' Report	21
-------------------	----

FINANCIAL STATEMENTS

Standalone Financial Statements	57
C&AG Comments and Management Replies	112



At Hindustan Urvarak & Rasayan Limited (HURL), we believe that progress isn't just about numbers—it's about nurturing the roots that sustain life and cultivating growth that uplifts communities, industries, and the nation. Our annual report theme, "From Soil to Soul: HURL Powers Progress," reflects this belief and captures the holistic impact of our work—from empowering farmers with world-class fertilizers to energizing India's agricultural economy.

From Soil

It all begins with the soil—the foundation of life and livelihood. Through our eco-friendly, efficient, and cutting-edge fertilizer plants in Gorakhpur, Barauni, and Sindri, HURL is revitalizing India's agricultural heartland. By ensuring timely availability of high-quality urea, we are strengthening food security and making farming more sustainable and productive.

To Soul

Our mission extends beyond fields and farms. Every initiative we take is driven by a commitment to enhance lives, uplift rural communities, and support the nation's vision of Atmanirbhar Bharat. Whether it's job creation, green energy integration, or contributing to national self-reliance, we aim to touch every soul connected to our journey.

HURL Powers Progress

Backed by the might of leading Maharatna CPSEs —Coal India Limited, NTPC Limited, Indian Oil Corporation Limited and other two CPSEs viz. Fertilizer Corporation of India Limited and Hindustan Fertilizers Corporation Limited—HINDUSTAN URVARAK & RASAYAN LIMITED has emerged as a symbol of modern industrial resurgence. Our story is one of innovation, resilience, and responsibility. With state-of-the-art plants and a future-ready outlook, we are not only meeting India's fertilizer needs but also setting new benchmarks in project execution, environmental compliance, and operational excellence.



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.



Indian 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 Fertilizers 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.



CORPORATE INFORMATION





CHIEF FINANCIAL OFFICER

Ms. Poonam Jeswani
[w.e.f. 19.07.2024]

COMPANY SECRETARY

Smt. Iti Matta

STATUTORY AUDITORS

M/s Surendra Subhash & Co.,
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
IOC Global Capital Management
IFSC Limited (IGCMIL), Gujarat

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



Letter to

SHAREHOLDERS

“

Dear Shareholders,

The Financial Year 2024-25 (FY25) was a year of tremendous growth and transformation for HURL from commissioning of the fertilizer projects to a nationally significant organization. With the three state-of-the-art Ammonia-Urea units constructed at Gorakhpur, Sindri and Barauni, HURL has delivered over 33 Lakh MT of Urea in FY 25, making a vital contribution to India's food security with self-reliance in the fertilizer sector and

”

saving valuable foreign exchange through import substitution.

Notwithstanding the challenges faced during the year, I am happy to state that your Company turned in a good performance. Revenue from operations during the year grew by 5.71% over FY2023-24 (FY24) and Net Profit was higher by 3.85% in comparison to FY 24. The credit rating of the Company has improved to "AA-/Stable" from the previous rating of "INDA+/Positive".

The FY25 has also marked significant diversification of the Company, with geographical expansion into new States and robust sales of value-added products under the APNA brand, and a strategic foray into imports as per requirements. These are steps towards becoming a comprehensive provider of nutrient solutions, aligned with India's evolving agricultural needs. The Company has also extended its footprints in North East and formed its Joint Venture Company, with proposed fertilizer unit at Namrup, Assam. This reflects not just our growth, but our commitment to national priorities.

During 2024-25, we continued to strengthen policies that support career growth, promote work-life balance, ensure health and safety, and foster a culture of learning and inclusion. Beyond production, Corporate Environment Responsibility (CER) initiatives of undertaking Skill Development of unemployed youth under the flagship project "SAKSHAM" with CIPET to collaborations with NSDC, have empowered youth, sustained livelihoods

and strengthened communities. HURL's efforts of training Self Help Groups (SHGs) women and providing them with drones exemplifies agricultural transformation and women's empowerment.

As we look to the future, HURL will continue to grow in scale, capability and impact. HURL will keep on supporting India's mission of national building and contribute towards goals of environmental stability and ecological stewardship with persistence & unwavering commitment while creating long-term value for all its stakeholders.

I would like to acknowledge the continued support of the Government of India, particularly the Department of Fertilizers, Ministry of Chemical & Fertilizers. We also thank our esteemed Promoters, customers, partners, and collaborators for their trust and cooperation. I also appreciate the guidance of our Board of Directors during this important phase and acknowledge the commitment of our employees, whose efforts have driven this year's achievements. I look forward to your continued support and co-operation.

The journey of your Company is from SOIL to SOUL, to HURL Powers Progress!

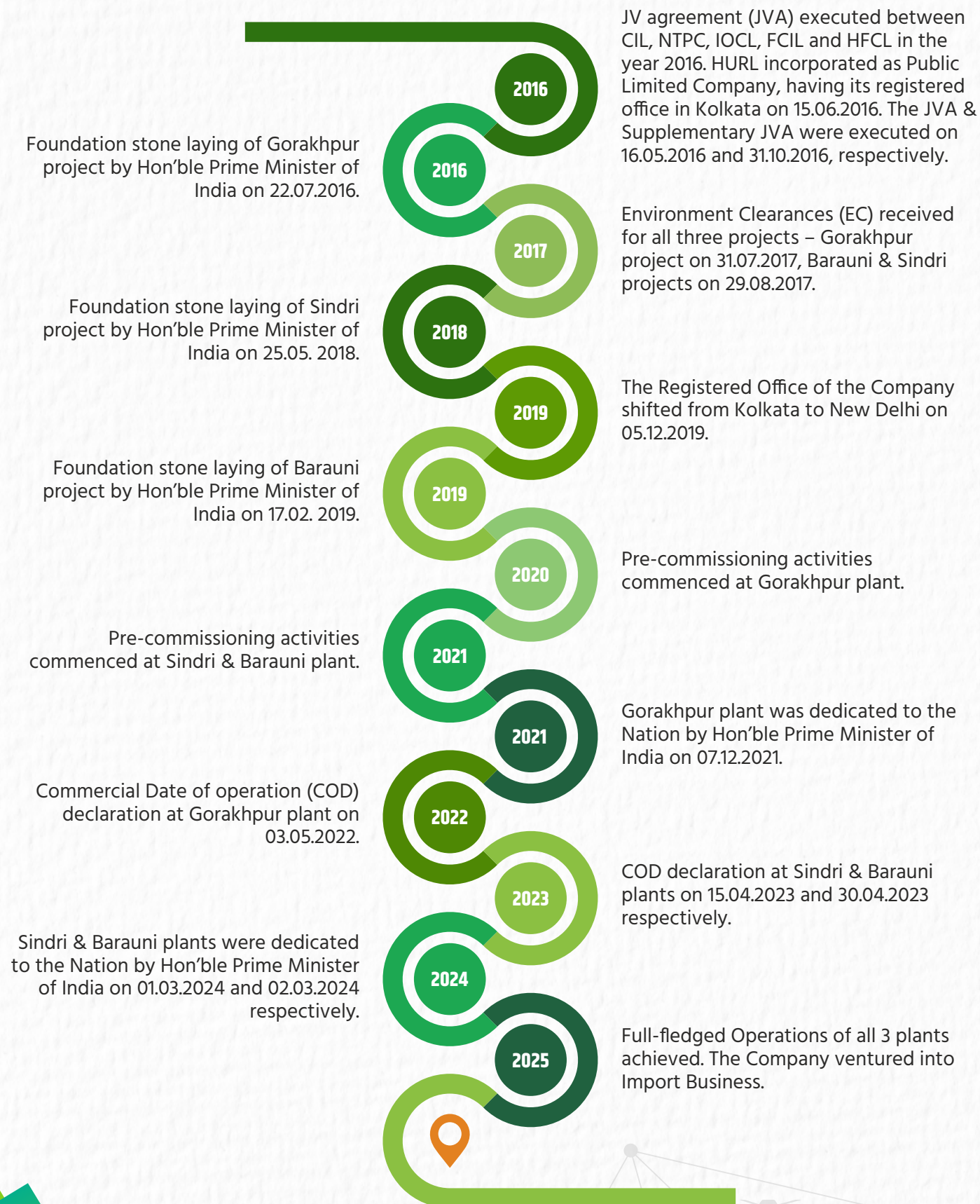
With best wishes,

Yours sincerely,

Animesh Jain

Chairman

JOURNEY OF HURL





Performance Highlights for the FY 2024-25



Urea Production
12.01 Lakh MT
Urea Sales
12.04 Lakh MT

GORAKHPUR UNIT



Urea Production
8.55 Lakh MT
Urea Sales
8.59 Lakh MT

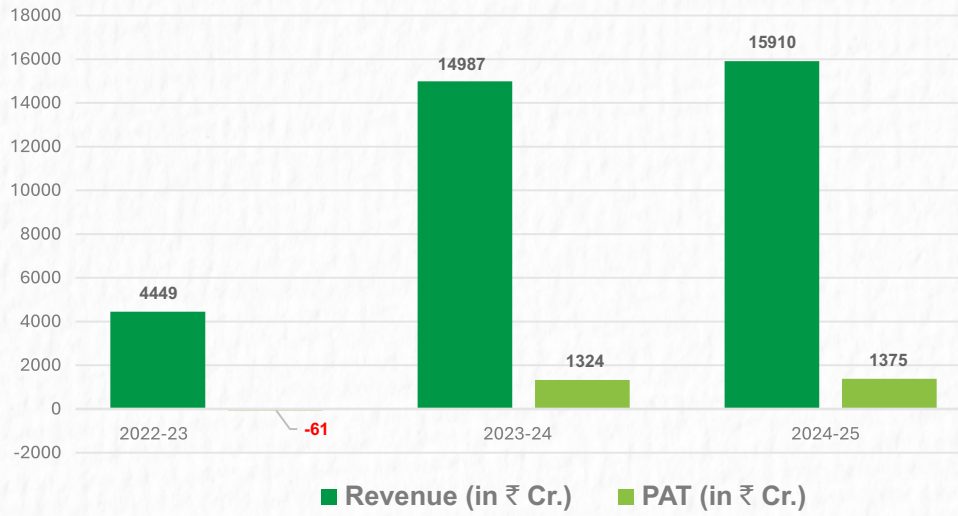
BARAUNI UNIT



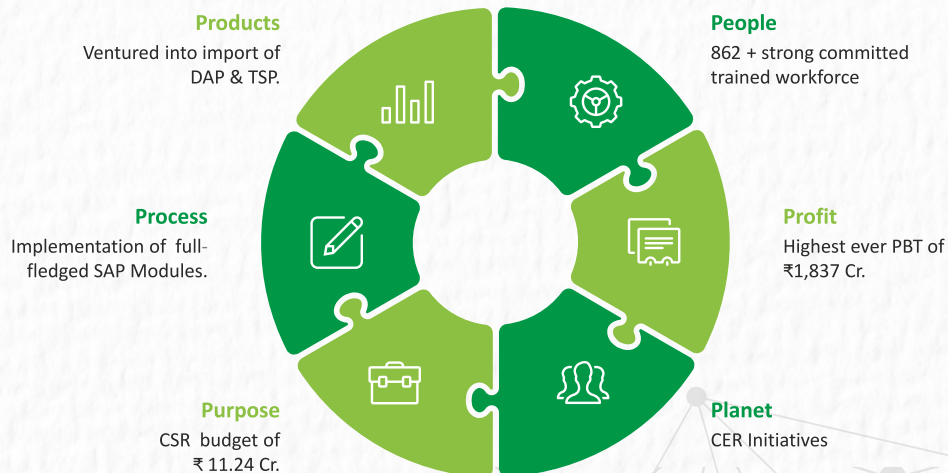
Urea Production
12.47 Lakh MT
Urea Sales
12.42 Lakh MT

SINDRI UNIT

HIGHLIGHTS OF THE YEAR 2024-25



- Highest ever Revenue from operations of ₹15,745 Cr.
- Highest ever PBT of ₹1,837 Cr.
- Highest ever Cash generation of ₹3,425 Cr.
- Improvement in Credit Rating Long-Term: AA-/Stable (Upgraded from IND A+/Positive)



OUR PRODUCT PORTFOLIO

BULK PRODUCTS



Bharat Urea



Bharat MOP



Bharat TSP



Bharat DAP



Bharat NPK-20:20:0:13



Bharat NPK-15:15:15

Single Super Phosphate

NON BULK PRODUCTS



Apna Gold
Bentonite
Sulphur 90%



Apna Mono Zinc
Zinc sulphate
Mono hydrate 33%



Apna Magic
Magnesium
Sulphate



Apna Power
Mycorrhizal
biofertilizer



Apna Calgrow B+
Boronated
Calcium nitrate



Apna PDMsri
Potash Derived
from Molasses



Apna Calgrow
Calcium Nitrate

HURL TERRITORIES



AWARDS & RECOGNITIONS



**India's Rising Star Award 2024 in the Fertilizer category
from Indian Brand and Leadership Conclave 2024**



**Fame & Golden Bird National Conference &
Awards Ceremony 2023-24 for Emerging Brand
of the Year in Fertilizer Industry.**



**North Eastern Railway's Premier
Customer Awards for 'Premier Customer
under Platinum Category'**

AWARDS & RECOGNITIONS



11th CII-SCALE Awards 2024 National Award Supply Chain and Logistics Excellence under Chemical/Fertilizer Category



Business Leader of the Year Award 2025 for Emerging Company of the Year (Fertilizer Sector)

BOARD OF DIRECTORS

As on 25.08.2025



Shri Animesh Jain
(Chairman), w.e.f. 16.08.2025

Shri Animesh Jain is working as Executive Director (Business Development and Consultancy), NTPC Ltd., w.e.f. 10.03.2025. He is responsible as head of Corporate Planning and the Business Development (Domestic & International) & Consultancy division of NTPC and look after company's business development strategy by acquisition, diversification into power related & other business, consultancy in the fields of Power Project Engineering, Project Management, O&M, Environment Engineering, Mining, etc.

Prior to his present posting, Shri Jain has served as CEO, NML & Regional ED (Coal Mining), NTPC Ltd. for a period of about one & half year where he was responsible for development & operation of 8 coal mines (86 MMTPA capacity, coal reserves) and coal evacuation to NTPC's power stations for fuel security, business diversification. He has also served as Head of Project at Chhatti Bariatu Coal Mining project.

In his illustrious career spanning over 34 years of experience, Shri Jain has made outstanding contributions in areas of Information & Technology, CMD & Director (Technical) Secretariat, ERP, Corporate Planning, Coal Mining etc. He has also worked extensively in the area of Business Development both in India and abroad, merger and acquisition, risk management, strategic management and corporate affairs.

Shri Jain has served as Managing Director of Bangladesh India Friendship Power Company Ltd (BIFPCL) in 2020-21. Prior to assuming the role of Managing Director at BIFPCL, he was responsible for establishing operations of NTPC Limited in Myanmar. Apart from being Country Head for NTPC Limited in Myanmar, he contributed to the power sector initiatives for BIMSTEC region as a member in inter-governmental committees.

In his responsibility as Executive Director of World Energy Council India, from 2021 to 2023 he has developed a holistic view of the power sector including the energy transition underway both in India and globally.

On the academic front, Shri Jain is a qualified Mechanical Engineer from National Institute of Technology(NIT) in India and holds a Master's Degree in Information Systems and Engineering Management from George Washington University, USA. He has completed a mini-MBA from Management Center Europe, Belgium and has attended global leadership programs at University of Maryland, USA, IIM Kolkata and IIM Ahmedabad. Shri Jain loves traveling and has traveled over 30 countries in 6 continents.



Shri AV Raghunadhan
(Vice-Chairman),
w.e.f. 22.08.2025

Shri AV Raghunadhan is an Engineering Graduate from Jawaharlal Nehru Technological University. He is presently working as Executive Director (New Business) at Indian Oil Corporation Limited (Indian Oil). He is presently heading the New Business Group which is involved in overseas international business endeavours, product exports, and new initiatives in emerging energy verticals. He has been working with Indian Oil since 1993 and has rich and versatile experience of over three decades, spanning logistics, polymer marketing, technical services, projects and strategy. During his versatile career at Indian Oil, Shri Raghunadhan has played a pivotal role in developing Petrochemical Perspective Plan for the country.

Shri Raghunadhan has demonstrated expertise in managing complex polymer marketing functions and delivering results. He is known for insight and leadership in strategy, marketing, and mergers & acquisitions (M&A).



Shri Chiranjib Patra
(Vice- Chairman),
w.e.f. 16.08.2025

Shri Chiranjib Patra is a Mining Engineer from IEST Shibpur. He has experience of 34 years in the coal mining industry including experience as Mine Planning & Design Consultant.

His experience includes, working in underground coal mine, preparation & appraisal of Coal & Metal mining projects and R&D projects for subsidiaries of Coal India Limited (CIL), IISCO-SAIL, MOIL India Limited, etc., preparation of policy documents for CIL viz. model bid documents for development and extraction of coal from mines on risk-gain, hiring, turnkey & mine-developer-cum-operator (MDO) basis, support to Ministry of Coal (MoC) for allocation of coal blocks, vetting of Mining Plans & technical matters, working as a consultant to ECL, BCCL and SECL for undertaking CBM projects, implementation of pilot scale R&D project on underground Coal Gasification in Eastern Coalfields Limited.

He is presently holding the position of ED (Corporate Affairs & Business Development) at CIL as part of the Business Development Division of CIL. In present profile, he is undertaking diversification initiatives in Coal-to-Chemical Projects, Acquisition of Critical Mineral Assets, Thermal Power Projects and Renewable Projects.



Shri S.P. Mohanty
Managing Director

Shri Siba Prasad Mohanty is a Managing Director at Hindustan Urvarak and Rasayan Limited with rich and diverse experience of around 36 years primarily in Marketing of Agri Inputs he has held post of CMD at Brahmaputra Valley Fertilizer Corporation Limited (BVFCL) and key leadership positions at HIL and Rashtriya Chemical & Fertilizers Limited (RCF). Shri Mohanty has done his Master's in Business Management from Behrampur University, Odisha and Executive Development from IIM Lucknow and Advance Management Programme from IIM, Kolkata. He has been conferred honorary Doctorate Degree (D.Litt) by Dr. Radhakrishnan, Teacher's Welfare and R&D Centre affiliated to University of South America. He has been received numerous prestigious awards, including "Marketing Man of the Year" (1995), "Best Employee" (2012), Influential 50 Rural Marketing Professionals of India", "UDYOG RATTAN AWARD" and "EXCELLENCE AWARD", "HINDI GAURAV" (2016), "BHARAT JYOTI AWARD", "State Business Leadership Award 2022" and the "Chanakya Award" (2022). He is also holding the charge of Director, FAI the Co-Chairman of the FICCI Crop Protection Committee and an Executive Member of the Governing Body of SCOPE and a certified international trainer and lead speaker on marketing and rural marketing, contributing articles, and delivering talks on agriculture inputs marketing. He is a regular faculty member for different Seminars organized by Fertilizer Association of India (Eastern Zone) Known for his astute leadership qualities that makes him true gem in the industry.

He is also Managing Director of Assam Valley Fertilizer and Chemical Company Limited (AVFCL).



Shri Masood Akhtar Ansari
Director

Shri Masood Akhtar Ansari Executive Director (Finance) of NTPC Limited, a Maharatna CPSE engaged in the business of Power Generation, Power Trading, and Coal Mining.

Shri Masood Akhtar Ansari joined NTPC as an Executive Trainee in 1990 and has more than 31 years of diverse experience in almost all aspects of Finance and Accounts which includes long-term resource mobilization from domestic and foreign lenders, Budgeting, Finance Concurrence, Investor Services, and Superannuation Trusts. He also has substantial exposure of working as Head of Finance at the Thermal Power Project, and Hydropower Project. Presently he is head of the Concurrence Function and Superannuation Trusts at the Corporate Centre, NTPC.



Shri Sanjay Shrivastava
(Director),
w.e.f. 16.08.2025

Shri Sanjay Shrivastava has assumed the position of Executive Director (Finance), Coal India Limited (CIL), w.e.f. 26.08.2025. which is a Maharatna enterprise under the Ministry of Coal. He has an illustrious career spanning over three decades in corporate finance, strategic planning, and financial governance. He is a seasoned finance professional and member of the Institute of Cost Accountants of India. He also holds a Master's degree in Commerce from Nagpur University.

Prior to his tenure at CIL, Shri Sanjay Shrivastava held key positions at South Eastern Coalfields Ltd., subsidiary of CIL, where he contributed significantly across various financial functions.

His core competencies span a wide array of domains such as corporate accounting, cost control, treasury and fund management, taxation, budgeting and forecasting, statutory compliance, digitization of financial operations, and enterprise risk management. He has successfully led enterprise-wide Enterprise Resource Planning (ERP) implementations and championed initiatives that enhanced financial transparency and enabled real-time reporting.

With a rare blend of tactical acumen and strategic foresight, Shri Sanjay Shrivastava continues to contribute meaningfully to CIL's financial strength and its global stature as the world's largest coal-producing company.



Shri Naresh Arya
Director

Shri Naresh Arya Director (Finance), Fertilizer Corporation of India Limited (FCIL) and Hindustan Fertilizer Corporation Limited (HFCL) is an Indian Cost Accounts Service Officer. He is a Chartered Accountant and M.A. in Economics. He is presently working as Director in Fertilizer Industry Coordination Committee (FICC) in the Department of Fertilizers, Ministry of Chemicals and Fertilizers, Govt. of India.

He has also worked in the commercial wing of Comptroller & Auditor General of India (C&AG), Department of Expenditure, National Pharmaceutical Pricing Authority, Department of Personnel and Training and Department of Commerce. He possesses wide experience in Government accounts and finance, costing, trade remedy laws, audit, establishment etc.



Shri Nitin Kumar
(Director),
w.e.f. 22.08.2025

Shri Nitin Kumar has joined the Board of HURL w.e.f. 22nd August 2025. He is a Chartered Accountant and also holds Executive Masters from the Indian Institute of Foreign Trade (IIFT).

He had joined Indian Oil Corporation Limited (IOCL) in 1996 and has rich experience of finance, corporate planning, corporate treasury and corporate strategy.

He had also carried out IOC's maiden USD bond issuance in 2010 and India's first 10-year Singapore Dollar bond in 2012 (the issuance was adjudged "the Indian Capital Market Deal of the Year 2012" by International Financing Review Asia). He has extensive experience of fund raising from national and international markets in terms of bonds, syndicated loans, bilateral revolving lines, export credit agency loans, buyer's credit, packing credit in foreign currency, collateralised borrowing, working capital loan, commercial paper, inter corporate deposits, cash credit etc. He has developed corporate policy for exchange and interest rate risk management, financing of group entities, strategy of asset monetisation and has been part of various due diligence processes for M&A transactions.

Shri Nitin Kumar played a key role in establishing "SPRINT" – a transformational project in 2025 in IOCL.

Currently, he is in-charge of Corporate Finance and Treasury in IOCL.

DIRECTORS' REPORT FOR THE FY 2024-25

Dear Members,

On behalf of the Board of Directors, it gives me immense pleasure to present the 9th Annual Report on the performance of your Company along with Audited Financial Statements for the Financial Year (FY) ended on March 31, 2025 together with Auditor's Report (Revised) and comments of Comptroller & Auditor General of India (C&AG) thereon.

1. FINANCIAL HIGHLIGHTS:

The key highlights on the financial performance of the Company for the FY ended March 31, 2025 with comparative position of previous year's performance are as under:

(Amount in ₹ Lakh)

Sl. No.	Financial Performance	Year ended 31.03.2025	Year ended 31.03.2024
1	Revenue from Operations	15,74,560.35	14,89,475.46
2	Other Income	16,410.30	9,268.09
3	Total Income [(1) + (2)]	15,90,970.65	14,98,743.55
4	Total Expenses	14,07,233.87	13,18,986.60
5	Profit / (Loss) Before Tax [(3) – (4)]	1,83,736.78	1,79,756.95
6	Tax Expense	45,529.44	47,308.37
7	Profit / (Loss) After Tax [(5) – (6)]	1,38,207.34	1,32,448.58
8	Other Comprehensive Income (net of Taxes)	(649.95)	17.23
9	Total Comprehensive Income [(7) + (8)]	1,37,557.39	1,32,465.81
10	Earnings per equity Share	1.73	1.83
11	Net Worth	11,03,634.43	9,66,077.04

The revenue from operations for the year ended March 31, 2025 was mainly on account of sale of neem coated Urea, sale of Ammonia, subsidy from Government of India, revenue on account of traded goods including import.

The financial statements for the FY 2024-25 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.



Apna Nano Urea launched by Smt. Anupriya Patel, The Hon'ble Union Minister of State for Health & Family Welfare and Chemicals & Fertilizers at FAI Annual Seminar 2024

2. PLANT OVERVIEW AND OPERATIONS:

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 03.05.2022, Sindri unit on 15.04.2023 and Barauni unit on 30.04.2023. 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.

During FY 2024-25, your Company's Urea Plants achieved composite urea production of 33.03 LMT against 35.51 LMT during the previous year i.e. FY 2023-24. The composite specific energy consumption of urea production was 5.25 GCal/MT against 5.20 GCal/MT in the previous year. The highlights of operational performance of all the three Plants for the Financial Year (FY) 2024-25 vis-à-vis the previous year is as under:

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

S. N.	Operational Parameters	FY 2024-25	FY 2023-24
1	Production of Urea (MT)	12,01,008	13,50,128
2	Production percentage to Installed capacity (%)	95	106
3	Sale of Urea (MT)	12,04,513	13,37,041

During FY 2024-25, 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 marginally reduced in comparison to the previous year.

During the year, the Gorakhpur plant's in-house Quality Control Laboratory has been assessed and accredited in accordance with Standard ISO/IEC 17025:2017 by National Accreditation Board for Testing and Calibration Laboratories (NABL). The NABL certification was received on 11.11.2024 and is valid for a period of four years. This Certification confirms compliance with international testing standards and provides the credibility of product quality.



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

S. N.	Operational Parameters	FY 2024-25	FY 2023-24
1	Production of Urea (MT)	12,47,035	10,91,406*
2	Production percentage to Installed capacity (%)	98	90
3	Sale of Urea (MT)	12,42,508	10,55,088

*w.e.f. date of COD i.e. 15.04.2023.

During FY 2024-25, the Sindri plant demonstrated remarkable consistency in operations.

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

S. N.	Operational Parameters	FY 2024-25	FY 2023-24
1	Production of Urea (MT)	8,55,394	9,47,703*
2	Production percentage to Installed capacity (%)	67	83
3	Sale of Urea (MT)	8,59,098	9,31,243

*w.e.f. date of COD i.e. 30.04.2023.

During the FY 2024-25, due to major equipment pre-mature failures, including the Primary Reformer, Waste Heat Boiler No.2, and Urea Reactor liner, there was a significant impact on urea production and energy consumption in the Barauni Plant. After the close of the year, during the annual turnaround in May 2025, Primary Reformer tubes were replaced along with fresh catalyst in a timely manner. Waste Heat Boiler No.2 and the Urea Reactor liner were thoroughly inspected and minor repair was carried out in Urea Reactor. After the annual turnaround, the Barauni plant has been operating efficiently at the requisite load and energy consumption.

3. NEW PROJECTS BEING UNDERTAKEN:

With the commissioning of HURL units, the country has moved one step closer to the “Atma Nirbharta” in Urea Production and there is a substantial reduction in the import of Urea in the FY 2024-25.

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. Namrup IV Ammonia Urea Fertilizer Project:** During the FY 2024-25, the Union Cabinet has approved the proposal for setting up of a new Brownfield Ammonia-Urea Complex of 12.7 Lakh Metric Tonnes (LMT) annual capacity of Urea production within the existing premises of Brahmaputra Valley Fertilizer Corporation Limited (BVFCL), Namrup Assam, with an estimated total project cost of Rs.10,601.40 Crore with Debt Equity ratio of 70:30 through formation of a Joint Venture (JV), under the New Investment Policy, 2012. The project aims to boost domestic urea production and enhance fertilizer security in the Eastern region. In the proposed JV, equity shareholding shall be held by Government of Assam (40%), BVFCL (11%), HURL (13%), National Fertilizers Limited (NFL) (18%) and Oil India Limited (OIL) (18%).
- B. 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.



HURL Signed License Agreement for Nano Urea with Ray Nano Science & Research Centre LLP



- C. Ammonia 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.
- D. 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 a pilot plant for manufacturing of Sulphur Coated Urea at its Barauni Unit.
- E. 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 1000 MT/Day capacity at its Sindri Unit.

4. SALES & MARKETING:

During the FY 2024-25, the total Neem coated urea sold was 33.06 LMT i.e. sale of urea produced during the year (33.03 LMT cumulatively for all the three plants) and the opening stock.

Your Company has maintained its strong presence in the Urea segment and with its diversification strategy, it has expanded non-urea product offerings during the year. The Company has achieved sale of 2.27 LMT during FY 2024-25 of the non-urea domestic products such as Biofertilizers, Micronutrients, Single Super Phosphate, Nano Urea, Potash Derived from Molasses and Phosphatic Fertilizers. Further, the Company has successfully ventured into business of imported fertilizers and 1.36 LMT of Diammonium Phosphate (DAP) and Triple Superphosphate (TSP) were imported to meet Rabi season's demand in the Country. These imported fertilizers were timely and seamlessly distributed across India, fully adhering to all regulatory guidelines.



First vessel loading and Unloading - launch of Import business

The Company reinforced its commitment for supporting India's agricultural growth through strategic branding, farmer-centric marketing and active participation in activities aligning with key government initiatives such as PM PRANAM, Namo Drone Didi scheme, PMKSK, and Atmanirbhar Bharat etc. Some of these initiatives undertaken during the FY 2024-25 were as under:

- A. Branding and Promotion:** To promote alternative fertilizers like Fermented Organic Manure (FOM), Liquid Fermented Organic Manure (LFOM), Nano Urea and bio-fertilizers, HURL has organized awareness campaigns, farm demonstration, and Kisan sangoshthi across the States where the Company has its operations. These initiatives enhanced HURL's brand visibility, deepened trust amongst the farmers & channel partners and significantly improved market penetration of the Company's products.
- B. Channel Strategy:** The company has expanded dealer network to 2,351 (including private & Institutions), which will cater to 92,657 retailers. This setup helps HURL ensure its products are easily available to farmers in different regions, supporting their agricultural needs efficiently. To keep channel partners updated on the Company's business plans, regular two-way interactions were held through various Dealers' and Retailers' meetings across all marketing regions of the Company.



Liquid Fermented Organic Manure (LFOM) distribution through dispenser machine

- C. Logistics:** The Company has strategically worked on logistics management, and has achieved significant cost saving with methodical planning and optimized transportation routes. The freight under-recovery has been reduced over the years, i.e. from Rs.90 PMT (per metric tons) in FY 2022-23 to Rs.26 PMT in FY 2023-24, and further down to Rs.23 PMT in FY 2024-25.
- D. Expansion of Marketing territory:** During the year, the Company started operations in Maharashtra, with continued operations in the existing marketing territories viz. Assam, Bihar, Chhattisgarh, Haryana, Jharkhand, Madhya Pradesh (M.P.), Odisha, Punjab, Rajasthan, Uttar Pradesh (U.P.) and West Bengal. To enhance operational efficiency and market access, new State offices were set up in Kolkata, Bhopal (M.P.), Patna (Bihar), Lucknow (U.P.), Raipur (Chhattisgarh) and Zirakpur (Punjab), stimulating closer engagement with farmers and channel partners.
- E. Participation in Government Initiatives:** HURL has actively aligned with key Government of India initiatives aimed at transforming agriculture, empowering rural communities and promoting sustainable practices. Few such initiatives are detailed below:
- Under the Namo Drone Didi scheme, the Government empowers the women-led Self-Help Groups (SHGs) by providing them with drones for agricultural use, specifically for spraying liquid fertilizers and pesticides. In the previous year, HURL has trained 66 Self Help Group (SHGs) women and its executives, and also provided 60 drones to women SHGs. In FY 2024-25, the Company has continued its support for the maintenance of these drones and other services, which is a significant step towards agricultural transformation and women's empowerment.



Demonstration by Drone Didi on Nano urea application via drone and distribution of training certificates

- HURL promoted use of FOM and LFOM under the PM-PRANAM and GOBARDhan schemes, and distributed them free of cost to boost awareness and adoption of organic inputs for improved soil health. The Department of Fertilizers (DoF), Ministry of Chemicals and Fertilizers has recognized HURL's efforts in coordinating the Promotion, Marketing, and Innovation of FOM, LFOM, and PROM under the Market Development Assistance (MDA) scheme. In this regard, a senior HURL official has been nominated as the Senior Coordinator by DoF to lead and support these activities at the national level.
- HURL has been engaged in setting up 1,472 Pradhan Mantri Kisan Samridhi Kendra (PMKSK) across the Country which provide



Jeep campaign across business territories of HURL for product promotion.



services such as agri-inputs, information and support for farmers.

- HURL is also actively working to install Point of Sale (PoS) machine at PMKSKs, enabling real-time tracking of subsidized fertilizer distribution by the government.

F. Sustainable farming: The Government of India strives for self-reliance in the fertilizer sector and improvement in soil health for sustainable farming. In order to support this vision, the Company through 'Community Radios' programme disseminated information on Government schemes like PM-PRANAM and balanced fertilizer use among farmers.

5. AWARDS & ACCOLADES:

During the FY 2024-25, the Company has received the following awards:

S. No.	Date and Place of Receipt of Award	Name of the Award	Project / Category
1	April 21, 2024 at Goa	India's Rising Star Award from Indian Brand and Leadership Conclave 2024	India's Rising Star Award 2024 in the Fertilizer category
2	June 12, 2024 at Dehradun	Fame & Golden Bird National Conference & Award Ceremony 2023-24	Emerging Brand of the Year 2023-24 in Fertilizer Industry.
3	September 20, 2024 at Gorakhpur	North Eastern Railway's Premier Customer Awards	Gorakhpur Unit has received a prestigious award from the Lucknow Division of North Eastern Railway for 'Premier Customer under Platinum Category'
4	November 29, 2024, at Mumbai	11 th CII-SCALE Awards 2024 - National Award Supply Chain and Logistics Excellence	Excellent position under Chemical/Fertilizer Category
5	February 19, 2025, at Mumbai	Business Leader of the Year Award 2025	Emerging Company of the Year (Fertilizer Sector)

In addition to the above awards, Shri S.P. Mohanty, Managing Director, HURL received Elite 100 Changemakers of Odisha 2024 Award, from Interview Times Media Network, for the exceptional contributions in the field of fertilizer and social commitment in transforming world for the greater good on January 25, 2025 at a function held at Bhubaneswar.

6. PROJECT COST & ITS FINANCING:

The total revised project cost approved for the execution of the all the three projects of your Company as on 31.03.2025 is Rs.27,89,460 Lakh i.e. Rs.9,44,320 Lakh for Gorakhpur Project, Rs.8,93,925 Lakh for Sindri Project and Rs.9,51,215 Lakh for Barauni project. This revised project cost was allocated in the equity share capital of Rs.10,156,69 Lakh and debt portion of Rs.17,73,791 Lakh, with debt equity ratio of 64:36.

7. SHARE CAPITAL:

The Authorized share capital of the Company as on March 31, 2025 stood at Rs.12,00,000 Lakh and the issued, subscribed and paid-up share capital stood at Rs.7,92,898 Lakh. There was no share subscription money pending allotment as on March 31, 2025. The entire share capital of the Company is held in the dematerialized mode.

List of Shareholders and Shareholding as on March 31, 2025:

Sl. No.	Name of the Shareholder	No. of Shares Held (of Rs.10/- each) as on 31.03.2025
1.	Coal India Limited (CIL)	264,29,84999
2.	CIL jointly with Shri Debasish Nanda	1
3.	NTPC Limited (NTPC)	264,29,84999
4.	Ms. Renu Narang (holding share on behalf of NTPC)	1
5.	Indian Oil Corporation Limited (IOCL)	264,29,84999
6.	Ms. Manisha Gangwar (holding share on behalf of IOCL)	1
7.	Fertilizer Corporation of India Limited (FCIL)	16,667
8.	Hindustan Fertilizer Corporation Limited (HFCL)	8,333
	Total	792,89,80,000



In line with cabinet approval dated 13.07.2016 regarding revival of Gorakhpur and Sindri (units of FCIL) and Barauni (unit of HFCL), FCIL and HFCL shall together hold 10.99% equity Shareholding in the company at Commercial operations Date (COD) of the project. Detailed modalities for issue of shares to FCIL and HFCL have been mutually finalized by the Promoters. COD of Gorakhpur project has been achieved on 03.05.2022 and of Sindri and Barauni projects on 15.04.2023 and 30.04.2023, respectively. The process of issue shares to FCIL and HFCL have also been initiated by the Company. However, pending issue of shares during FY 2024-25, there is no change in number of shares held by FCIL and HFCL.

8. LOANS AND RATING:

The total outstanding balance of Term Loan as on March 31, 2025 stood at Rs.12,65,259 Lakh. Interest Free loan sanctioned by Government of India was Rs.89,480 Lakh and the outstanding balance as on March 31, 2025 stood at Rs.86,126 Lakh.

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

During FY 2024-25, India Ratings and Research (Ind-Ra) in December 2024 has revised the ratings of Term loans of Rs.17,73,769 Lakh (including Interest-free loan of Rs.89,480 Lakh from the Government of India) to 'IND AA-/Stable', from the previous rating of 'IND A+/Positive'.

9. RESERVES:

The reserves of the Company under Reserves and Surplus (Retained earnings and other comprehensive income) stood at Rs.2,61,859.27 Lakh as on March 31, 2025 (Previous year Rs.1,23,651.93 Lakh).

10. DIVIDEND:

The Board of Directors have not recommended any dividend for FY 2024-25.

11. 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 and commitments have occurred between the end of the financial year and the date of this report which affect the financial position of the Company, except that based upon Supplementary audit observation by AMG I, Office of the Director General of Audit (Agriculture, Food and Water resources).

The revised amount of contingent liability is Rs. 1,76,781.54 Lakh for FY 2024-25 (PY: Rs. 1,74,214.82 Lakh).

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

As per the World Economic Outlook (WEO), April 2025 of the International Monetary Fund (IMF), the global economy registered a growth of 3.3% in 2024 and is projected to grow at 2.8% in 2025. In the emerging markets and developing economies, the growth is expected to slow down to 3.7% in 2025. Global inflation is expected to be 4.3% in 2025.

India's economy growth outlook appears relatively more stable in 2025, supported by private consumption, particularly in rural areas. Despite global economic headwinds, India's growth trajectory remains robust, driven by strong domestic demand, sustained public infrastructure investment, and a resilient services sector. However, external risks persist due to weaker global trade, tighter financial conditions, and geopolitical uncertainties. As per the National Statistical Office (NSO), Ministry of Statistics and Programme Implementation (MoSPI) released on May 30, 2025, the Real GDP of the country has been estimated to grow by 6.5% in 2025 as compared to the growth rate of 8.2% in FY 2024. Nominal GDP has witnessed a growth rate of 9.8% in FY 2025 over the growth rate of 9.6% in FY 2024.

The 'Agriculture and Allied Activities' stands at the intersection of three of the 21st century's most pressing challenges ensuring food and nutrition security, addressing climate change through adaptation and mitigation, and managing the sustainable use of critical resources like water, energy, and land. To maintain and accelerate agricultural growth, there is an urgent need to upgrade farming technologies, integrate modern skills into agricultural practices, and embrace innovative approaches such as cooperative farming. Equally important are efforts to minimize input wastage—particularly fertilizers, water, and energy, thereby promoting efficiency, sustainability, and resilience in Indian agriculture.

India's agricultural sector has demonstrated remarkable resilience in recent years, marked by consistent growth rates. This stability can be largely attributed to various government initiatives to enhance productivity, promote crop diversification, and increase farmers' income. As per the Economic Survey FY 2024-25 issued by Department of Economic Affairs, Government of India, Indian agriculture sector contributes approximately 16% of the country's GDP for FY2024 at current prices and provides livelihood support about 46.1% of the population. Not only does its performance directly impact food security, but it



also influences other sectors, sustaining livelihoods and supporting economic growth. In recent years, the agriculture sector in India has shown robust growth, demonstrating stability despite challenges.

Through strategic interventions such as subsidies, environmental regulations, research investments, and trade policies, Government provides guidance on the agricultural sector toward more sustainable, efficient, and equitable outcomes, the Government has promoted a recently approved scheme aimed at providing drones to Women SHGs. Furthermore, digital initiatives like the Digital Agriculture Mission (DAM) and the e-National Agriculture Market (e-NAM) have been launched to encourage the adoption of innovative agricultural technologies and improve price discovery mechanisms. Additionally, the government provides income support to farmers through assured remunerative prices for their produce, alongside programs such as the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN).

Use of fertilizer is indispensable for agriculture. India is the second largest consumer and producer of fertilizers in the world, and it subsidizes fertilizers. The Union Budget for FY 2025-26 allocated Rs.1.67 Lakh Crore for fertilizer subsidy, same as proposed in the Interim Budget, though lower than the revised estimate (RE) of Rs.1.71 Lakh Crore allotted for FY2024-25 (RE).

India stands at the second largest producer of nitrogenous and complex fertilisers in the World. The major fertilisers produced in India include urea, di-ammonium phosphate (DAP), NP/NPK Complex fertilisers and single super phosphate. Urea is the most produced fertiliser and widely consumed fertiliser in the country, which provides nitrogen to the soil and is crucial for plant development. India does not produce enough of it to meet its domestic requirements. During 2024-25, 30.64 million metric tonne (million MT) urea was produced against a production of about 52.0 million MT of total fertiliser products.

Though, India is moving toward gaining self-sufficiency in urea, it still depends on imports to meet its rock phosphate demand. Phosphatic and potassic (P&K) fertiliser plants are highly dependent on import of raw materials and intermediates like rock phosphate, sulphur, ammonia, sulphuric acid and phosphoric acid. The productivity of this sector is impacted by the availability and pricing of raw materials & intermediates in the international market. Dependency on import often affects quality of raw materials and intermediates, which in turn affects operations of complex fertiliser plants.

The Indian agricultural landscape is undergoing rapid transformation, with growing emphasis on productivity and sustainability. The development of domestic fertilizer manufacturing capabilities will reduce vulnerabilities to global supply chain disruptions. In this context, Atmanirbhar Bharat finds clear expression in the push for fertilizer self-sufficiency, fostering both economic sustainability and inclusive growth.

Outlook of the Company and its preparedness to tap opportunities:

Your Company is operating all three of its urea plants efficiently and has established a robust supply chain network for the evacuation of urea produced at these facilities. In FY 2024-25, HURL has achieved total urea sale of 33.06 LMT, which accounted for approx. 9% market share.

In terms of overall sale of fertilizer (i.e. urea and other fertilizer products), the Company registered sale of 34.42 LMT, which translated to a domestic fertilizer market share of approx. 5.5%. Building on this strong foundation, the Company is strategically positioned to further increase its market share by expanding its product portfolio. New product launches in the near future includes, Fermented Organic Manure (FOM), Sulphur 90% Powder, NPK 19:19:19 Foliar, NPK 13:0:45 Foliar, Seaweed-based products (in both granule and liquid forms), Bio NPK (Granular), and Phosphate Rich Organic Manure (PROM). Furthermore, HURL is set to diversify into new segments such as Agro-Chemicals, Seeds, and other region-specific fertilizers in response to evolving market demands.

To complement its product diversification, the Company is also preparing to scale up its import operations to ensure the availability of essential non-urea bulk fertilizers such as DAP, TSP, MOP, and various NPK grades for the farming community. Currently, the Company is routing its imports through Kandla port in Gujarat and Paradeep port in Odisha. The Company is evaluating the addition of more ports along both the Eastern and Western coasts of India to improve operational efficiency and broaden its supply network.

In parallel, the Company is pursuing geographical expansion into new States viz. Jammu & Kashmir, Himachal Pradesh, Uttarakhand and Gujarat. In alignment with this, HURL is also strengthening its distribution footprint through a hybrid approach involving Traditional dealers, Farmer Producer Organizations (FPOs), and e-commerce platforms, aimed at increasing HURL's presence in both rural and urban markets.

On the branding and promotion front, apart from participation in the key Government initiatives (mentioned under the 'Sales & Marketing' head) the Company is complementing traditional methods with modern digital strategies, including geo-tagged

advertisements on platforms like Facebook and YouTube. Plans are also in place to engage with Krishi YouTubers and conduct digital product demonstrations to enhance outreach and engagement.

Further, the Company is taking steps towards setting up of Nano Urea plant, Ammonium Sulphate Plant, Sulphur coated urea Plant, NPK Fertilizer Plant and is participating in formation of Joint Venture Company for Namrup-IV Ammonia Urea Fertilizer Plant at Namrup, Assam to leverage the opportunities that are coming up with various Government initiatives and policies in the agriculture sector.

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

The particulars as prescribed under the provisions of section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are as follows:

A. Conservation of Energy:

All the three plants are designed with state-of-the-art technology and advanced energy conservation measures, including gas turbines for power generation, waste heat recovery steam generation. These plants are expected to be amongst lowest specific energy consuming fertiliser plants in the Country and expected to achieve the best energy consumption of less than 5.0 Gcal per MT of urea.

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

(a) Gorakhpur Plant:

- (i) The Plant has transitioned from a full-load power configuration to an optimized setup comprising 1 GTG + STG + HRS-1 & 2, which has lead to energy saving.
- (ii) A revised operating philosophy was implemented in the Ammonia Cooling Tower (ACT) and Urea Cooling Tower (UCT) sections, leading to energy saving. Instead of operating cooling tower pumps with two turbines & one motor as standby, the plant shifted to one turbine-driven pump, one motor-driven pump in operation.

(b) Barauni Plant:

- (i) A revised operating philosophy was implemented in the DM Stream (DM Water Plant). Earlier, the DM (Demineralized) water stream was supplied with filtered water as its feed source. However, the process has now been modified to use permeate water from the ETP RO (Effluent Treatment Plant, Reverse Osmosis) system instead of filtered water. As a result of this source change, the activated DM activated carbon feed pump or filtered water pump (18.5 kW) is no longer in service and has been kept as a standby pump. This strategy change lead to energy saving.
- (ii) At present DM stream is in operation with permeate water resulting (output between regeneration) OBR of Anion unit increased significantly (1500 m3 above design OBR) resulting much saving of chemical (NaOH /caustic). Saving of approx 1.5 Rs/M3 of DM water due to increase in Anion OBR or by caustic saving. Water loss (during Anion regeneration) to produce per M3 DM water decreased due to increase on Anion OBR. As Anion unit OBR increased resulting less effluent generation in DM plant. Pumping (effluent transfer pump PM-40) cost of effluent from DM plant to ETP also reduced.
- (iii) An in-house modification of the PRDS logic was implemented to address MP steam pressure surges during IS-1 tripping in the Ammonia plant. The change stabilized MS steam header pressure prevented tripping of the Process Air Compressor and Ammonia Refrigeration Compressor, and enhanced safety. This led to faster startups and energy saving.
- (iv) A modification was implemented in the CO₂ compressor sealing system by replacing nitrogen with instrument air. This reduced nitrogen consumption by 144 Nm³/hr (16.5%).

(ii) The steps taken by the Company for utilising alternate source of energy;

(a) Gorakhpur Plant:

- (i) The following three projects were commissioned, which helped offset auxiliary power consumption and contributed to HURL's commitment to sustainability:



Project	Capacity	Date of Commissioning
CPP Rooftop Solar	100 kW	April 2024
Lake View Rooftop Solar	50 kW	May 2024
Solar Street Lighting	150 No.	Dec 2024

- (ii) Redevelopment of Chilwa Taal, a local water body, with solar lighting - enhancing local biodiversity and aesthetics.
- (iii) The capital investment on energy conservation equipment - During the FY 2024-25, the capital investment towards the Solar Street lighting system was Rs.35.9 Lakh.

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;

(a) Gorakhpur Plant:

- (i) For the first time in India, the KBR-based Purifier Expander was overhauled in-house. This helped in saving significant costs and avoiding an estimated loss of approx. 30% in daily production during a major shutdown.
- (ii) Synthesis Gas Compressor Diaphragm successfully repaired indigenously in collaboration with an agency. This has reduced the turnaround time and reliance on OEMs.
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year); NIL

C. Foreign Exchange Earnings & Outgo: Earnings – NIL Outgo – Rs.73,170.00 Lakh.

14. RESEARCH AND DEVELOPMENT (R&D):

No R&D activities were carried out / expenditure incurred during the period under review.

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

DIRECTORS:

As on March 31, 2025, the Company has eight (8) directors of which one is whole-time Director (Managing Director), two Directors nominated by each of the three Promoter companies viz. NTPC, CIL and IOCL and one Director nominated by FCIL/HFCL, combined.

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

During the FY 2024-25, the following changes were made in the Board of Directors:

S. No.	Name of Director and DIN	Nominated by	Appointment / Cessation	Reason of Appointment / Cessation	Date of Appointment / Cessation
1.	Shri D.S. Sehgal (DIN: 09065182)	IOCL	Cessation	Due to superannuation from IOCL	30.04.2024
2.	Shri Padamsing P. Patil (DIN:09747446)	FCIL/HFCL	Cessation	Change in Nomination by FCIL / HFCL	03.04.2024
3.	Shri Anurag Rohatgi (DIN:9774170)	FCIL/HFCL	Appointment		19.04.2024



S. No.	Name of Director and DIN	Nominated by	Appointment / Cessation	Reason of Appointment / Cessation	Date of Appointment / Cessation
4.	Smt. Renu Narang (DIN:08070565)	NTPC	Cessation	Change in Nomination by FCIL / HFCL	06.05.2024
5.	Shri Masood Akhtar Ansari (DIN: 10429528)	NTPC	Appointment		06.05.2024
6.	Shri AV Raghunadhan (DIN: 10570608)	IOCL	Appointment	Change in Nomination by IOCL	10.05.2024
7.	Shri Subhajit Sarkar (DIN:09706305)	IOCL	Cessation		10.05.2024
8.	Smt. Padma Dhulipala (DIN: 09565836)	IOCL	Appointment	Nomination by IOCL	10.05.2024
9.	Shri Anurag Rohatgi (DIN:9774170)	FCIL/HFCL	Cessation	Change in Nomination by FCIL / HFCL	14.05.2024
10.	Shri Naresh Arya (DIN: 10627329)	FCIL/HFCL	Appointment		14.05.2024
11.	Dr. A.K. Samantaray (DIN:07090691)	CIL	Cessation	Due to superannuation from CIL	30.06.2024
12.	Shri Sagar Sen (DIN:10711651)	CIL	Appointment	Nomination by CIL	18.07.2024
13.	Shri K.S. Sundaram (DIN:10347322)	NTPC	Cessation	Change in Nomination by NTPC	04.09.2024
14.	Shri R Sarangapani (DIN:10524412)	NTPC	Appointment		04.09.2024
15.	Shri Sagar Sen (DIN:10711651)	CIL	Cessation	Change in Nomination by CIL	04.03.2025
16.	Shri Chiranjib Patra (DIN: 10984975)	CIL	Appointment		04.03.2025
17.	Shri R Sarangapani (DIN:10524412)	NTPC	Cessation	Change in Nomination by NTPC	19.03.2025
18.	Shri Animesh Jain (DIN: 09343563)	NTPC	Appointment		19.03.2025

The following was composition of the Board of Directors, as on March 31, 2025:

S. No.	Name of Director and DIN	Designation
1.	Shri Debasish Nanda (DIN: 09015566)	Chairman
2.	Smt. Padma Dhulipala (DIN: 09565836)	Vice Chairperson
3.	Shri Animesh Jain (DIN: 09343563)	Vice Chairman
4.	Shri S.P. Mohanty (DIN: 05336787)	Managing Director
5.	Shri Masood Akhtar Ansari (DIN: 10429528)	Director
6.	Shri AV Raghunandhan (DIN: 10570608)	Director
7.	Shri Naresh Arya (DIN: 10627329)	Director
8.	Shri Chiranjib Patra (DIN: 10984975)	Director

Directors who were appointed and also whose tenure has ended after the close of the year:

After the close of the FY 2024-25, the following changes were made in the Board of Directors:

S. No.	Name of Director and DIN	Nominated by	Appointment / Cessation	Reason of Appointment / Cessation	Date of Appointment / Cessation
1.	Shri Debasish Nanda (DIN: 09015566)	CIL	Cessation	Due to superannuation	Due to superannuation
2.	Shri Mukesh Agrawal (DIN: 10199741)	CIL	Appointment	Nomination by CIL	Nomination by CIL



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

Shri Mukesh Agrawal, Chairman, Shri Animesh Jain, Vice-Chairman and Shri Chiranjib Patra, 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 March 31, 2025:

S. N.	Name	Designation
1	Shri S.P. Mohanty	Managing Director
2	Ms. Poonam Jeswani	Chief Financial Officer (CFO)
3	Smt. Iti Matta	Company Secretary (CS)

During the FY 2024-25, consequent upon end of tenure, Shri Anurag Shukla (nominated by NTPC) ceased to be CFO & KMP of the company w.e.f. 07.06.2024; and Ms. Poonam Jeswani (nominated by IOCL) was appointed as CFO & KMP and joined the Company w.e.f. 19.07.2024.

16. APPOINTMENT OF DIRECTORS AND REMUNERATION POLICY FOR BOARD AND SENIOR MANAGEMENT:

HURL is an unlisted public company and a joint venture company three Maharatna company promoters viz. Coal India Limited (CIL), NTPC Limited (NTPC), Indian Oil Corporation Limited (IOCL) and the other two promoters are Fertilizer Corporation of India Limited (FCIL) and Hindustan Fertilizer Corporation Limited (HFCL), therefore, in terms of provisions of section 149(4) of the Companies Act, 2013 read with rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014, HURL is not required to appoint Independent Directors on its Board. Therefore, declaration of independence by the Independent Directors in terms of section 149(6) of the Companies Act 2013 is also not applicable.

In terms of JV Agreement and Supplementary JV Agreement dated May 16, 2016, and October 31, 2016, respectively, and Articles of Association of the Company, the Directors of the Company that are nominated by Promoters are non-executive Directors. During FY 2024-25, no remuneration was paid to the non-Executive Directors. Apart from the nominated Directors the Company has one whole-time Director viz. Managing Director and the remuneration of the Managing Director have been approved by 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 2024-25 is detailed in the Financial Statements at Note No. 34.2.

The remuneration policy of the Company and the procedure and 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 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 placed as Appendix-C to this report.

17. PERFORMANCE EVALUATION:

Apart from the Managing Director, all the Directors of your Company are nominated by Promoter Companies (which are PSUs) who are Non-Executive Directors. The directors nominated by Promoters on the Board of HURL are being evaluated under well laid down procedure in their respective Companies. Therefore, no performance evaluation of the Non-executive and Board/Committees was carried out. 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 and the Board of Directors continuously evaluates his performance.

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

During the FY 2024-25, thirteen (13) Board Meetings were held as detailed below with three (3) meetings in quarter ended on June 2025, four (4) meetings in September 2025, two (2) meetings in December, 2025 and four (4) meetings on March, 2025. 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 2024-25, the meetings of the Board were held virtually as well as physically. The attendance details at the Board Meetings held during the FY 2024-25 are as follows:

S. N.	Date of the Meeting	Board Strength	No. of Directors Present
1.	23.04.2024	8	7
2.	17.05.2024	8	8
3.	25.06.2024	8	7
4.	16.08.2024	8	7
5.	23.08.2024	8	7
6.	12.09.2024	8	7
7.	20.09.2024	8	7
8.	01.11.2024	8	7
9.	14.11.2024	8	7
10.	08.01.2025	8	8
11.	20.02.2025 & 21.02.2025	8	8
12.	26.02.2025	8	7
13.	29.03.2025	8	8

The details Director's attendance at Board Meetings and Annual General Meeting held during FY 2024-25 are tabled below:

Name of Director	Meeting Date													Whether attended last AGM held on 20.09.2024	Total Meetings held during the tenure	No. of Meetings attended	% of Attendance
	23.04.2024	17.05.2024	25.06.2024	16.08.2024	23.08.2024	12.09.2024	20.09.2024	01.11.2024	14.11.2024	08.01.2025	20 & 21.02.2025	26.02.2025	29.03.2025				
Shri Debasish Nanda	P	P	P	P	P	P	P	P	P	P	P	P	P	Yes	13	13	100
Shri K.S. Sundaram (upto 04.09.2024)	P	P	P	LA	P	NA	NA	NA	NA	NA	NA	NA	NA	NA	5	4	80
Shri D.S. Sehgal (upto 30.04.2024)	P	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	1	1	100
Smt. Padma Dhulipala (w.e.f. 10.05.2024)	NA	P	P	P	P	LA	LA	P	P	P	P	P	P	Yes	12	10	83.3
Shri R Sarangapani (w.e.f. 04.09.2024 and upto 19.03.2025)	NA	NA	NA	NA	NA	P	P	P	P	P	P	P	NA	Yes	7	7	100
Shri Animesh Jain (w.e.f. 19.03.2025)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	P	NA	1	1	100
Shri S.P. Mohanty	P	P	P	P	P	P	P	P	P	P	P	P	P	Yes	13	13	100
Dr. A.K. Samantaray (upto 30.06.2024)	P	P	P	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	3	3	100
Ms. Renu Narang (upto 06.05.2024)	P	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	1	1	100
Shri Subhajit Sarkar (upto 10.05.2024)	LA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	1	0	0
Shri Padamsing P. Patil (upto 19.04.2024)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA



Name of Director	Meeting Date													Whether attended last AGM held on 20.09.2024	Total Meetings held during the tenure	No. of Meetings attended	% of Attendance
	23.04.2024	17.05.2024	25.06.2024	16.08.2024	23.08.2024	12.09.2024	20.09.2024	01.11.2024	14.11.2024	08.01.2025	20 & 21.02.2025	26.02.2025	29.03.2025				
Shri Anurag Rohatgi (w.e.f. 19.04.2024 & upto 14.05.2024)	P	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	1	1	100
Shri Masood Akhtar Ansari (w.e.f. 06.05.2024)	NA	P	P	P	P	P	P	P	P	P	P	P	P	Yes	12	12	100
Shri AV Raghunadhan (w.e.f. 10.05.2024)	NA	P	LA	P	P	P	P	P	LA	P	P	P	P	Yes	12	10	83.3
Shri Naresh Arya (w.e.f. 14.05.2024)	NA	P	P	P	LA	P	P	LA	P	P	P	LA	P	Yes	12	9	75.0
Shri Sagar Sen (w.e.f. 18.07.2024 and upto 04.03.2025)	NA	NA	NA	P	P	P	P	P	P	P	P	P	NA	Yes	9	9	100
Shri Chiranjib Patra (w.e.f. 04.03.2025)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	P	NA	1	1	100

NA – Not Applicable, P – Present, LA – Leave of absence

19. BOARD COMMITTEES:

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 CIL, NTPC and IOCL. The details of such committees constituted by the Board as on March 31, 2025 are as under:

- (i) **Audit Committee** – Pursuant to the provisions of Section 177 of the Companies Act, 2013, 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 composition of the Audit Committee as on March 31, 2025 as well as on the date of this report is as under:

S. N.	Name of the Member	Designation
1.	Shri Masood Akhtar Ansari	Chairman of the Committee
2.	Shri AV Raghunadhan	Member
3.	Shri Naresh Arya	Member
4.	Shri Chiranjib Patra	Member

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 2024-25, seven (7) meetings of the Audit Committee were held and the details including attendance of members of Audit Committee are as follows:

Name of Director	Meeting Date							Total Meetings held during the tenure	No. of Meetings attended	% of Attendance
	23.04.2024	17.05.2024	20.08.2024	18.09.2024	21.10.2024	08.01.2025	21.02.2025			
Ms. Renu Narang (upto 06.05.2024)	P	NA	NA	NA	NA	NA	NA	1	1	100
Shri Masood Akhtar Ansari, (w.e.f. 06.05.2024)	NA	P	P	P	P	P	P	6	6	100
Shri D.S. Sehgal (upto 30.04.2024)	P	NA	NA	NA	NA	NA	NA	1	1	100
Dr. A.K. Samantaray (upto 30.06.2024)	P	P	NA	NA	NA	NA	NA	2	2	100
Shri AV Raghunadhan (w.e.f. 10.05.2024)	NA	P	P	P	P	P	P	6	6	100
Shri Naresh Arya (w.e.f. 14.05.2024)	NA	NA	P	P	LA	P	P	5	4	80



Name of Director	Meeting Date							Total Meetings held during the tenure	No. of Meetings attended	% of Attendance
	23.04.2024	17.05.2024	20.08.2024	18.09.2024	21.10.2024	08.01.2025	21.02.2025			
Shri Sagar Sen (w.e.f. 18.07.2024 & upto 04.03.2025)	NA	NA	P	P	P	P	P	5	5	100
Shri Chiranjib Patra (w.e.f. 04.03.2025)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Shri Masood Akhtar Ansari, Chairman of the Audit Committee was present at the AGM held on September 20, 2024 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 2024-25.

- (ii) **Nomination & Remuneration Committee (NRC)** – Pursuant to the provisions of Section 178 of the Companies Act, 2013, the 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. The composition of the NRC as on March 31, 2025 as well as on the date of this report is as under:

S. N.	Name of the Member	Designation
1.	Shri Animesh Jain	Chairman of the Committee
2.	Smt. Padma Dhulipala	Member
3.	Shri Chiranjib Patra	Member

Managing Director is permanent invitee to the Committee, and Company Secretary is the Secretary to the Committee.

During the FY 2024-25, Four (4) meetings of the NRC were held and the details including attendance of members of NRC are as follows:

Name of Director	Meeting Date				Total Meetings held during the tenure	No. of Meetings attended	% of Attendance
	04.06.2024	25.06.2024	20.08.2024	18.09.2024			
Shri K.S. Sundaram (upto 04.09.2024)	P	P	P	NA	3	3	100
Shri R. Sarangapani (w.e.f. 04.09.2024 & upto 19.03.2025)	NA	NA	NA	P	1	1	100
Shri Animesh Jain (w.e.f.19.03.2025)	NA	NA	NA	NA	NA	NA	NA
Dr. A.K. Samantaray (upto 30.06.2024)	P	P	NA	NA	2	2	100
Smt. Padma Dhulipala (w.e.f. 10.05.2024)	P	P	P	P	4	4	100
Shri Sagar Sen (w.e.f. 18.07.2024 upto 04.03.2025)	NA	NA	P	P	2	2	100
Shri Chiranjib Patra (w.e.f. 04.03.2025)	NA	NA	NA	NA	NA	NA	NA

Shri R. Sarangapani, the then Chairman of the NRC was present at the Annual General Meeting held on September 20, 2024 to answer the queries of the shareholders.

- (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 composition of the CSR Committee as on March 31, 2025 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 Masood Akhtar Ansari	Member
4.	Shri Chiranjib Patra	Member

During the FY 2024-25, four (4) meetings of the CSR Committee were held and the details including attendance of members of CSR Committee are as follows:

Name of Director	Meeting Date				Total Meetings held during the tenure	No. of Meetings attended	% of Attendance
	04.06.2024	25.06.2024	20.08.2024	18.09.2024			
Shri AV Raghunadhan (w.e.f. 10.05.2024)	P	P	P	P	4	4	100
Shri S.P. Mohanty	P	P	P	P	4	4	100
Shri Masood Akhtar Ansari (w.e.f. 06.05.2024)	P	P	P	P	4	4	100
Shri Sagar Sen (w.e.f. 18.07.2024 and upto 04.03.2025)	P	P	P	NA	3	3	100
Shri Chiranjib Patra (w.e.f. 04.03.2025)	NA	NA	NA	P	1	1	100

(iv) **Other Board level Committee** – Some of the other major sub-committees of the Board of Directors including their constitution is as under:

Name of the Committee	Roles & Responsibility	Composition as on March 31, 2025 as well as on the date of this report is as under
Project Management Committee	To monitor and supervise the Project progress and exercise Powers of Board for Project Management, including Contracts Management, in respect of Powers beyond delegation to Managing Director of HURL.	1. Smt. Padma Dhulipala - Chairperson 2. Shri S.P. Mohanty - Member 3. Shri Masood Akhtar Ansari - Member 4. Shri Chiranjib Patra - Member Permanent Invitee: 1. Concerned Head of Project 2. CFO
Right Issue Committee	1. To exercise the powers of the Board for right issue. 2. To carry out all activities related to issue and allotment of shares to FCIL & HFCL from time to time.	1. Shri Animesh Jain - Chairman 2. Shri AV Raghunadhan - Member 3. Shri Naresh Arya - Member 4. Shri Chiranjib Patra - Member Permanent Invitee: 1. CFO

20. CORPORATE SOCIAL RESPONSIBILITY:

The Company has Corporate Social Responsibility (CSR) Policy approved by the Board, which can be accessed on the Company's website at <https://hurl.net.in/policy>. HURL has a Board-level CSR Committee in terms of the applicable provisions of the Companies Act, 2013, as detailed in para 19 (iii) above.

During the FY 2024-25, as against the CSR budget of Rs.1124 Lakh, administrative overhead expenditure amounted to Rs.56 Lakh. Therefore, the Board of Directors decided to contribute the remaining unspent amount of Rs.1068 Lakh towards Prime Minister's National Relief Fund (PMNRF) or any other funds specified in schedule VII to the Companies Act, 2013.

The Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, is annexed and forms an integral part of this report.



Hon'ble Chief Minister of Uttar Pradesh during plantation drive as part of the 'Ek Ped Maa ke Naam' Campaign in Gorakhpur, Uttar Pradesh

21. INITIATIVES FOR CORPORATE ENVIRONMENT RESPONSIBILITY (CER) & ENVIRONMENT & SUSTAINABILITY:

Corporate Environment Responsibility (CER)

In its consistent strive and commitment to work for the economic and social development of the communities nearby the upcoming Urea plants, your Company has been consistently working on undertaking various projects as a part of fulfilment of its' Corporate Environment Responsibility (CER) obligations as required under one of the specific conditions of the Environmental Clearances granted for its projects.

Revamping of Village Sonbarsa as a Model Village

Panchayat Bhawan



School Building



Class Rooms



Established 16 Pediatric Intensive Care Units(PICUs) at Gorakhpur



Inauguration of PICU units



Inauguration of PICU units



Supporting 100 Anganwadi Kendras including construction/ renovation of buildings/ electrical connections/ toilets in Baliapur block of Dhanbad district



Project SAKSHAM under Skill development training program by CIPET



Your Company has initially committed a corpus of Rs.15,000 Lakh towards this head in the revised project cost approved by the Board of Directors of HURL in April 2023, and as such, the respective teams of three Plants of the Company are focussing on developing suitable CER projects for fulfilling the commitments made during the public consultations including other projects in line with the Company's CER Policy.

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

- A.** At Gorakhpur, a numbers of CER projects namely "Creation of the Model Village Sonbarsa", "Creation of Health Infrastructure by establishing 3-bedded Paediatric Intensive Care Units (PICUs) in the 16 Community Health Centres" in Gorakhpur District, "Improvement/ augmentation of education related infrastructure in 26 schools including a Government library", and "Ramgarh Taal Facelifting & Placemaking" undertaken on Deposit Work Basis in the previous year have been taken forward at an accelerated pace. Another CER initiative has been undertaken for the "Supply and Installation of 1427 numbers of integrated Solar Street Lights" on 27 routes in the Gorakhpur city.

In addition to the above, two proposals on skill development of the local youths as a part of commitment during the public hearing are under active consideration which are aimed at imparting training to the local youth (male & female) on different trades for creating job opportunities. This has been targeted to be achieved by associating with "National Skill Development Corporation (NSDC)" and "Central Institute of Plastics Engineering & Technology (CIPET)".

The Company is undertaking its flagship project in healthcare infrastructure on establishment of Paediatric Intensive Care Units (PICUs) in the Community Health Centres of the Gorakhpur district. Out of the total 16 PICUs under implementation, 7 units have already been dedicated to the people of Gorakhpur by the Hon'ble Chief Minister, Uttar Pradesh and balance 9 units will be dedicated to the people of Gorakhpur in the next financial year.

The efforts of your Company for various CER initiatives at Gorakhpur and especially the PICUs have been well applauded by the Gorakhpur District Administration / UP State Government.

- B.** At Baruani, the implementation of the project on Community Plantation is progressing as per the schedule under the flagship scheme of the Government of Bihar namely "Jal Jeevan Hariyali Mission 5.0", being implemented through the Forest Department, Government of Bihar. The persuasive efforts of your Company with the district administration have yielded results, whereby the district administration has given its consent for undertaking the CER projects through "Nominated Implementation Partner Route", duly nominated by the district administration, as may be required from time to time, on a case-to-case basis. Accordingly, a project on creation of education related infrastructure in selected Government schools surrounding the plant/ township is under active consideration of the Company.
- C.** At Sindri, as a part of fulfilment of the Company's commitment towards the surrounding communities, your Company is regularly supplying drinking water for the benefit of over 1 Lakh population. Another project on Improvement/Augmentation of Education infrastructure/ associated infrastructure in 10 schools surrounding the plant/ township, Supply, supplying and installation and Commissioning of LED and high mast lights is being undertaking on deposit work basis and Installation of Essentials Basic Facilities at Sabalpur Old Age Home Dhanbad, which is being directly executed by Sindri Plant.
- D.** In addition to the above, the Company is undertaking Skill Development of unemployed youth from all three plant locations (Gorakhpur, Sindri and Barauni) as a part of commitment during the public hearing and CER policy. This initiative has been executed by Company under flagship project "SAKSHAM" in collaboration with Central Institute of Plastics Engineering & Technology (CIPET). Another project under the flagship project "SAKSHAM" is being undertaken in collaboration with National Skill Development Corporation (NSDC), for the impactful development of unemployed youth at the three plant locations, by imparting training in different trades.

Environment & Sustainability

HURL continues to demonstrate its unwavering commitment to environmental sustainability, regulatory compliance, and ecological stewardship. Through integrated efforts across its three urea manufacturing units (Gorakhpur, Sindri, and Barauni), the Company has embedded sustainability as a core value in its operations.

The Company has proactively aligned with all environmental norms, working closely with the State Pollution Control Boards (SPCBs). All three units have successfully obtained the requisite Consent to Operate (CTO) and other clearances well ahead of stipulated timelines. This proactive compliance has facilitated uninterrupted plant operations while maintaining rigorous environmental standards.

A notable initiative is the extensive green belt development across all plant sites. As part of the Company's ecological vision,



more than 33% of the total plant area at each location is being converted into green belts. The scale of plantation reflects the Company's strategic commitment to enhancing biodiversity and carbon sequestration i.e. 130 acres at Gorakhpur unit, 132 acres at Sindri unit and 116 acres at Barauni unit.

These plantations are progressing in phases and will serve as vital green lungs, improving microclimates and promoting sustainable industrial ecology.

In addition, the Company plans to undertake afforestation using the Miyawaki Method - a technique that enables rapid and dense forest growth using native species. This approach is expected to significantly improve biodiversity and environmental quality at a faster pace, contributing to long-term ecosystem resilience.

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.

By integrating sustainability into operational and strategic planning, HURL is not only complying with legal frameworks but also striving to exceed them. The aim is to create a culture of sustainability that empowers employees, engages communities, and enhances stakeholder value. Moving forward, the Company plans to set more ambitious tree plantation targets, explore renewable energy integration, strengthen wastewater and emission management systems, and collaborate with local authorities and NGOs for community-based environmental projects.

22. SAFETY:

The safety and well-being of our employees, customers, and stakeholders have always remained a top priority for the Company. We are pleased to report that significant steps have been made during the year in strengthening our safety practices and embedding a culture of safety throughout the organization.

HURL has developed and implemented comprehensive safety policies and procedures in alignment with industry best practices and prevailing regulatory standards. These policies are periodically reviewed and updated to ensure continued relevance and effectiveness. They are communicated proactively and made readily accessible to all employees via internal communication platforms.

A robust safety reporting system has been established to empower employees to promptly report any safety-related concerns or incidents. This initiative has helped to foster a proactive safety culture where transparency and accountability are encouraged.

Regular safety audits and inspections have been conducted across all company facilities to identify potential hazards, ensure adherence to safety protocols, and initiate corrective measures wherever required. These assessments have been crucial in minimizing risk, enhancing operational safety, and promoting continuous improvement.

HURL's Safety KPIs focus on proactive safety culture and zero-incident goals. Key targets include Safety walks by leaders, monthly audits of high-risk jobs, regular equipment inspections, near-miss reporting, annual HSE training, and best practice sharing. The Company aims for 100% regulatory compliance, zero fatalities, zero LTIFR, complete incident investigations, and dissemination of lessons learned from high-potential incidents.

Looking ahead, the Company remains committed to safety excellence. Our safety initiatives will continue to be a core part of our operations, aimed at providing a safe and healthy work environment for all stakeholders.

23. IMPLEMENTATION OF IMS:

During FY 2024-25, as a part of the commitment of HURL towards continuous improvement, the Company have initiated the implementation of Integrated Management System (IMS) certified for Quality, Safety and Environment. The Company has put in place an Integrated Management System (IMS) policy. The Company aims to achieve certifications for its all three units and HQ, which reflect the commitment to sustainable growth and dedication in delivering superior value to the customers and stakeholders.

24. RISK MANAGEMENT:

Risk Management is a key aspect of Corporate Governance and aims to improvise the governance practices across the business activities of any organization.

During the FY 2024-25, a revised Risk Management policy has been put in place, with the approval of the Board of Directors. It ensures that all the current and future material risk exposures of the Company are identified, assessed, quantified,



appropriately mitigated, minimized and managed and to enable compliance with appropriate regulations, wherever applicable, through adoption of the best practices.

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 section 92(3) and 134(3) of the Companies Act, 2013, the Annual Return of the Company for year ending March 31, 2025 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 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 2024-25, 94 new employees were added to the strength of the family of the company. As on March 31, 2025, there were 862 employees in HURL, out of which, 40 were women employees. Apart from this, as on March 31, 2025, there was 1 employee on deputation from the Promoter Company, IOCL, in terms of the Articles of Association.
- b. **Employee Welfare:** Your company values its human capital and continues to strive for work environment that promotes wellbeing of its employees. Your Company HURL 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 Medisclaim and Personal Accident Insurance coverage, Provision of well-maintained canteens at all locations, Recreational and sports infrastructure, Participation in national cleanliness campaigns such as "Swachhta Pakhwada" etc., 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, Annual picnics, Sports meet, Inter-departmental competitions and New year celebrations etc., both at Corporate Office and sites. 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 2024-25, more than 700 employees underwent formal training through a combination of internal and external programs and more than 3000 training days have been achieved.

Core training programs included, Functional training tailored to departmental needs, Behavioral and leadership workshops, Mandatory safety and compliance modules, and exposure to international seminars and participation in forums by FAI, IFA, and IOD.

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 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.

Actions undertaken during the year include conducting 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 2024-25, there were no complaints of sexual harassment. The details are as under:

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

29. INFORMATION TECHNOLOGY (IT) INITIATIVES:

Your Company has implemented/enhanced various modules of SAP S4 HANA for FICO (Finance and Accounting), MM (Material Management) and SD (Sales & Distribution) modules and integrating GST reporting capabilities into SAP which is not limited to RICEF (Reports, Interfaces, conversions, enhancements & Forms) which includes the customize reports, custom development/enhancement and smart forms etc., for better accounting, review and monitoring.

Your Company also implemented a secure network infrastructure with Layer 3 (L3) configurations at the switch level and Layer 7 (L7) security at the firewall implemented a secure network infrastructure with Layer 3 (L3) configurations at the switch level and Layer 7 (L7) security at the firewall, ensuring enhanced protection and control. A unified SSID (Service Set Identifier) has been deployed across the entire office to streamline wireless connectivity.

Additionally, e-mail services have been migrated to Microsoft 365, offering our employees a more secure, user-friendly, and efficient communication platform and IP phones have been installed at all locations (HO, Gorakhpur, Barauni and Sindri) enabling seamless interconnectivity between sites and reducing reliance on mobile networks for internal communication.

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. Queries received have been replied within the stipulated time. During the FY 2024-25, 86 RTI applications and 10 appeals were received and disposed off.

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

Vigilance Department of the Company is headed by Chief Vigilance Officer (CVO) appointed by Department of Fertilizer, Ministry of Chemical & Fertilizers. During the FY 2024-25, a total of 19 complaints were received in the Vigilance Department, all of which were examined and necessary action taken thereon. As a preventive vigilance measure, the Department has carried out 2 surprise inspection and 5 Intensive Examination during the year. In addition to it, many advisories were issued for systemic improvement. During Vigilance Awareness Week, different activities were performed in all the units and HQ, ensuring active participation of employees/their wards, to increase the general awareness about the perils of corruption. During Vigilance awareness week presentation were given on Preventive Vigilance and case studies in which a large number of employees participated.

In FY 2024-25, the Vigilance Department streamlined the Annual Property Returns (APR) submission process, leading to improved compliance and a significant increase in timely submissions.

HURL developed online Vigilance complaint portal w.e.f. 01.11.2023. It is a valuable tool for fostering accountability, reducing corruption, and ensuring ethical conduct within the organisation.

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

32. ON-BOARDING ON TREDS PLATFORM:

In exercise of powers conferred by the provisions of section 9 of the Micro, Small and Medium Enterprise Development Act, 2006, the Central Government issued instructions that all companies registered under the Companies Act, 2013 with a turnover of more than Rs.250 Crore and all CPSEs shall be required to get themselves on-boarded on the Trade Receivables Discounting System (TReDS) platform, set up as per the notification of the Reserve Bank of India. In compliance with the above instruction, HURL has boarded on the TReDS platform during the year, to facilitate the financing of trade receivables of MSEs by discounting of their receivables and realization of their payment before the due date.

HURL is registered with Receivable Exchange of India Limited (RXIL), which is providing RBI licensed TReDS platform.

33. DIRECTORS' RESPONSIBILITY STATEMENT:

[Pursuant to section 134(3)(c) of Companies Act, 2013]

In accordance with section 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.

34. GENERAL MEETINGS

The 8th Annual General Meeting (AGM) of the Company for the year 2024 was held on September 20, 2024 at 1230 Hrs. through Video Conferencing (VC) / Other Audio-Visual Means (OVAM) at the Registered Office, Core-4, 9th floor, SCOPE Minar, Laxmi Nagar, New Delhi – 110092.

No Extra -Ordinary General Meeting (EGM) held during FY 2024-25.

35. AUDITOR:**STATUTORY AUDITOR:**

The C&AG have appointed M/s Surendra Subhash & Co. (Firm Registration No. 0001150N), Chartered Accountants, New Delhi as the Statutory Auditors of your Company for the FY 2024-25, in terms of the provisions of the Companies Act, 2013.

The Auditors' Report (Revised) on the Financial Statement of the Company for the period from April 01, 2024 to March 31, 2025 is enclosed under 'Auditors Report and Financial Statements for FY 2024-25' section of the Annual Report. There are no

qualifications, reservations or adverse remarks made by the Statutory Auditors in their report.

INTERNAL AUDITOR:

Your Company had appointed M/s AMAA & Associates, Chartered Accountants, New Delhi as the Internal Auditors of the Company for FY 2024-25, 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. Accordingly, such accounts and records are made and maintained.

Your Company had appointed M/s R K Patel & Co., as the Cost Auditors of the Company for FY 2024-25, in terms of the Companies Act, 2013.

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 2024-25, 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 2024-25 is placed as Appendix-D to this report. There are no qualifications, reservations or adverse remarks made by the Secretarial Audit Report.

36. C&AG REVIEW:

The comments of Comptroller and Auditor General (C&AG) of India on the Financial Statements for the year ending March 31, 2025, shall be enclosed under "Auditors Report and Financial Statements for FY 2024-25" section of the Annual Report.

37. ANNEXURES TO THE REPORT:

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

- A. **ANNUAL REPORT ON CSR ACTIVITIES:** The Annual Report on Corporate Social Responsibility (CSR) activities for the FY 2024-25 is enclosed to this report as **Appendix-A**.
- B. **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 to this report as **Appendix-B**. The details of related party transactions have also been disclosed in the standalone financial statements as required in terms of the applicable accounting standards.
- C. **PARTICULARS OF EMPLOYEES:** The Information in terms of 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 2024-25 is enclosed to this report as **Appendix-C**.
- D. **SECRETARIAL AUDIT REPORT:** The Secretarial Audit Report by M/s Kumar Naresh Sinha & Associates, Company Secretaries, NOIDA is enclosed to this report as **Appendix-D**.

38. OTHER DISCLOSURES: The other disclosures for FY 2024-25 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) Your Company does not have Subsidiary / Associate / Joint Venture Company.
- (iv) There was no change in the nature of business of your company during the year ended March 31, 2025.
- (v) 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.
- (vi) There were no instances of fraud reported by the Auditors vide their Report for the FY.
- (vii) There was one proceeding initiated by the Company i.e. M/s. NICE Projects Limited – NCLT, Delhi under the Insolvency and Bankruptcy Code, 2016. Further, there was one proceeding initiated against the Company i.e. M/s. DTH Infra Engineers Private Limited – NCLT, Delhi under the Insolvency and Bankruptcy Code, 2016.



- (viii) The Company has not given any loans or guarantees or made any investment covered under the provisions of section 186 of the Companies Act, 2013.
- (ix) All Directors had disclosed his 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 Chemicals and Fertilisers, 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 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 its 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 Mukesh Agrawal)

Chairman

Date: 16-07-2025

Place: New Delhi

Appendix-A

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 programmes 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 programmes geared towards CSR and indicates the focussed 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 four (4) times during FY 2024-25 i.e. on 20.08.2024, 12.11.2024, 20.02.2025 and 29.03.2025. The composition of the CSR Committee as on March 31, 2025 was as under:

S. No.	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 (w.e.f. 10.05.2024)	Chairman of the Committee	4	4
2.	Shri S.P. Mohanty	Member	4	4
3.	Shri Masood Akhtar Ansari (w.e.f. 06.05.2024)	Member	4	4
4.	Shri Sagar Sen (upto 04.03.2025)	Member	4	3
5.	Shri Chiranjib Patra (w.e.f. 04.03.2025)	Member	4	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:

- Composition of CSR committee – <https://hurl.net.in/compositionofcsrcommittee>
- CSR Policy – <https://hurl.net.in/policy>
- CSR projects – Not applicable (NA)

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: Not Applicable

- Average net profit of the company as per section 135(5): Rs. 56196 Lakh
 - Two percent of average net profit of the company as per section 135(5): Rs. 1124 Lakh
 - Surplus arising out of the CSR projects or programs or activities of the previous financial years: Nil
 - Amount required to be set off for the financial year, if any: Nil
 - Total CSR obligation for the financial year [(b)+(c)+(d)]: Rs. 1124 Lakh
- Amount spent on CSR projects (both ongoing and other ongoing projects): Nil
 - Amount spent in Administrative Overheads: Rs. 56 Lakh
 - Amount spent on Impact Assessment, if applicable: Not Applicable
 - Total amount spent for the Financial Year [(a)+(b)+©]: Rs. 56 Lakh
 - CSR amount spent or unspent for the Financial Year:

Total Amount spent for the Financial Year (in Rs. Lakh)	Amount Unspent (in Rs. Lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs.56 Lakh	Not Applicable	Not Applicable	Prime Minister National Relief Fund (PMNRF).	Rs.1068 Lakh	Refer Note



Note: The unspent amount of Rs.1068 Lakh would be transferred to PMNRF before September 30, 2025, in accordance with provisions of the Companies Act, 2013 read with rules made thereunder.

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

Sl. No.	Particular	Amount (In Rs. Lakh)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	Rs.1124 Lakh
(ii)	Total amount spent for the Financial Year	Rs.56 Lakh
(iii)	Excess Amount spent for the Financial Year [(ii) – (i)]	Nil
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii) – (iv)]	Rs.1068 Lakh

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

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under Section 135 (6) (in Rs.)	Balance Amount in unspent CSR Account under Section 135 (6) (in Rs.)	Amount spent in the Financial Year (In Rs.)	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.)	Deficiency, if any
					Amount (in Rs.)	Date of transfer		
1	FY 2021-22	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	FY 2022-23	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3	FY 2023-24	Nil	Nil	Nil	Nil	Nil	Nil	Nil

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:** No

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):**
During the year FY 2024-25, there was no on-going CSR projects and the approval of the Board of Directors, the Company would be contributing an amount Rs.1068 Lakh to PMNRF after the close of the FY 2024-25 and before September 30, 2025. After making the said contribution, the CSR spent shall two percent of average net profit, as per section 135(5) of the Companies Act, 2013.

For and on behalf of the Board of Directors

Sd/-

(Shri S.P. Mohanty)

Managing Director

DIN: 05336787

Sd/-

(Shri AV Raghunadhan)

Chairman CSR Committee

DIN: 10570608

Date: 16-07-2025

Place: New Delhi

Appendix-B

[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 PROVISIO THERETO, FOR THE FINANCIAL YEAR 2023-24

- Details of contracts or arrangements or transactions not at arm's length basis: NIL
- Details of material contracts or arrangements or transactions at arm's length basis: As follows

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)
Indian Oil Corporation Limited (IOCL), Promoter Company	1. Tripartite Lease Deed between HURL, IOCL and HFCL [For allotting land of around 2500 square meter (approx.) inside Fertilizer Plant area for Gas Station for the CGD (City Gas Distribution) Project at Barauni]	Date: Tripartite Lease Deed executed on 08.07.2022. Duration: 30 years	To allot land of around 2500 square meter (approx.) to IOCL (the Lessee) inside Fertilizer Plant area to construct and operate a "City Gas Station Facilities" for custody transfer of gas, from JHBDPL (Jagdishpur-Haldia and Bokaro-Dhamra Pipeline) of GAIL. During the continuance of lease, IOCL to make following payments: (i) To HFCL, the Confirming Party: Initial Lump sum payment of Rs.45,57,000/- along with consideration amount for first year, of Rs.3,64,548/- and for subsequent years, payment of consideration amount with an annual escalation of 5% from second year onwards. (ii) To HURL, the Lessor: Rent of Rs.12 per year, during the period of Agreement.	28.04.2022	
	2. Gas Sale and Transmission Agreement (GSTA / GSA) between IOCL (as seller) and HURL (as buyer) [GSTA / GSA to procure from IOCL Additional Natural Gas (On Long Term, Basis) for Gorakhpur plant for quantity of 0.26 MMSCMD]	Date: GSTA with IOCL executed on 18.08.2022 and amendment dated 26.09.2023 (Side letter C) Duration: Agreement	The salient terms of agreement are as follows: • Supply Tenure: Till last day of April 2028 with provision of extension on mutual agreement. • Daily Contract Quantity (DCQ): 0.26 MMSCMD on GCV basis at 9880 Kcal / SCM • Delivered / Ex-terms: Delivered basis at HURL Gorakhpur plant • Take or Pay: 75% yearly basis • Liquidated Damages: 70% for default period (s) of 15 days • Credit days: 35 days • Payment Security: Equivalent to value of 30 days gas supply	16.08.2022	



		valid till 30.04.2028.	with provision of signing Tripartite Agreement • Delivery Terminal: Dahej LNG Terminal, Gujarat / Any Other Terminal based on mutual agreement. Contract Price: The contract price payable under the Agreement consist of the following elements/components												
			<table><tr><th>Cost Component</th><th>Remarks</th></tr><tr><td>Foreign Currency Component (FCC)</td><td>It shall be equivalent to foreign currency component declared by Petronet LNG Limited on monthly basis pursuant to policy decision as to pooling of RLNG prices as per Ministry of Petroleum & Natural Gas Letter (L-11012/1/06-GP-II/Vol-II) dated 06.03.2007.</td></tr><tr><td>Regasification Charges</td><td>Regasification Charges with effect from 01.01.2022 shall be Rs.57.06 per MMBTU (subject to an escalation of 5% per annum) considering regasification of LNG imported by the Seller at Regasification Facility of Petronet LNG Limited located at Dahej, Gujarat. However, in case of any change in aforesaid Regasification Facility, the Seller and Buyer shall mutually discuss and agree for any such change and the Regasification Charges payable by the Buyer shall be modified on the basis of regasification charges of the relevant terminal operator.</td></tr><tr><td>Transmission Charges</td><td>The Buyer shall pay to the Seller, the Trunk line transmission Charges, for transportation of Gas from the Regasification Facility to the Delivery Point as per PNGRB (Petroleum and Natural Gas Regulatory Board) norms. In the event there is change in the Regasification Facility as agreed by seller & buyer, the Trunk line transmission Charges payable by the buyer shall be modified (from reassigned Regasification Facility to the Delivery Point) as per PNGRB norms.</td></tr><tr><td>Other Charges</td><td>Other Charges shall with effect from 01.01.2022 will be Rs.15.83 per MMBTU (subject to an escalation of 5% per annum).</td></tr></table>	Cost Component	Remarks	Foreign Currency Component (FCC)	It shall be equivalent to foreign currency component declared by Petronet LNG Limited on monthly basis pursuant to policy decision as to pooling of RLNG prices as per Ministry of Petroleum & Natural Gas Letter (L-11012/1/06-GP-II/Vol-II) dated 06.03.2007.	Regasification Charges	Regasification Charges with effect from 01.01.2022 shall be Rs.57.06 per MMBTU (subject to an escalation of 5% per annum) considering regasification of LNG imported by the Seller at Regasification Facility of Petronet LNG Limited located at Dahej, Gujarat. However, in case of any change in aforesaid Regasification Facility, the Seller and Buyer shall mutually discuss and agree for any such change and the Regasification Charges payable by the Buyer shall be modified on the basis of regasification charges of the relevant terminal operator.	Transmission Charges	The Buyer shall pay to the Seller, the Trunk line transmission Charges, for transportation of Gas from the Regasification Facility to the Delivery Point as per PNGRB (Petroleum and Natural Gas Regulatory Board) norms. In the event there is change in the Regasification Facility as agreed by seller & buyer, the Trunk line transmission Charges payable by the buyer shall be modified (from reassigned Regasification Facility to the Delivery Point) as per PNGRB norms.	Other Charges	Other Charges shall with effect from 01.01.2022 will be Rs.15.83 per MMBTU (subject to an escalation of 5% per annum).	12.09.2023	
Cost Component	Remarks														
Foreign Currency Component (FCC)	It shall be equivalent to foreign currency component declared by Petronet LNG Limited on monthly basis pursuant to policy decision as to pooling of RLNG prices as per Ministry of Petroleum & Natural Gas Letter (L-11012/1/06-GP-II/Vol-II) dated 06.03.2007.														
Regasification Charges	Regasification Charges with effect from 01.01.2022 shall be Rs.57.06 per MMBTU (subject to an escalation of 5% per annum) considering regasification of LNG imported by the Seller at Regasification Facility of Petronet LNG Limited located at Dahej, Gujarat. However, in case of any change in aforesaid Regasification Facility, the Seller and Buyer shall mutually discuss and agree for any such change and the Regasification Charges payable by the Buyer shall be modified on the basis of regasification charges of the relevant terminal operator.														
Transmission Charges	The Buyer shall pay to the Seller, the Trunk line transmission Charges, for transportation of Gas from the Regasification Facility to the Delivery Point as per PNGRB (Petroleum and Natural Gas Regulatory Board) norms. In the event there is change in the Regasification Facility as agreed by seller & buyer, the Trunk line transmission Charges payable by the buyer shall be modified (from reassigned Regasification Facility to the Delivery Point) as per PNGRB norms.														
Other Charges	Other Charges shall with effect from 01.01.2022 will be Rs.15.83 per MMBTU (subject to an escalation of 5% per annum).														

				Amendment dated 26.09.2023: procurement of Additional Gas (on long-term basis) for Gorakhpur unit for a quantity of 0.07 MMSCMD of RLNG requirement								
				The salient terms of agreement are as follows: - Supply Tenure: Till last day of April 2028 with provision of extension on mutual agreement. - DCQ: 0.26 MMSCMD on GCV basis at 9880 Kcal / SCM - Delivered / Ex-terms: Delivered basis at HURL Barauni & Sindri plant - Take or Pay: 75% yearly basis	28.12.2022							
				- Liquidated Damages: 70% for default period (s) of 15 days - Credit days: 35 days - Payment Security: Equivalent to value of 30 days gas supply with provision of signing Tripartite Agreement - Delivery Terminal: Dahej LNG Terminal, Gujarat / Any Other Terminal based on mutual agreement. Contract Price: The contract price payable under the Agreement consists of the following elements / components:	12.09.2023							
				<table><tr><th>Cost Component</th><th>Remarks</th></tr><tr><td>Foreign Currency Component (FCC)</td><td>It shall be equivalent to foreign currency component declared by Petronet LNG Limited on monthly basis pursuant to policy decision as to pooling of RLNG prices as per Ministry of Petroleum & Natural Gas Letter (L-11012/1/06-GP-II/Vol-II) dated 06.03.2007.</td></tr><tr><td>Regasification Charges</td><td>Regasification Charges with effect from 01.01.2023 shall be Rs.59.91 per MMBTU (subject to an escalation of 5% per annum) considering regasification of LNG imported by the Seller at Regasification Facility of Petronet LNG Limited located at Dahej, Gujarat. However, in case of any change in aforesaid Regasification Facility, the Seller and Buyer shall mutually discuss and agree for any such change and the Regasification Charges payable by the Buyer shall be modified on the basis of regasification charges of the relevant terminal operator.</td></tr></table>	Cost Component	Remarks	Foreign Currency Component (FCC)	It shall be equivalent to foreign currency component declared by Petronet LNG Limited on monthly basis pursuant to policy decision as to pooling of RLNG prices as per Ministry of Petroleum & Natural Gas Letter (L-11012/1/06-GP-II/Vol-II) dated 06.03.2007.	Regasification Charges	Regasification Charges with effect from 01.01.2023 shall be Rs.59.91 per MMBTU (subject to an escalation of 5% per annum) considering regasification of LNG imported by the Seller at Regasification Facility of Petronet LNG Limited located at Dahej, Gujarat. However, in case of any change in aforesaid Regasification Facility, the Seller and Buyer shall mutually discuss and agree for any such change and the Regasification Charges payable by the Buyer shall be modified on the basis of regasification charges of the relevant terminal operator.		
Cost Component	Remarks											
Foreign Currency Component (FCC)	It shall be equivalent to foreign currency component declared by Petronet LNG Limited on monthly basis pursuant to policy decision as to pooling of RLNG prices as per Ministry of Petroleum & Natural Gas Letter (L-11012/1/06-GP-II/Vol-II) dated 06.03.2007.											
Regasification Charges	Regasification Charges with effect from 01.01.2023 shall be Rs.59.91 per MMBTU (subject to an escalation of 5% per annum) considering regasification of LNG imported by the Seller at Regasification Facility of Petronet LNG Limited located at Dahej, Gujarat. However, in case of any change in aforesaid Regasification Facility, the Seller and Buyer shall mutually discuss and agree for any such change and the Regasification Charges payable by the Buyer shall be modified on the basis of regasification charges of the relevant terminal operator.											

51



Note:

- (i) Apart from the above transactions, the Promoter companies viz. NTPC, CIL and IOCL have also deputed their employees to HURL on deputation and secondment basis, which is on actual cost (CTC) basis. The salary benefits paid to such deputed employees is as per the policy of respective promoter companies and are being reimbursed by HURL on actual basis.
- (ii) The details of "Related Party Disclosures" as per accounting standards are being disclosed in Notes to the accounts in the Financial Statements.

3. Details of contracts or arrangements not in the ordinary course of business: NIL

For and on behalf of the Board of Directors

Sd/-

(Shri Mukesh Agrawal)

Chairman

[DIN: 10199741]

Date: 16-07-2025

Place: New Delhi

**Appendix-C****Information of top ten employees in terms of remuneration drawn during FY 2024-25**

[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)	Remuneration (in Rs.)	Experience (Years)	Date of Joining	Age (in years)	Last Employment
1.	Shri. Siba Prasad Mohanty	Managing Director (MD)	MBA (Marketing)	Regular HURL	78,15,028	36	29.12.2023	59	Brahmaputra Valley Fertilizer Corporation Limited
2.	Shri. Dipten Roy	Sr. Vice President & Business Unit Head (Gorakhpur)	BE (Chemical Engineering)	Regular HURL	76,08,425	37	20.09.2018	59	Sriram Fertilizer & Chemicals
3.	Shri. Sanjay Chawla (Upto 31.12.2024)	General Manager (CSR, Environment & Safety)	B. Tech (Mining Engineering)	Deputation from CIL	57,11,183	35	21.09.2016	59	Coal India Limited
4.	Shri. Sunil Kumar Singh	Vice President (PS&CE, Vigilance & Safety)	B. Tech (Electronics)	Regular HURL	56,23,138	37	08.06.2018	59	Algeria Oman Fertiliser Company
5.	Shri. Akhilendra Singh	Vice President (Maintenance)	ME (Production & Industrial)	Regular HURL	54,11,710	30	21.04.2021	56	Chambal Fertilizers and Chemicals Ltd.
6.	Shri. Sanjai Kumar Gupta	Vice President & Business Unit Head (Barauni)	B. Tech (Chemical)	Regular HURL	53,67,686	25	18.01.2019	55	Bhawan International Projects
7.	Ms. Poonam (Jeswani w.e.f. 19.07.2024)	Chief Finance Officer (CFO)	B. Com & ICWA	Deputation from IOCL	53,61,816	30	19.07.2024	55	Indian Oil Corporation Limited
8.	Shri Suresh Pramanik (Upto 22.03.2025)	Vice President & Business Unit Head (Sindri)	B. Tech (Chemical)	Regular HURL	52,86,434	29	15.03.2021	54	Indo Gulf Fertilizers Ltd.
9.	Shri Goutam Majee	VicePresident (Technical Service)	BE (Chemical)	Regular HURL	52,78,977	29	01.12.2021	54	Haldor Topsoe India Pvt. Ltd.
10.	Shri. Rama Shanker Lal	Associate Vice President (Operations)	BS (Process Engineering)	Regular HURL	44,46,672	37	25.05.2019	56	Indorama Fertilizers & Chemicals 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 Mukesh Agrawal)
 Chairman
 [DIN: 10199741]

Date: 16-07-2025
 Place: New Delhi



Appendix-D

Form No. MR-3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
HINDUSTAN URVARAK & RASAYAN LIMITED (HURL),
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 (HURL) [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 **31-03-2025** 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 **31-03-2025** 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; **(Not Applicable during the period under review)**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **(Not Applicable during the period under review)**
- (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'): -
(Not Applicable during the period under review)
 - (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - (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; and
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;



(vi) 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 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 Board of Directors of HURL has granted in-principle approval for participation in the Ammonia Urea Complex, Namrup IV Fertilizer Plant through formation of Joint Venture Company with the proposed equity participation of 13% by HURL.

Date: 10-06-2025

Place: Noida

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: F001807G000565722

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.



Annexure-A

To,
The Members,
HINDUSTAN URVARAK & RASAYAN LIMITED (HURL),
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.

Date: 10-06-2025

Place: Noida

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: F001807G000565722



INDEPENDENT AUDITOR'S REPORT (Revised)

To

The members of

M/s Hindustan Urvarak & Rasayan limited

Report on the Audit of Financial Statements

This report supersedes our earlier report dated 23rd April 2025

Opinion

We have audited the accompanying Ind-AS financial statements of **M/s HINDUSTAN URVARAK & RASAYAN LIMITED** ("the Company"), which comprise the Balance Sheet as at **March 31, 2025**, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (Herein after referred to as "Ind-AS financial statement").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind-AS financial statements give the information required by the Companies Act 2013 ("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, 2025, and its profit, total comprehensive income, the changes in equity and cash flows for the year ended as on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are Independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's not include the financial statements and our auditor's report thereon.

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

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

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

Responsibility of Management and Those Charged with Governance for the 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application



of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind-AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it

exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the directions issued by the Comptroller and Auditor-General of India, in terms of sub section (5) of section 143 of the Act, 2013 we give the compliance in "**Annexure -A**"
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
3. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;



- b) In our opinion proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind-AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant Rules issued there under.
- e) With respect to the Adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure C"**.

Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the details of pending litigations as on 31.03.2025 in the Note 34.6 (c) of the Financial Statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses however we have drawn your attention to note no. 34.6 which describes the capital Commitments and contingent liabilities wherein claims against the company not acknowledged as debt.
 - iii. There were no amount required to be transferred to the Investor Education and Protection Fund by the company.
 - iv. I) Based on the management representation and to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - II) Based on management representation and to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds 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, 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
 - v. Based on such audit procedures which are 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) contain any material mis-statement.
 - vi. During the year under purview the company has not declared or paid any dividend. Therefore, no case of default could incur in terms of section 123 of the Companies Act, 2013.

- 4. As required by the Section 197(16) of the Companies Act, 2013, the remuneration paid during the current year by the Company to its Directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are to be commented upon us.
- 5. Based on our examinations which include test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording the 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 audit trail feature being tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.



***Para 5 Updated/Amended as per the Instruction/Observation of CAG.**

Our opinion is not modified in respect of this matter.

For Surendra Subhash & Co.
Chartered Accountants
FRN: 03173N
UDIN: 25082170BMOKXK6237

Sd/-
CA Surendra Kumar Jain
(Partner)
Membership No. 082170

Place: New Delhi
Date: 24-06-2025

**“Annexure A” to the Independent Auditors’ Report**

Annexure to the Independent Auditors' Report referred to in paragraph 1 under “Report on other legal and regulatory requirements” section of our report of even date on the financial statements of **Hindustan Urvarak & Rasayan Limited** for the Year ended 31st March, 2025.

Sl. No.	Directions/ Sub direction	Auditor's Replies
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the company has Sufficient IT system in place to process all the accounting transaction. Company is not processing any accounting transaction outside the IT System. So, there is no financial implication on the integrity of the accounts. Currently Company is using SAP Software.
2.	Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts / loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	Presently, there is no case of restructuring, waiver or write off of debt or loan or interest etc. taken by the company.
3.	Whether funds (grants/subsidy etc.) Received/receivable for specific schemes from central/ state government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	Yes, Company has received Interest Free Loan from Ministry of Chemical and Fertilizer, Govt. of India. There is no deviation observed in terms and condition for utilization of loan granted by central agency.

For Surendra Subhash & Co.
Chartered Accountants
FRN: 03173N
UDIN: 25082170BMOKXK6237

Sd/-
CA Surendra Kumar Jain
(Partner)
Membership No. 082170

Place: New Delhi
Date: 24-06-2025



“Annexure B” to the Independent Auditors’ Report

Referred to in paragraph 2 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2025:

- (I) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of Intangible assets.
- a) 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.
- (b) 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.
- (c) 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 revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under.
- (ii) (a) As explained 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.
- 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.
- In our opinion, the valuation of the Stock is consistent and proper in accordance with the normally accepted accounting principles.
- (b) Company has been sanctioned working capital limits in excess of Rupees five crore, in aggregate, from banks or financial institutions which are secured on the basis of security of current assets. The quarterly returns/statement filed by the Company with such banks are in agreement with the books of accounts of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided 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 during the year. Hence para (iii) of the order is not applicable to the company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, investments or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in relation to loans given and investments made. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public as per the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made thereunder. Accordingly, clause 3(v) of the Order is not applicable.



- (vi) According to the information and explanations given to us, 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 prescribed accounts and records are being maintained.
- (vii) (a) According to the books of accounts and records examined by us and the information and explanation given to us, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other statutory dues where applicable with the appropriate authorities. No amount payable in respect of the undisputed statutory dues as mentioned above were outstanding as at March 31, 2025 for a period of more than six months from the date they become 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. However, Company has received Enquiry Letter from office of Commissioner, Customs demanding differential BCD, SWC, and IGST on import of Mandatory spares of Plant and Machinery for ₹ 75.02 crore and Interest thereon out of which ₹ 3.37 Crores deposited on 29.03.2022 and balance of ₹ 71.65 Crores is shown as Contingent Liability.
- (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 transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
- (ix) (a) According to the books of accounts and the information and explanations given to us by the management, the Company has not defaulted in repayment of dues to any bank or financial institutions.
- (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 not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has obtained term loans during the past years and same has been utilized for the purposes for which the same were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, Funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.
- (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 not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year as per requirements of the section 42 and section 62 of the Companies Act, 2013.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanations given to us no whistle blower complaints have been received by the Company during the year (and upto the date of this report), Accordingly, clause 3(xi)(c) of the Order is not applicable.



- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and the nature of its business.
- (b) The Company has conducted the Internal Audit in two phases, Report of Internal auditor regarding the first half has been provided by the Company and for the second half a draft copy of Internal audit report has been submitted to us and the same has been considered by us;
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi) (d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year, accordingly, clause 3(xvii) of the Order is not applicable.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 the 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) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx) (a) and 3(xx) (b) of the Order are not applicable.
- (xxi) Consolidated Financial Statements provisions not applicable to this Company. Accordingly, clause 3 (xxi) of the Order is not applicable.

For Surendra Subhash & Co.
Chartered Accountants
FRN: 03173N
UDIN: 25082170BMOKXX6237

Sd/-

CA Surendra Kumar Jain
(Partner)

Membership No. 082170

Place: New Delhi
Date: 24-06-2025

**Annexure - C to the Independent Auditors' Report**

(Referred to in paragraph 3(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **M/s 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

We have audited the Internal Financial Controls over financial reporting of **M/s Hindustan Urvarak & Rasayan Limited** ("the Company") as of 31 March 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, 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.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind- AS 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 Ind-AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or



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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Surendra Subhash & Co.
Chartered Accountants
FRN: 03173N
UDIN: 25082170BMOKXK6237

Sd/-
CA Surendra Kumar Jain
(Partner)

Membership No. 082170
Place: New Delhi
Date: 24-06-2025

**BALANCE SHEET** AS AT 31st MARCH 2025

(₹ in Lakh)

	Note No.	As at 31 st March 2025	As at 31 st March 2024
ASSETS			
Non-Current Assets			
(a) Property, Plant & Equipment	3	21,50,934.55	21,96,016.50
(b) Capital Work in Progress	4	2,895.24	321.76
(c) Intangible Assets	5	224.80	99.79
(d) Right of Use Assets	6	71,947.79	73,699.20
(e) Financial Assets			
(i) Other Financial Assets	7	34,954.42	24,277.16
(f) Other Non-Current assets	8	1,41,134.62	1,38,423.08
Total Non-Current Assets (A)		24,02,091.42	24,32,837.49
Current Assets			
(a) Inventories	9	41,386.40	35,476.13
(b) Financial Assets			
(i) Investments	10	41,377.95	46,953.43
(ii) Trade Receivables	7A	3,44,975.85	2,97,362.10
(iii) Cash & Cash equivalents	11	29,889.17	43,246.87
(iv) Bank Balances (other than (iii) above)	12	8,245.39	24,270.74
(v) Other Financial Assets	7	2.88	33.61
(c) Current Tax Assets (Net)	8	514.32	400.75
(d) Other Current Assets	13	21,501.34	23,472.86
Total Current Assets (B)		4,87,893.30	4,71,216.49
Total Assets (A+B)		28,89,984.72	29,04,053.98
Equity and Liability			
(a) Equity Share Capital	14	7,92,898.00	7,92,898.00
(b) Other Equity	15	3,10,736.43	1,73,179.04
Total Equity (A)		11,03,634.43	9,66,077.04
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	11,75,390.15	13,25,034.23
(ii) Lease Liabilities	17	414.33	766.46
(iii) Other Financial Liabilities	19	13,244.16	11,661.62
(b) Provisions	20	63,950.85	64,682.49
(c) Deferred Tax Liabilities (net)	21	89,589.97	44,279.12
(d) Other Non-Current Liabilities	22	46,923.05	52,414.05
Total Non-Current Liabilities (B)		13,89,512.51	14,98,837.97
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	1,57,114.07	1,96,474.34
(ii) Lease Liabilities	17	492.04	402.86
(iii) Trade payables:			
(iii a) Total outstanding dues of micro enterprises and small enterprises	18	2,308.53	1,619.42
(iii b) Total outstanding dues of creditors other than micro enterprises and small enterprises		95,727.35	91,739.28
(iv) Other Financial Liabilities	18	1,32,357.13	1,41,025.38
(b) Other Current Liabilities		4,806.57	4,864.70
(c) Provisions	19	4,032.09	3,012.99
Total Current Liabilities (C)	23	3,96,837.78	4,39,138.97
Total Equity and Liabilities (A+B+C)	20	28,89,984.72	29,04,053.98

The Accompanying Notes form an integral part of these Financial Statements.

As per our report annexed
For Surendra Subhash & Co.
Chartered Accountants
FR No. 03173N

Sd/-
(CA Surendra Kumar Jain)
Partner
Membership No. 082170

Date : 23-04-2025
Place : Delhi

Sd/-
(Debasish Nanda)
Chairman
DIN-09015566

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

On behalf of the Board

Sd/-
(AV Raghunadhan)
Director
DIN-10570608

Sd/-
(Iti Matta)
Company Secretary

Sd/-
(Masood Akhtar Ansari)
Director
DIN-10429528

Sd/-
(Poonam Jeswani)
Chief Financial Officer



STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED 31st MARCH 2025

(₹ in Lakh)

	Note No.	For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
INCOME			
Revenue from Operations	24	15,74,560.35	14,89,475.46
Other Income	25	16,410.30	9,268.09
Total Income (A)		15,90,970.65	14,98,743.55
EXPENSES			
Cost of materials consumed	26	9,65,901.33	10,08,596.22
Purchases of Stock-in-Trade	27	1,11,634.49	17,163.01
Changes in inventories	28	634.41	(23,310.74)
Freight and Handling	29	44,240.63	39,901.59
Employee Benefits Expenses	30	17,818.46	12,054.97
Finance Costs	31	1,31,256.95	1,45,113.34
Depreciation and Amortisation expenses	32	92,778.86	87,713.11
Other Expenses	33	42,968.74	31,755.10
Total Expenses (B)		14,07,233.87	13,18,986.60
"Profit/(Loss) before exceptional items and Tax C=(A-B)"		1,83,736.78	1,79,756.95
Exceptional Items (D)		-	-
Profit/(Loss) before Tax E=(C-D)		1,83,736.78	1,79,756.95
Tax expense (F):			
a) Current Tax		-	-
b) Deferred Tax		45,529.44	47,308.37
Profit/(Loss) for the year G=(E-F)		1,38,207.34	1,32,448.58
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		(868.55)	23.03
(ii) Income tax relating to items that will not be reclassified to profit or loss		218.60	(5.80)
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)		(649.95)	17.23
Total Comprehensive Income for the year (G+H)		1,37,557.39	1,32,465.81
Earnings per equity share (₹)			
(1) Basic		1.73	1.83
(2) Diluted		1.73	1.83

The Accompanying Notes form an integral part of these Financial Statements.

As per our report annexed
For Surendra Subhash & Co.
Chartered Accountants
FR No. 03173N

Sd/-
(CA Surendra Kumar Jain)
Partner
Membership No. 082170

Date : 23-04-2025
Place : Delhi

On behalf of the Board

Sd/-
(Debasish Nanda)
Chairman
DIN-09015566

Sd/-
(AV Raghunadhan)
Director
DIN-10570608

Sd/-
(Masood Akhtar Ansari)
Director
DIN-10429528

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

Sd/-
(Iti Matta)
Company Secretary

Sd/-
(Poonam Jeswani)
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2025

A. EQUITY SHARE CAPITAL

	Opening Balance	Changes in Equity Share Capital during the period	Closing Balance
As at 31.03.2025	7,92,898.00	-	7,92,898.00
As at 31.03.2024	6,88,789.00	1,04,109.00	7,92,898.00

B. OTHER EQUITY

(₹ in Lakh)

	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						Total
				Capital Reserve	Securities Premium	Other Reserves (specify nature)	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specif nature)	
Balance as at 01.04.2024	49,500.00	-	-	-	-	-	1,23,651.93	-	-	-	-	-	27.11	1,73,179.04
Additions during the year	-	-	-	-	-	-	1,38,207.34	-	-	-	-	-	-	1,38,207.34
Comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-	(649.95)	(649.95)
Adjustments during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	1,38,207.34	-	-	-	-	-	(649.95)	1,37,557.39
Balance as at 31.03.2025	49,500.00	-	-	-	-	-	2,61,859.27	-	-	-	-	-	(622.84)	3,10,736.43
Balance as at 01.04.2023	49,500.00	-	-	-	-	-	(8,796.64)	-	-	-	-	-	9.87	40,713.23
Additions during the year	-	-	-	-	-	-	1,32,448.57	-	-	-	-	-	-	1,32,448.57
Comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-	17.24	17.24
Adjustments during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	1,32,448.57	-	-	-	-	-	17.24	1,32,465.81
Balance as at 31.03.2024	49,500.00	-	-	-	-	-	1,23,651.93	-	-	-	-	-	27.11	1,73,179.04

As per our report annexed
For Surendra Subhash & Co.
Chartered Accountants
FR No. 03173N

Sd/-
(CA Surendra Kumar Jain)
Partner

Membership No. 082170
Date : 23-04-2025
Place : Delhi

On behalf of the Board

Sd/-
(Debasish Nanda)
Chairman
DIN-09015566

Sd/-
(AV Raghunadhan)
Director
DIN-10570608

Sd/-
(Masood Akhtar Ansari)
Director
DIN-10429528

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

Sd/-
(Iti Matta)
Company Secretary

Sd/-
(Poonam Jeswani)
Chief Financial Officer

**CASH FLOW STATEMENT** (INDIRECT METHOD)

(₹ in Lakh)

	For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	1,83,736.78	1,79,756.95
Adjustments for :		
Depreciation and Amortisation	92,778.86	87,713.11
Finance Cost	1,31,256.95	1,45,113.34
Interest from Bank Deposits	(5,016.17)	(2,252.97)
Gain on Mutual Funds Investments	(3,803.73)	(1,585.37)
Gain on Foreign exchange transactions	1,757.35	920.73
Loss on de-recognition of property, plant and equipment	0.02	0.13
Interest on Income Tax Refund	(26.81)	(27.98)
Operating Profit before working capital changes	4,00,683.25	4,09,637.94
Adjustment for :		
Security Deposits and Bank Deposits	5,348.09	(34,328.51)
Advances and Other Assets	(1,386.08)	(3,896.32)
Inventory	(5,910.27)	(11,774.39)
Trade Receivables	(47,613.75)	(57,377.13)
Liabilities and Outstanding Expenses	(9,183.97)	(1,53,173.50)
Cash Generated from Operation	3,41,937.27	1,49,088.09
Refund of Income Tax Received	536.41	878.19
Net Cash Flow from Operating Activities (A)	3,42,473.68	1,49,966.28
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(45,828.94)	(15,43,295.21)
Expenditure on Project Construction	(2,573.49)	15,03,913.46
Purchase of Intangible Assets	(181.87)	(92.19)
Investment / Redemption of Mutual Funds	5,575.48	(45,347.22)
Interest from Bank Deposits	4,729.25	2,058.46
Gain on Mutual Funds Investments	2,652.32	1,029.66
Net Cash from Investing Activities (B)	(35,627.25)	(81,733.04)
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital	-	1,04,109.00
Proceeds from Non Current Borrowings	(1,89,004.34)	545.41
Interest and Other Borrowing Cost	(1,30,693.22)	(1,46,573.21)
Payment of Lease Obligations	(506.57)	(253.58)
Net Cash from Financing Activities (C)	(3,20,204.13)	(42,172.38)
Net Increase / (Decrease) in Cash & Cash equivalents (A+B+C)		
Cash & Cash equivalents (Opening balance)	(13,357.70)	26,060.86
Cash & Cash equivalents (Closing balance)	43,246.87	17,186.01
(All figures in bracket represent outflow)	29,889.17	43,246.87

As per our report annexed
For Surendra Subhash & Co.
Chartered Accountants
FR No. 03173N

Sd/-
(CA Surendra Kumar Jain)
Partner
Membership No. 082170

Date : 23-04-2025
Place : Delhi

Sd/-
(Debasish Nanda)
Chairman
DIN-09015566

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

On behalf of the Board

Sd/-
(AV Raghunadhan)
Director
DIN-10570608

Sd/-
(Iti Matta)
Company Secretary

Sd/-
(Masood Akhtar Ansari)
Director
DIN-10429528

Sd/-
(Poonam Jeswani)
Chief Financial Officer



NOTES TO THE 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.

NOTE 2: MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

2.1.1 Statement of Compliance

The 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 financial statements of the Company prepared in accordance with Ind AS for the year ended 31st March, 2025 for the Statement of Profit & Loss and Balance Sheet as on that date.

2.2 Basis of measurement

The 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 financial statements are presented in Indian Rupees (₹) which is Company's presentation and functional currency and all values are rounded to the nearest Lakh (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 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 recognised 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 finalisation 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 recognised 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 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.

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:

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

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

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Financial assets that are debt instruments and are measured as at FVTOCI
- Lease receivables under Ind AS 17
- 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 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 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 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 or finished 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 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:

- 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
- 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 ₹ 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 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 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 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 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 financial statements:

2.22.1.1 Formulation of Accounting Policies

Accounting policies are formulated in a manner that result in 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 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 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 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 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 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

	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
	(₹ in Lakh)											
Gross Carrying Amount:												
As at 1 April 2023	90.06	-	-	865.86	1,497.17	7,51,967.13	4,617.84	648.41	546.15	2,960.93	2,915.33	7,66,108.88
Additions	-	15,321.87	8,963.75	162.78	17.23	14,93,938.01	1,715.80	484.19	191.84	10,825.44	11,843.01	15,43,463.92
Deletions/Adjustments	4.60	-	-	-	-	(104.48)	-	(3.84)	(68.59)	-	-	(172.31)
As at 31 March 2024	94.66	15,321.87	8,963.75	1,028.64	1,514.40	22,45,800.66	6,333.64	1,128.76	669.40	13,786.37	14,758.34	23,09,400.50
As at 1 April 2024	94.66	15,321.87	8,963.75	1,028.64	1,514.40	22,45,800.66	6,333.64	1,128.76	669.40	13,786.37	14,758.34	23,09,400.50
Additions	-	936.85	680.07	36.73	99.30	40,461.10	311.03	634.87	196.05	9.20	2,356.97	45,722.17
Deletions/Adjustments	-	-	-	-	-	-	-	(0.57)	(69.20)	-	-	(69.77)
As at 31 March 2025	94.66	16,258.72	9,643.82	1,065.37	1,613.70	22,86,261.76	6,644.67	1,763.06	796.25	13,795.57	17,115.31	23,55,052.90
Accumulated Depreciation and Impairment												
As at 1 April 2023	-	-	-	169.78	135.60	26,023.69	351.39	235.44	265.09	171.09	254.81	27,606.89
Charge for the year	-	357.33	428.44	94.41	99.55	81,902.80	416.98	205.70	155.67	836.40	1,343.06	85,840.34
Deletions/Adjustments	-	-	-	-	-	(3.62)	-	(3.15)	(56.47)	-	-	(63.24)
As at 31 March 2024	-	357.33	428.44	264.19	235.15	1,07,922.87	768.37	437.99	364.29	1,007.49	1,597.87	1,13,383.99
As at 1 April 2024	-	357.33	428.44	264.19	235.15	1,07,922.87	768.37	437.99	364.29	1,007.49	1,597.87	1,13,383.99
Charge for the year	-	504.54	608.32	95.26	104.58	86,135.87	504.78	289.79	166.96	876.06	1,507.83	90,793.99
Deletions/Adjustments	-	-	-	-	-	-	-	(0.14)	(59.49)	-	-	(59.63)
As at 31 March 2025	-	861.87	1,036.76	359.45	339.73	1,94,058.74	1,273.15	727.64	471.76	1,883.55	3,105.70	2,04,118.35
Net Carrying Amount												
As at 31 March 2025	94.66	15,396.85	8,607.06	705.92	1,273.97	20,92,203.02	5,371.52	1,035.42	324.49	11,912.02	14,009.61	21,50,934.55
As at 31 March 2024	94.66	14,964.54	8,535.31	764.45	1,279.25	21,37,877.79	5,565.27	690.77	305.11	12,778.88	13,160.47	21,96,016.50


NOTE 4 : CAPITAL WORK IN PROGRESS

(₹ in Lakh)

	Project Development Expenses
Gross Carrying Amount:	
As at 1 April 2023	15,04,235.22
Additions	38,195.35
Capitalisation/Deletions	(15,42,108.81)
As at 31 March 2024	321.76
As at 1 April 2024	321.76
Additions/Deletions	43,291.25
Capitalisation	(40,717.77)
As at 31 March 2025	2,895.24
Provision and Impairment	
As at 1 April 2023	-
Charge for the year	-
Impairment	-
Deletions/Adjustments	-
As at 31 March 2024	-
As at 1 April 2024	-
Charge for the year	-
Impairment	-
Deletions/Adjustments	-
As at 31 March 2025	-
Net Carrying Amount	
As at 31 March 2025	2,895.24
As at 31 March 2024	321.76

NOTE 5 : INTANGIBLE ASSETS

(₹ in Lakh)

	Computer Software	Website Development Cost	Total
Gross Carrying Amount:			
As at 1 April 2023	104.80	12.33	117.13
Additions	92.19	-	92.19
Deletions/Adjustments	-	-	-
As at 31 March 2024	196.99	12.33	209.32
As at 1 April 2024	196.99	12.33	209.32
Additions	181.90	-	181.90
Deletions/Adjustments	-	-	-
As at 31 March 2025	378.89	12.33	391.22
Amortisation and Impairment			
As at 1 April 2023	82.24	5.30	87.50
Charge for the year	20.14	1.89	22.03
Impairment	-	-	-
Deletions/Adjustments	-	-	-
As at 31 March 2024	102.38	7.19	109.53
As at 1 April 2024	102.38	7.19	109.53
Charge for the year	55.11	1.78	56.89
Impairment	-	-	-
Deletions/Adjustments	-	-	-
As at 31 March 2025	157.49	8.97	166.42
Net Carrying Amount			
As at 31 March 2025	221.40	3.36	224.80
As at 31 March 2024	94.61	5.14	99.79


NOTE 6 : RIGHT OF USE ASSETS (ROU)

(₹ in Lakh)

	Land and Other Assets	Building- Corporate Office & Plant Site	Total
Gross Carrying Amount:			
As at 1 April 2023	80,742.30	1,678.67	82,420.97
Additions	-	1,366.06	1,366.06
Deletions/Adjustments	-	(1,678.67)	(1,678.67)
As at 31 March 2024	80,742.30	1,366.06	82,108.36
As at 1 April 2024	80,742.30	1,366.06	82,108.36
Additions	-	176.56	176.56
Deletions/Adjustments	-	-	-
As at 31 March 2025	80,742.30	1,542.62	82,284.92
Amortisation and Impairment			
As at 1 April 2023	6,678.12	1,501.48	8,179.60
Charge for the year	1,468.01	449.29	1,917.30
Impairment	-	-	-
Deletions/Adjustments	-	(1,687.74)	(1,687.74)
As at 31 March 2024	8,146.13	263.03	8,409.16
As at 1 April 2024	8,146.13	263.03	8,409.16
Charge for the year	1,468.01	459.96	1,927.97
Impairment	-	-	-
Deletions/Adjustments	-	-	-
As at 31 March 2025	9,614.14	722.99	10,337.13
Net Carrying Amount			
As at 31 March 2025	71,128.16	819.63	71,947.79
As at 31 March 2024	72,596.17	1,103.03	73,699.20

1. ROU Land and other assets include leasehold land and other assets of Gorakhpur, Sindri and Barauni Plant. The adoption of the IND AS-116 resulted in recognition of 'Right of Use' asset of Gorakhpur - ₹ 37,512.18 lakhs (Government Grant ₹ 21,000.00 lakhs) taken on lease from FCIL, Sindri - ₹ 16,513.61 lakhs taken on lease from FCIL and Barauni - ₹ 26,716.51 lakhs taken on lease from HFCL (Government Grant ₹ 10203.49 lakhs).
2. Building- Corporate Office include leasehold building of corporate office, Guest House & Marketing office taken on lease from ONGC & Others.

NOTE 7 : OTHER FINANCIAL ASSETS

(₹ in Lakh)

	As at 31 st March 2025	As at 31 st March 2024
Non Current		
Security deposits	1,707.93	1,617.72
Security deposits to Related Parties	2.76	2.76
Bank Deposits - Margin money against bank guarantee/letter of credit	33,243.73	22,656.68
TOTAL	34,954.42	24,277.16

*Fixed deposits held as margin money against Debt Service Reserve Account (DSRA)/Bank Guarantee/Letter of Credit (LC) & others which has to be maintained as per contractual obligation. The above balance includes interest accrued as on 31.03.2025 amounting ₹ 127.49 lakhs (PY ₹ 177.89 lakhs).

Current		
Security deposits	-	30.15
Other Receivables	2.88	3.46
TOTAL	2.88	33.61


NOTE 7A : TRADE RECEIVABLE

(₹ in Lakh)

	As at 31 st March 2025	As at 31 st March 2024
a) Trade Receivables		
Unsecured, considered good	3,480.94	3,207.29
Doubtful	-	-
	3,480.94	3,207.29
Less: Allowance for doubtful debts (Expected Credit Loss)	-	-
Total (a)	3,480.94	3,207.29
b) Subsidy (Government of India)	3,41,494.91	2,94,154.81
TOTAL (a + b)	3,44,975.85	2,97,362.10

NOTE 8 : OTHER NON-CURRENT ASSETS

(₹ in Lakh)

	As at 31 st March 2025	As at 31 st March 2024
(I) Capital Advances	3,987.82	4,438.76
(ii) Advances other than capital advances		
CGST/SGST/IGST- Input	1,37,146.80	1,33,984.32
TOTAL	1,41,134.62	1,38,423.08
Other Current Assets		
Current Tax Assets		
Advance tax, TDS and TCS	514.32	400.75
Less: Provision for tax	-	-
TOTAL	514.32	400.75

NOTE 9 : INVENTORIES

(₹ in Lakh)

	As at 31 st March 2025	As at 31 st March 2024
Inventories :		
Finished Goods		
Neem Coated Urea	23,248.53	24,153.03
Ammonia	5,173.07	4,902.98
	28,421.60	29,056.01
Traded Goods		
Traded Product (Myc, PDM, CN, FACT etc)	-	-
	-	-
Raw Material		
Neem Oil	90.33	71.31
Chemicals	837.88	814.94
	928.21	886.25
Others		
Packing Material	496.26	653.66
Spare Parts	11,540.33	4,880.21
	12,036.59	5,533.87
TOTAL	41,386.40	35,476.13

NOTE 10 : INVESTMENTS

(₹ in Lakh)

	As at 31 st March 2025	As at 31 st March 2024
Investment in Mutual Funds*	41,377.95	46,953.43
TOTAL	41,377.95	46,953.43
*Aggregate amount of quoted investment (at fair value)	41,377.95	46,953.43


NOTE 11 : CASH AND CASH EQUIVALENTS

(₹ in Lakh)

	As at 31 st March 2025	As at 31 st March 2024
Balances with Banks		
- in Deposit Accounts	26,992.53	41,504.62
- in Current Accounts	2,896.64	1,742.25
TOTAL	29,889.17	43,246.87

NOTE 12 : OTHER BANK BALANCES

(₹ in Lakh)

	As at 31 st March 2025	As at 31 st March 2024
Balances with Banks		
- in Deposit Accounts	8,245.39	24,270.74
TOTAL	8,245.39	24,270.74

- Fixed deposits held as margin money against BG/LC with validity up to 12 months.
- Balance with banks in deposit accounts includes interest accrued up to 31.03.2025 amounting ₹ 62.14 lakhs (PY ₹ 270.74 lakhs).

NOTE 13 : OTHER CURRENT ASSETS

(₹ in Lakh)

	As at 31 st March 2025	As at 31 st March 2024
Prepaid Expense	1,460.43	944.57
Advance for goods and services	1,321.73	3,663.56
Advance to employees	189.85	2,522.94
Advance to Related Parties	2.51	15.13
Other Deposits and Advances (Gratuity Fund)	-	90.93
Input Tax Credit (CGST/SGST/IGST)	18,526.82	16,235.73
TOTAL	21,501.34	23,472.86

NOTE 14 : EQUITY SHARE CAPITAL

(₹ in Lakh)

	As at 31 st March 2025	As at 31 st March 2024
Authorised		
12,00,00,00,000 Equity Shares of ₹ 10/- each	12,00,000.00	12,00,000.00
(PY 12,00,00,00,000) Equity Shares of ₹ 10/- each	12,00,000.00	12,00,000.00
Issued, Subscribed and Paid-up		
792,89,80,000 Equity Shares of ₹ 10/- each	7,92,898.00	7,92,898.00
(PY 792,89,80,000 Equity Shares of ₹ 10/- each)	7,92,898.00	7,92,898.00

- 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 on 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
As on 31.03.2024	
Coal India Limited	2,64,29,85,000
NTPC Limited	2,64,29,85,000
Indian Oil Corporation Limited	2,64,29,85,000



2. Details of shareholding of promoters:

Name of Promoters	No. of Shares held (Face value of Rs.10 each)
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
Fertilizer Corporation of India Limited	16,667
Hindustan Fertilizer and Corporation Limited	8,333
	7,92,89,80,000
As at 31.03.2024	
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	16,667
Hindustan Fertilizer and Corporation Limited	8,333
	7,92,89,80,000

- 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.
- Shares to be issued against Right of Use of Land and Other Usable Assets is considered for the rights obtained at Gorakhpur, Sindri and Barauni sites on registration of lease deed and concession agreement with FCIL and HFCL. This share is recognised for ₹ 165,00 lakhs for each Project site viz. Gorakhpur, Sindri and Barauni. Accordingly, shares to be issued to FCIL and HFCL in line with JV agreement are in the process of allotment.

NOTE 15 : OTHER EQUITY

(₹ in Lakh)

	Shares to be issued against Right of use of Land and other Usable Assets	Retained Earnings	Other Comprehens ive income	Total
Balance as at 01.04.2024	49,500.00	1,23,651.93	27.11	1,73,179.04
Additions during the year	-	1,38,207.34	-	1,38,207.34
Other comprehensive income for the year	-	-	(649.95)	(649.95)
Adjustments during the year	-	-	-	-
Total comprehensive income during the year	-	1,38,207.34	(649.95)	1,37,557.39
Balance as at 31.03.2025	49,500.00	2,61,859.27	(622.84)	3,10,736.43
Balance as at 01.04.2023	49,500.00	(8,796.64)	9.87	40,713.23
Additions during the year	-	1,32,448.57	-	1,32,448.57
Other comprehensive income for the year	-	-	17.24	17.24
Adjustments during the year	-	-	-	-
Total comprehensive income during the year	-	1,32,448.57	17.24	1,32,465.81
Balance as at 31.03.2024	49,500.00	1,23,651.93	27.11	1,73,179.04


NOTE 16 : BORROWINGS

(₹ in Lakh)

	As at 31 st March 2025	As at 31 st March 2024
Non-Current		
Term Loan from Banks (Secured)	11,09,484.99	12,62,797.39
Interest Free Loan from Govt. of India (Secured)	65,905.16	62,236.84
TOTAL	11,75,390.15	13,25,034.23
Current		
Term Loan from Banks (Secured)	1,55,773.73	1,46,227.86
Working Capital Demand Loan (Secured)	-	48,872.01
Cash Credit (Secured)	0.34	84.43
Interest Free Loan from Govt. of India (Secured)	1,340.00	1,290.04
TOTAL	1,57,114.07	1,96,474.34

Note:

- 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.
- The short-term borrowings have been secured by creating charge in favour of trustee assigned by consortium of banks against current assets of the company, both present and future.
- Interest rate on Rupee Term Loan-I is SBI MCLR 1 year (floating) plus 0.50% and Interest rate on Rupee Term Loan-II is SBI MCLR 6 month (floating) plus 0.60%.
- Repayment of term loan has been commenced from FY 2022-23 for Gorakhpur unit and FY 2023-24 for Barauni and Sindri units.
- 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 ₹ 89480 lakhs. IFL repayment of ₹ 525 lakh for Gorakhpur unit, ₹ 424 lakhs for Barauni unit and ₹ 392 lakhs for Sindri unit has been made during FY 2024-25. The present value of loan payable as on 31.03.2025 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.

NOTE 17 : LEASE LIABILITIES

(₹ in Lakh)

	As at 31 st March 2025	As at 31 st March 2024
Non current		
Lease Liabilities against ROU assets	414.33	766.46
TOTAL	414.33	766.46
Current		
Lease Liabilities against ROU assets	492.04	402.86
TOTAL	492.04	402.86

NOTE 18 : TRADE PAYABLES

(₹ in Lakh)

	As at 31 st March 2025	As at 31 st March 2024
Current		
Trade Payables for Micro, Small and Medium Enterprises (MSME)	2,308.53	1,619.42
	2,308.53	1,619.42
Total Outstanding other than MSME		
Trade Payable - Related Party	17,001.07	21,626.75
Trade Payables for other than MSME	78,726.28	70,112.53
TOTAL	95,727.35	91,739.28


NOTE 19 : OTHER FINANCIAL LIABILITIES

(₹ in Lakh)

	As at 31 st March 2025	As at 31 st March 2024
Non Current		
Security Deposits from Dealers	13,244.16	11,661.62
TOTAL	13,244.16	11,661.62
Current		
- Non MSME (LSTK)	4,056.42	1,298.34
- Non MSME (Others)	145.52	514.49
Security Deposits from Vendors	5,207.20	4,787.15
Earnest Money Deposit	469.32	373.25
Retention Money from Contractors	87,478.94	99,332.97
Payable to Related Parties	-	1.26
Liability for Employees	81.39	41.79
Outstanding expenses	34,918.34	34,676.13
TOTAL	1,32,357.13	1,41,025.38

NOTE 20 : PROVISIONS

(₹ in Lakh)

	As at 31 st March 2025	As at 31 st March 2024
Non Current		
Employee Benefits		
- Earned Leaves	1,206.09	439.03
- Sick Leaves	474.71	323.49
Enterprise Social Commitment	62,270.05	63,919.97
TOTAL	63,950.85	64,682.49
Current		
Employee Benefits		
- Earned Leaves	184.09	62.78
- Gratuity	321.92	-
- Sick Leaves	75.96	45.33
- Performance linked pay	3,450.12	384.25
- Salary Revision	-	2,520.63
TOTAL	4,032.09	3,012.99

NOTE 21 : DEFERRED TAX LIABILITIES/(ASSET)

(₹ in Lakh)

	As at 31 st March 2025	As at 31 st March 2024
Opening Balance	44,279.12	(3,035.04)
Deferred Tax Liabilities/(Asset) recognised during the year	45,310.85	47,314.16
TOTAL	89,589.97	44,279.12

NOTE 22 : OTHER NON CURRENT LIABILITIES

(₹ in Lakh)

	As at 31 st March 2025	As at 31 st March 2024
Deferred Income- Right of Use Assets	28,042.21	28,473.93
Deferred Income- Interest Free Loan from GOI	18,880.84	23,940.12
TOTAL	46,923.05	52,414.05


NOTE 23 : OTHER CURRENT LIABILITIES

(₹ in Lakh)

	As at 31 st March 2025	As at 31 st March 2024
Advance from Customers	2,332.97	2,409.31
Total	2,332.97	2,409.31
Statutory Dues:		
TDS (Income Tax) payable	409.58	797.80
GST payable	1,488.33	1,361.46
TDS (GST) payable	279.26	167.08
Contribution to Approved Funds	262.45	122.67
Other Statutory Dues	33.98	6.38
Total	2,473.60	2,455.39
TOTAL	4,806.57	4,864.70

NOTE 24 : REVENUE FROM OPERATIONS

(₹ in Lakh)

	Year ended 31 st March 2025	Year ended 31 st March 2024
Sale of Goods		
A) Finished Goods		
Neem-Coated Urea	1,66,798.06	1,79,134.62
Ammonia	2,751.96	5,171.82
Less: Transferred to expenditure during construction period (Note-4)	-	10,132.54
	1,69,550.02	1,74,173.90
Subsidy from GOI		
Subsidy- Price	12,56,213.69	13,25,298.88
Subsidy- Freight	43,224.98	43,794.22
Less: Transferred to expenditure during construction period (Note-4)	14,412.97	73,532.48
	12,85,025.70	12,95,560.62
TOTAL (A)	14,54,575.72	14,69,734.52
B) Traded Goods		
Mycorrhizal (Apna Power)	14,186.14	12,743.21
Single Super Phosphate (SSP)	11,474.72	2,751.49
Calcium Nitrate (Apna Calgrow)	2,971.02	2,106.76
Potassium Derived From Molasses (Apna PDM Sri)	1,349.46	694.26
FACTOMFOS	8,037.51	285.85
FACT AM	3,121.57	1,159.37
Bentonite Sulphur 90% (Apna Gold)	837.44	-
Nano Urea (Apna Nano Urea)	19.42	-
Magnesium Sulphate (Apna Magic)	87.81	-
Zinc Sulphate 33% (Apna Mono Zinc)	87.75	-
Calcium Nitrate with Boronated (Apna Calgrow - B+)	375.30	-
TOTAL (B)	42,548.14	19,740.94
C) Traded Goods - Imported		
Bharat - DAP - Di Ammonium Phosphate	27,251.33	-
Bharat - TSP - Triple Super Phosphate	6,361.02	-
	33,612.35	-
D) Subsidy from GOI - Imported		
Subsidy- Price	41,156.63	-
Subsidy- Freight	2,667.51	-
	43,824.14	-
TOTAL (C)	77,436.49	-
Revenue from Operations : Total (A + B + C)	15,74,560.35	14,89,475.46


NOTE 25 : OTHER INCOME

(₹ in Lakh)

	Year ended 31 st March 2025	Year ended 31 st March 2024
Interest from :		
Deposits with Banks	4,960.30	2,058.46
Mobilisation Advances	55.87	214.79
Less: Transferred to Finance Cost (Note 31)	-	4.51
Less: Transferred to expenditure during construction period (Note-4)	-	15.77
	5,016.17	2,252.97
Gain on Mutual Fund Investments	3,803.73	1,585.37
Gain on Foreign exchange transactions (net)	-	-
Deferred Income- Right of Use Assets	440.34	577.21
Deferred Income- Interest Free Loan from GOI	5,059.28	4,773.37
Miscellaneous income	2,090.78	272.99
	11,394.13	7,208.94
Less: Transferred to expenditure during construction period (Note-4)	-	193.82
	11,394.13	7,015.12
TOTAL	16,410.30	9,268.09

NOTE 26 : COST OF MATERIALS CONSUMED

(₹ in Lakh)

	Year ended 31 st March 2025	Year ended 31 st March 2024
Cost of Materials Consumed:		
Natural Gas	9,49,266.31	10,35,964.71
Packing Material	11,499.10	12,978.78
Neem Oil	1,855.66	2,105.43
Chemicals	2,091.81	1,551.08
Raw Water	1,188.45	1,043.06
Less: Transferred to expenditure during construction period (Note-4)	-	45,046.84
TOTAL	9,65,901.33	10,08,596.22

NOTE 27 : PURCHASES OF STOCK-IN-TRADE

(₹ in Lakh)

	Year ended 31 st March 2025	Year ended 31 st March 2024
Mycorrhizal (Apna Power)	12,385.53	11,055.06
Single Super Phosphate (SSP)	10,759.85	2,655.46
Calcium Nitrate (Apna Calgrow)	2,651.66	1,536.84
Potassium Derived From Molasses (Apna PDM Sri)	1,012.93	512.69
FACTOMFOS	7,519.23	280.17
FACT AM	3,039.04	1,122.79
Bentonite Sulphur 90% (Apna Gold)	714.88	-
Nano Urea (Apna Nano Urea)	17.61	-
Magnesium Sulphate (Apna Magic)	73.76	-
Zinc Sulphate 33% (Apna Mono Zinc)	77.98	-
Calcium Nitrate with Boronated (Apna Calgrow - B+)	331.33	-
	38,583.80	17,163.01
Traded Goods - Imported		
Bharat - DAP - Di Ammonium Phosphate	62,193.84	-
Bharat - TSP - Triple Super Phosphate	10,856.85	-
	73,050.69	-
TOTAL	1,11,634.49	17,163.01


NOTE 28 : CHANGES IN INVENTORIES

(₹ in Lakh)

	Year ended 31 st March 2025	Year ended 31 st March 2024
Changes in Inventories:		
Neem Coated Urea	904.50	(12,248.07)
Ammonia	(270.09)	(1,991.16)
Less: Transferred to expenditure during construction period (Note-4)	-	(9,071.51)
TOTAL	634.41	(23,310.74)

NOTE 29 : FREIGHT AND HANDLING

(₹ in Lakh)

	Year ended 31 st March 2025	Year ended 31 st March 2024
Freight and Handling Expense	39,334.33	41,946.20
Freight and Handling Expense (Trading Domestic)	127.20	-
Freight and Handling Expense (Trading Imported)	4,779.10	-
Less: Transferred to expenditure during construction period (Note-4)	-	2,044.61
TOTAL	44,240.63	39,901.59

NOTE 30 : EMPLOYEE BENEFITS EXPENSES

(₹ in Lakh)

	Year ended 31 st March 2025	Year ended 31 st March 2024
Salary and other benefits		
Salary	16,130.43	10,428.99
Contribution to Provident Fund	955.52	485.18
Other Employee Benefits	173.63	251.80
	17,259.58	11,165.97
Less: Transferred to expenditure during construction period (Note-4)	-	355.95
	17,259.58	10,810.02
Deputation Cost		
For Employees of CIL	236.70	363.74
For Employees of NTPC	167.35	442.78
For Employees of IOCL	154.83	465.31
	558.88	1,271.83
Less: Transferred to expenditure during construction period (Note-4)	-	26.88
	558.88	1,244.95
TOTAL	17,818.46	12,054.97

The Company has employees on deputation from CIL, NTPC and IOCL. Deputation cost is being reimbursed.

NOTE 31 : FINANCE COST

(₹ in Lakh)

	Year ended 31 st March 2025	Year ended 31 st March 2024
Unwinding of discount on Lease Liabilities	101.72	60.48
Unwinding of discount on Interest Free Loan	5,059.28	4,773.37
Interest and Other Borrowing Cost	1,26,095.95	1,45,109.61
Less: Interest Income on Bank Deposits (Note-25)	-	4.51
		-
Less: Transferred to expenditure during construction period (Note-4)	-	4,825.61
TOTAL	1,31,256.95	1,45,113.34


NOTE 32 : DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakh)

	Year ended 31 st March 2025	Year ended 31 st March 2024
On Property Plant and Equipment (Note-3)	90,794.00	85,840.34
On Intangible Assets (Note-5)	56.89	22.03
On Right of Use of Assets (Note-6)	1,927.97	1,917.31
	92,778.86	87,779.68
Less: Transferred to expenditure during construction period (Note-4)	-	66.57
TOTAL	92,778.86	87,713.11

NOTE 33 : OTHER EXPENSES

(₹ in Lakh)

	Year ended 31 st March 2025	Year ended 31 st March 2024
Promotional expenses	3,726.16	737.77
Bagging Operations	3,466.76	4,375.98
Manpower Services	2,491.53	2,923.43
Telephone & Internet Expenses	90.01	130.18
Vehicle Hire Charges	479.73	463.06
Advertisement and Publicity Expenses	20.21	32.99
Auditor's Remuneration	7.33	1.32
Consultancy Expense	15.02	26.03
Credit Rating Fee	7.86	15.31
Electricity & Fuel Expenses	4,113.66	4,717.35
Loss on Foreign exchange (net)	1,757.35	920.73
Guest House Expenses	211.40	317.03
Hotel Accommodation Charges	61.17	17.82
Legal and Professional Expenses	96.50	63.96
Bank Charges	1,650.48	1,150.16
Insurance Premium	8,205.18	4,787.73
Office Expenses	53.54	69.76
Printing & Stationeries	24.88	42.44
Recruitment Expense	101.72	20.53
EDP & IT Expenses	539.70	444.33
Rent- Building	86.26	70.97
Project Inauguration Expense	-	698.29
Repair & Maintenance	9,036.23	6,110.22
Security Service Charge	2,151.56	2,262.97
Housekeeping Expenses	662.34	485.69
Rate & Taxes	476.74	178.58
Travelling Expenses	595.97	410.38
Training Expenses	110.74	56.82
Environment Monitoring Expense	86.73	67.54
Horticulture Work	198.82	228.51
Enterprise Social Commitment	-	6,803.00
CSR Expenses	1,124.00	-
Canteen Expenses	664.64	527.84
Hire Charges of Equipments	17.86	23.14
Miscellaneous Expenses	636.66	565.07
	42,968.74	39,746.93
Less: Transferred to expenditure during construction (Note-4)	-	7,991.83
TOTAL	42,968.74	31,755.10



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 Other Equity/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.

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	Amount (₹ in Lakh)
Less than one year	551.00
One to five years	424.11
More than five years	124.30
Total	1,099.41

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	

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 2024-25

Transactions with Related Parties

(₹ in Lakh)			
S. No.	Name of the related party	For the year ended 31.03.2025	For the year ended 31.03.2024
1	Deputation Cost		
	NTPC Limited	167.35	442.78
	Coal India Limited	236.70	363.74
	Indian Oil Corporation Limited	154.83	465.31
	Others		
2	Indian Oil Corporation Limited		
	- Purchase of Fuel/Natural Gas	1,17,547.65	1,73,701.49
	- Purchase of Lubricants/Diesel	254.49	219.13
	- Others	5.03	166.22
	Fertilizer Corporation of India Limited		
	- Rent	43.96	60.78
	Hindustan Fertilizer Corporation Limited		
	- Rent	1.00	1.00
	Utility Powertech Limited		
	- Purchase of Services	857.02	852.54



IGCMIL - During the year, company has availed Buyers' Credit of USD 22.45 million from M/s IOCL Global Capital Management IFSC Limited (a wholly owned subsidiary of IOCL) for making payment for imported fertilizers.

Outstanding Balance Receivable/(Payable)

(₹ in Lakh)

S. No.	Name of the related party	As at 31.03.2025	As at 31.03.2024
1	Promoter Venturers		
i.	NTPC Limited	(68.62)	(15.23)
ii.	Coal India Limited	0.48	-
iii.	Indian Oil Corporation Limited	(16,928.29)	(21,595.41)
iv.	Hindustan Fertilizer Corporation Limited	-	-
v.	Fertilizer Corporation of India Limited	(0.79)	(0.69)
2	Others		
i.	Utility Powertech Limited	(112.81)	(115.43)

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 31.03.2025 towards Promoter Venturers is as follows:

	Lease Liabilities (Present value of lease rent) (₹ in Lakh)	Value of Shares to be issued against Right of use of Land and other Usable Assets (₹ in Lakh)
FCIL (for Gorakhpur and Sindri)	23.81	33,000.00
HFCL (for Barauni)	11.92	165,00.00

Remuneration of Key Managerial Personnel

(₹ in Lakh)

S. No.	Name of the related party	For the year ended 31.03.2025	For the year ended 31.03.2024
1	Salary and Other Benefits		
	Mr. Siba Prasad Mohanty, MD	78.56	18.10
	Ms. Iti Matta, CS	38.65	22.17
2	Deputation Cost		
	Ms. Poonam Jeswani, CFO [w.e.f. 19.07.2024]	57.47	-
	Mr. Anurag Shukla, CFO [w.e.f. 28.09.2022 upto 07.06.2024]	30.37	73.54

34.3 Earnings Per Share

(₹ in Lakh)

S. No.	Particulars	For the year ended 31.03.2025	For the year ended 31.03.2024
i.	Net profit after tax attributable to Equity Shareholders (₹ in Lakh)	1,37,557.39	1,32,465.81
ii.	Weighted Average no. of Equity Shares Outstanding as on reporting date	7,92,89,80,000	7,23,77,64,508
iii.	Basic and Diluted Earnings per Share in Rupees (Face value ₹10/- per share)	1.73	1.83

34.4 Disclosures 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 (funded) 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:

Period	Gratuity	Earned Leaves	Sick Leaves
Present value of the obligation at the end of the period	1037.46	1390.18	550.66


(b) Key results (The amount to be recognized in the Balance Sheet):

(₹ in Lakh)

Period	Gratuity	Earned Leaves	Sick Leaves
Present value of the obligation at the beginning of the period	382.95	501.81	368.82
Interest Cost	27.76	36.38	26.74
Current Service Cost	285.46	410.39	163.53
Benefits paid	-41.30	-52.79	-
Actuarial (gain)/loss	382.58	494.39	-8.43
Present value of the obligation at the end of the period	1037.46	1390.18	550.66
Fair value of plan assets at end of period	713.31	-	-
Funded Status - Surplus/ (Deficit)	(324.15)	(1390.18)	(550.66)

(c) Summary of membership data at the date of valuation and statistics based thereon:

(₹ in Lakh)

Period	Gratuity	Earned Leaves	Sick Leaves
Number of employees	859	859	859
Total monthly salary (₹ in Lakh)	620.02	620.02	964.88
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	0.72	0.72	1.12
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 Lakh)

Period	Gratuity	Earned Leaves	Sick Leaves
Current Liability (Short Term)	75.86	184.09	75.96
Non-Current Liability (Long Term)	961.59	1206.09	474.71
Total Liability	1037.46	1390.18	550.66

(g) Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:



Period	Gratuity	Leaves	Sick Leaves
Defined Benefit Obligation (Base)	1037.46 @ Salary Increase Rate : 7%, and discount rate :7%	1390.18	550.66
Liability with x% increase in Discount Rate	961.82; x=1.00% [Change (7)%]	1288.56; x=1.00% [Change (7)%]	511.12; x=1.00% [Change (7)%]
Liability with x% decrease in Discount Rate	1124.59; x=1.00% [Change 8%]	1507.28; x=1.00% [Change 8%]	596.14 ; x=1.00% [Change 8%]
Liability with x% increase in Salary Growth Rate	1123.72; x=1.00% [Change 8%]	1506.11; x=1.00% [Change 8%]	595.68 ; x=1.00% [Change 8%]
Liability with x% decrease in Salary Growth Rate	961.16; x=1.00% [Change (7)%]	1287.66 ; x=1.00% [Change (7)%]	510.77 ; x=1.00% [Change (7)%]
Liability with x% increase in Withdrawal Rate	1025.30 ; x=1.00% [Change (1)%]	1390.18 ; x=1.00% [Change 0%]	550.66 ; x=1.00% [Change 0%]
Liability with x% decrease in Withdrawal Rate	1049.78 ; x=1.00% [Change 1%]	1390.18 ; x=1.00% [Change 0%]	550.66 ; x=1.00% [Change 0%]

ACTUARIAL VALUATION OF EMPLOYEE BENEFITS AS AT 31.03.2024 CERTIFICATES AS PER IND AS 19

The disclosures as per actuary's certificate for employee benefits for Gratuity, Earned Leaves and Sick Leaves (unfunded) are given below:

(a) Table Showing Changes in Present Value of Obligations:

(₹ in Lakh)

Period	Gratuity	Earned Leaves	Sick Leaves
Present value of the obligation at the end of the period	382.95	501.81	368.82

(b) Key results (The amount to be recognized in the Balance Sheet):

(₹ in Lakh)

Period	Gratuity	Earned Leaves	Sick Leaves
Present value of the obligation at the beginning of the period	290.29	404.92	212.71
Interest Cost	21.05	29.36	15.42
Current Service Cost	127.76	179.68	135.40
Benefits paid	(51.02)	(44.64)	-

(b) Key results (The amount to be recognized in the Balance Sheet):

(₹ in Lakh)

Period	Gratuity	Earned Leaves	Sick Leaves
Actuarial (gain)/loss	(5.13)	(67.51)	5.29
Present value of the obligation at the end of the period	382.95	501.81	368.82
Fair value of plan assets at end of period	473.95	-	-
Funded Status - Surplus/ (Deficit)	91.00	(501.81)	(368.82)

(c) Summary of membership data at the date of valuation and statistics based thereon:

(₹ in Lakh)

Period	Gratuity	Earned Leaves	Sick Leaves
Number of employees	879	879	879
Total monthly salary (₹ in Lakh)	346.09	348.29	870.72
Average Past Service (Years)	2.2	2.2	2.2
Average Future Service (Years)	26.8	26.8	26.8
Average Age (Years)	33.2	33.2	33.2
Total Leave With Cap/Without Cap (No.s)	-	34512/34512	10888/10888
Total CTC for Availment/ Rate	-	870.72/ 3%	-



Period	Gratuity	Earned Leaves	Sick Leaves
Weighted average duration (based on discounted cash flows) in years	21	22	-
Average monthly salary	0.39	0.40	0.99
Encashable	-	75%	-
Non- Encashable	-	25%	100%
Expected Future Service taking into account Decrements (Years)	15	-	-

(d) Actuarial assumptions selected by the company and employed for the calculations are tabulated:

Discount rate	7.25 % per annum
Salary Growth Rate	5.00 % 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	NIL
Benefit on early exit	As above for Leaves
Benefit on death	As above (Sick Leaves- during service only)
Gratuity Limit (₹ in Lakh)	20

(f) Current Liability (Expected pay-out in next year as per schedule III of the Companies Act, 2013):

(₹ in Lakh)

Period	Gratuity	Earned Leaves	Sick Leaves
Current Liability (Short Term)	-	62.78	45.33
Non-Current Liability (Long Term)	-	439.03	323.49
Total Liability	-	501.81	368.82

(g) Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Period	Gratuity	Earned Leaves	Sick Leaves
Defined Benefit Obligation (Base)	382.95 @ Salary Increase Rate : 5%, and discount rate :7.25%	501.81	368.82
Liability with x% increase in Discount Rate	358.20; x=1.00% [Change (6)%]	468.99; x=1.00% [Change (7)%]	344.78; x=1.00% [Change (7)%]
Liability with x% decrease in Discount Rate	411.11; x=1.00% [Change 7%]	539.16; x=1.00% [Change 7%]	396.17 ; x=1.00% [Change 7%]
Liability with x% increase in Salary Growth Rate	411.46; x=1.00% [Change 7%]	539.63; x=1.00% [Change 8%]	396.52 ; x=1.00% [Change 8%]
Liability with x% decrease in Salary Growth Rate	357.48; x=1.00% [Change (7)%]	468.04 ; x=1.00% [Change (7)%]	344.08 ; x=1.00% [Change (7)%]
Liability with x% increase in Withdrawal Rate	380.82 ; x=1.00% [Change (1)%]	507.44 ; x=1.00% [Change 1%]	372.93 ; x=1.00% [Change 1%]
Liability with x% decrease in Withdrawal Rate	384.52 ; x=1.00% [Change 0%]	495.50 ; x=1.00% [Change (1)%]	364.22 ; x=1.00% [Change (1)%]

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	Availability of enough cash & cash equivalents & reserves, availability of committed credit line and borrowing facilities and availability 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 marketable 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 ₹ 1,33,915 lakh.

During the year, the Company has access to undrawn fund-based working capital facilities of ₹ 3,84,642 lakh and undrawn non-fund-based working capital facilities of ₹ 67,500 lakh.

(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 Lakh)

March 31, 2025	Less than One Year	One to Five Year	More than Five Year	Total
Non-derivatives				
Creditors for capital				
goods/services and others	1,37,237.55	-	-	1,37,237.55
Lease liabilities	551.00	424.11	124.30	1,099.41
Retention Money/Deposits	93,155.46	13,244.16	-	1,06,399.62
Borrowings	1,57,114.07	7,81,099.95	3,94,290.20	13,32,504.22
Total non-derivative liabilities	3,88,058.08	7,94,768.22	3,94,414.50	15,77,240.80

March 31, 2024	Less than One Year	One to Five Year	More than Five Year	Total
Non-derivatives				
Creditors for capital				
goods/services and others	1,29,890.71	-	-	1,29,890.71
Lease liabilities	494.18	806.60	127.39	1,428.17
Retention Money/Deposits	1,04,493.37	11,661.62	-	1,16,154.99
Borrowings	1,96,474.34	7,79,941.20	5,45,093.03	15,21,508.57
Total non-derivative liabilities	4,31,352.60	7,92,409.42	5,45,220.42	17,68,982.44

(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 is 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 construction in INR as follows:

(₹ in Lakh)

	31 st March 2025	31 st March 2024
Financial Liabilities		
- Creditors	1,231.87	4,794.99

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 2025 by Rs. 12.32 Lakh (increase/decrease the profit for year ended 31st March 2024 by Rs. 47.95 Lakh)

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, 2025 would increase/decrease by Rs. 666.25 Lakh (for the year ended March 31, 2024: increase/decrease By Rs. 760.75 Lakh). 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 Lakh)

Particular	31-03-2025	31-03-2024
Net Debt	13,03,521.42	14,79,431.02
Total Equity	11,03,634.43	9,66,077.04
Net Debt to equity ratio (in times)	1.18	1.53

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, 2025, 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 default 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 2024-25, company has not breached any of the covenants and will be not liable for additional interest payout during the FY 2024-25.

Fair Value Measurements**Financial instruments by category**

(₹ in Lakh)

	31 st March 2025		31 st March 2024	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Investments	41,377.95	-	46,953.43	-
Cash and cash equivalents	-	29,889.17	-	43,246.87
Other bank balances	-	8,245.39	-	24,270.74
Bank deposits with more than 12 months maturity	-	33,243.73	-	22,656.68
Security deposit	-	1,710.69	-	1,650.63
Trade receivable	-	3,44,975.85	-	2,97,362.10
Others	-	2.88	-	3.46
Total	41,377.95	4,18,067.71	46,953.43	3,89,190.48
Financial Liabilities				
Other financials liabilities	-	2,44,543.54	-	2,47,215.02
Borrowings	-	13,32,504.22	-	15,21,508.57
Total	-	15,77,047.76	-	17,68,723.59


Fair Value of Financial assets & Liability Measured at amortised cost

(₹ in Lakh)

31 st March 2025		31 st March 2024	
Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets			
Investments	41,377.95	46,953.43	46,953.43
Cash and cash equivalents	29,889.17	43,246.87	43,246.87
Other bank balances	8,245.39	24,270.74	24,270.74
Bank deposits with more than 12 months maturity	33,243.73	22,656.68	22,656.68
Security deposit	1,710.69	1,650.63	1,650.63
Trade receivable	3,44,975.85	2,97,362.10	2,97,362.10
Others	2.88	3.46	3.46
Total	4,59,445.66	4,36,143.91	4,36,143.91
Financial Liabilities			
Other financials liabilities	2,44,543.54	2,47,215.02	2,47,215.02
Borrowings	13,32,504.22	15,21,508.57	15,21,508.57
Total	15,77,047.76	17,68,723.59	17,68,723.59

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 reliability 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 Lakh)

31-03-2025	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments	41,377.95	-	-	41,377.95
Cash and cash equivalents	-	-	29,889.17	29,889.17
Other bank balances	-	-	8,245.39	8,245.39
Bank deposits with more than 12 months maturity	-	-	33,243.73	33,243.73
Security deposit	-	-	1,710.69	1,710.69
Trade receivable	-	-	3,44,975.85	3,44,975.85
Others	-	-	2.88	2.88
Total	41,377.95	-	4,18,067.71	4,59,445.66
Financial Liabilities				
Other financials liabilities	-	-	2,44,543.54	2,44,543.54
Borrowings	-	-	13,32,504.22	13,32,504.22
Total	-	-	15,77,047.76	15,77,047.76
31-03-2024				
Financial Assets				
Investments	46,953.43	-	-	46,953.43
Cash and cash equivalents	-	-	43,246.87	43,246.87
Other bank balances	-	-	24,270.74	24,270.74
Bank deposits with more than 12 months maturity	-	-	22,656.68	22,656.68
Security deposit	-	-	1,650.63	1,650.63
Trade receivable	-	-	2,97,362.10	2,97,362.10
Others	-	-	3.46	3.46
Total	46,953.43	-	3,89,190.48	4,36,143.91
Financial Liabilities				
Other financials liabilities	-	-	2,47,215.02	2,47,215.02
Borrowings	-	-	15,21,508.57	15,21,508.57
Total	-	-	17,68,723.59	17,68,723.59



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 subsequently re-measured at fair value as described below:

- The fair value of investment in Mutual Funds is measured at quoted price or NAV.
- 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.
- 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 Lakh)		
Particulars	As at 31.03.2025	As at 31.03.2024
Amount remained unpaid (Trade Payables & Capital Goods)		
a) Principal amount (Note-18)	2,308.53	1,619.42
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 Lakhs) (in year 2017)	Revised Estimated cost (₹ in Lakhs) (in year 2021)	Further Revised cost (₹ in Lakhs) (in year 2023)	COD
Gorakhpur	7,08,577	8,60,271	9,44,320	03.05.2022
Sindri	6,97,701	8,13,009	8,93,925	15.04.2023
Barauni	7,04,326	8,38,799	9,51,215	30.04.2023
Total	21,10,604	25,12,079	27,89,460	

Commitments & Contingent Liabilities & Pending Litigations:

a) Commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for as on 31.03.2025 is ₹ 76,360.06 lakh (PY Rs.90,968 lakh for FY 2023-24).

b) Contingent Liabilities: Claims against the company not acknowledged as debt ₹ 1,70,741.80 lakh (PY ₹ 1,74,214.82 lakh).

LSTK agencies have raised claims of Rs 55005.70 lakhs for Gorakhpur, Rs 45678.99 lakhs for Sindri and 46353.09 lakhs for Barauni Project, amounting to total Rs 1,47,037.78 lakhs for all three projects. The said claims have been made towards additional costs impact on account of COVID 19 and change in legislation/work events which has been refuted by the Company.



The balance amount of contingent liabilities includes claims raised by Non-LSTK agencies amounting to ₹16,254.07 lakh, and an enquiry regarding customs duty on import of spares, the amount of which has been determined by the Customs Department at ₹7,164.96 lakh, this has been contested by HURL and is under active consideration by the custom authorities. The total claims from government authorities amount to ₹7,449.95 lakh.

c) Pending Litigations:

(₹ in Lakh)

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 Tribunal, Delhi	ARB.P.-871/2022	Arbitration	1,951.14	Posted to 03.04.2025 for recording claimant's evidence.
M/s D.P.S Contractors Ltd.	Arbitral Tribunal, Delhi	Arb. P. 152/2023	Arbitration	3,064.66	Statement of defense was filed. Evidence of behalf of the claimant is completed. The matter is posted to 15.04.2025.
M/s Sanjeet Kumar	Labour Court, Begusarai	P.W-18/2023	Labour / Service	38.89	Posted to 20.05.2025 for further proceedings.
Ms. Nitu Devi	Employees Compensation Commissioner, Dhanbad	WC 01/2022	Labour / Service	28.48	Posted to 02.05.2025 for further proceedings.
BGR Energy System Ltd	Arbitral Tribunal, Delhi		Arbitration	1,865.79	Posted to 03.06.2025 for further proceedings.
Labour Enforcement Officer (Central) - III, Dhanbad	Regional Labour Commissioner, Central, Dhanbad	MW Claim(27) (2023)/LEO/D-III	Labour / Service	18.44	Posted to 05.03.2025 for further proceedings. Fresh date not provided by the authority.
Mumbai Port Authority	City Civil Court, Bombay	S C S No.100735 of 2024	Commercial/ Merchantile	22.73	Posted to 17.06.2025 for further proceedings.
Mr. Pawan Pandit & 27 Others	Labour Court, Begusarai	P.W-07/2024	Labour / Service	38.89	Posted to 20.05.2025 for further proceedings.
Md Parvez Alam	Labour Court, Begusarai	P.W-09/2024	Labour / Service	56.65	Posted to 20.05.2025 for further proceedings.
DVPL	Arbitral Tribunal, Delhi	ARB P.614/2023	Arbitration	4,227.84	HURL paid Rs.2.62 crore towards differential GST and Rs.1.42 crore towards interest in the months of December, 2024 and January, 2025 respectively to DVPL, after taking legal opinion from Solicitor General of India. The discussions between HURL and Contractor for settlement is going on. Posted to 27.04.2025 & 28.04.2025 for further proceedings.
Labour Enforcement Officer (Central) - III, Dhanbad	Deputy Chief Labour Commissioner, Central, Dhanbad	IR.NO.26/2024/LEO (C) Dhanbad-III/823592	Labour / Service	5.89	Matter disposed on 28.03.2025 and awaiting for orders.
	District Magistrate, Gorakhpur		Stamp Duty	3,957.00	Pending with District Magistrate. No fresh date was given.
DTH Infra Engineers Pvt Ltd.	NCLT, Delhi	Company Application No. IB/533/ND/2024	Corporate Insolvency Resolution Process	181.44	Matter is posted to 02.05.2025 for arguments.
M/s. Suraksha Security and Maintenance Services	Facilitation Council, Kolkatta		Commercial/ Merchantile	5.16	The contractor did not attend last meeting held on 21.02.2025. Fresh date is not given.
			Total	15,462.99	



Note : The above amount has already been included in contingent liabilities.

34.8 Expenditure in Foreign Currency

(₹ in Lakh)

Unit	For the year ended 31.03.2025	For the year ended 31.03.2024
CAPEX Expenditure (in GBP, USD, EUR and JPY)	4,022.42	41,123.31
O&M Expenditure (in GBP, USD, EUR and JPY)	4,940.23	2,157.70

34.9 Enterprise Social Commitment/ Corporate Environment Responsibility (ESC/ CER)

Provision for ESC/CER as on 31.03.2025 is Rs. 62270.05 lakh (PY Rs. 63919.97 lakh).

34.10 Previous period's figures have been rearranged, regroup and reclassified wherever considered necessary to facilitate comparisons.

34.11 Trade Payables ageing schedule as at 31st March, 2025

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(I) MSME	-	-	-	-	-
(ii) Others	4,405.23	67.64	76.94	21.52	4,571.33
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
Total	4,405.23	67.64	76.94	21.52	4,571.33

34.12 Trade Receivable ageing schedule as at 31st March, 2025

(₹ in Lakh)

Particulars	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	3,35,777.97	5,733.05	-	-	-	3,41,511.02
(ii) Undisputed Trade Receivables– considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Total	3,35,777.97	5,733.05	-	-	-	3,41,511.02

34.13 Key Developments

- Expanded product portfolio by initiating imports of DAP (Di-Ammonium Phosphate) and TSP (Triple Super Phosphate), marking the company's global footprint. In the domestic segment also, five new products were introduced expanding the sales & reach of the products.
- Farmer Connect & Advisory- Reached out to over 2 Lakh farmers through extensive outreach programmes. Organized Swakchhata Pakhwada, PMKSK establishment, TB Awareness and elimination camps and circulated PM PRANAM videos for awareness amongst the stake holders.
- HURL Board has approved Equity contribution of 13% in the JV to be formed for Ammonia Urea complex at Namrup, Assam
- New Projects :
 - License agreement signed for setting up of Nano Urea Plant at Gorakhpur.
 - Feasibility study of two new projects Ammonium sulphate Project at Barauni and NPK Plant at Sindri sites is in progress.
- Credit Rating of the company has been upgraded from A+ to AA- by India Rating based on performance of the company which has further resulted in reduction in interest rate on RTL-I & II and Working Capital facilities from 9.50% to 8.55%. This reduction in interest rate will amount to approx. Rs 573 crore saving to the company in interest cost over the balance period of loan.



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 2025.
 - I a) UP Government has earmarked land measuring 20 acres in the district of Gorakhpur for the period of 30 years for setting up of state of art skill development centre.
- 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 2025

(₹ in Lakh)

Capital-Work-in Progress (CWIP)	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,895.24	-	-	-	2,895.24
Projects temporarily suspended	-	-	-	-	-

- 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) The Turnover of Trading segment is below 10% of the manufacturing turnover hence Segment Reporting as per IND AS 108 is not applicable to HURL for FY 2024-25, accordingly, the allocation of administrative and marketing overheads to the trading business has not been done in view of the relative volume and turnovers of the manufacturing business and the trading business.
- xi) During the year, CSR amounting to Rs. 1124 lakh accounted for as per the provisions of the Companies Act, 2013.
- xii) 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.
- xiii) 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.
- xiv) The Board has approved pay revision of Pay Structure from CTC based to IDA based pattern. In addition, a PRP policy has also introduced in line with DPE guidelines.
- xv) Pending annual pool rate to be notified by FICC for the FY 2024-25, 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 2024-25 is subject to the finalization of annual pool rate by FICC.
- xvi) 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.
- xvii) Pending sale of Urea totalling 5.03 lakh MT through POS device to beneficiaries as on 31.03.2025, subsidy of ₹ 1,89,111.47 lakh 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.
- xviii) During the year 1,09,627 MT of DAP and 26,538 MT of TSP were imported & sold. Based on the Government Notification dated 23.09.2024 & 01.10.2024, a claim of Rs. 1,01,19.63 lakh towards DAP has been lodged with DoF on 21.02.2025.
- xix) Provision of Rs. 50/MT for the cumulative quantity of urea sold since inception of the company has been made during the year for procurement of POS machines and execution of PMKSK programme etc.
- xx) As per the JV Agreement between promoters, equity shares are to be allotted to the promoter's M/s FCIL and M/s HFCL in lieu of the land leased by them for setting up the plants. The shares will be allotted after finalization of the number of shares by the committee.



- xxi) There is no impact on the ability of the Company as a going concern.
- xxii) Relationship with Struck off Companies
There are no transactions with respect to struck off companies as mentioned under section 248 of the Companies Act, 2013.
- xxiii) The company has no cases of any charges or satisfaction yet to be registered with ROC beyond the statutory time limits.
- xxiv) 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 as per Section 2(45) of the Companies Act, 2013.

xxv) Disclosure of Ratios

Ratio	Numerator	Denominator	FY 2024-25	FY 2023-24	% Variance	Reason for Variance
Current ratio	Current Assets	Current Liabilities	1.23	1.07	14.58	Improvement in Working capital due to efficient utilization of current assets and current liabilities during the F.Y. 2024-25.
Debt-equity ratio	Paid-up debt capital (Long term borrowings+Short term borrowings)	Shareholder's Equity (Total Equity)	1.21	1.57	-23.34	The Ratio indicates the proportion of debt fund in relation to equity. The ratio has been reduced due to repayment of long term loan.
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	1.27	1.26	0.73	Improvement in Profitability has increased DSCR
Return on equity ratio	Profit for the year	Average Shareholder's Equity	12.52%	13.71%	-8.66	Improvement in Profitability and average shareholder equity not in percentage of profitability.
Inventory turnover ratio	Revenue from operations	Average Inventory	40.97	50.34	-18.61	Inventory Turnover Ratio mainly due to inventory maintained in current FY 2024-25.
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	4.90	5.54	-11.57	Due to better realisation of Debtors.
Trade Payables turnover ratio	Total Purchases (Fuel Cost+Other Expenses + Closing Inventory - Opening Inventory)	Average Trade Payables	10.09	7.31	38.14	Trade Payables Turnover Ratio has increased due to increase in purchase value
Net capital turnover ratio	Revenue from operations	Working Capital+current maturities of long term borrowings	6.38	8.35	-23.64	Net Capital Turnover Ratio due to decreased due to repayment of long term borrowings.
Net profit ratio	Profit for the year	Revenue from operations	8.78	8.89	-1.29	Net Profit Ratio of current year is lower due to lower production and sale of urea.
Return on capital employed	Earning before interest and taxes	Capital Employed ⁽ⁱ⁾	12.93%	13.32%	-2.94	EBIT reduced due to lower production.
Return on investment in subsidiary and joint venture companies			NA	NA	NA	Company has no JV or Subsidiary where funds are invested



Return on investment Investment s in others (Mutual Fund)	Weighted Average Income Earned on Mutual Funds	Weighted Average Investment in Mutual Funds	7.11%	6.71%	5.98	Company has parked surplus funds in mutual funds
---	--	---	-------	-------	------	---

(I) Capital Employed= Tangible Net Worth + Total Debt + Deferred Tax Liabilities

xxvi) 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.

On behalf of the Board of Directors

Sd/-
(Debasish Nanda)
Chairman
DIN-09015566

Sd/-
(AV Raghunadhan)
Director
DIN-10570608

Sd/-
(Masood Akhtar Ansari)
Director
DIN - 10429528

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

Sd/-
(Iti Matta)
Company Secretary

Sd/-
(Poonam Jeswani)
Chief Financial Officer

As per our report annexed
For Surendra Subhash & Co.
Chartered Accountants
FR No. 03173N

Sd/-
(CA Surendra Kumar Jain)
Partner
Membership No. 082170

Date : 23-04-2025
Place : New Delhi



C&AG COMMENTS AND MANAGEMENT REPLIES

Date: 09.09.2025

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF HINDUSTAN URVARAK & RASAYAN LIMITED FOR THE YEAR ENDED 31 MARCH 2025

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 dated 22.09.2025 with Ref No: 1290-PDA/CE(AF/WR)/AMG-I/A/cs/HURL/2025-26/3476, for the F.Y 2024-2025 on Financial statements. 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 of the Company for the year ended 31st March 2025 have been approved by the Board of Directors of the Company on 09.09.2025. The replies to the comments are provided below.

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, 2025

S. No.	Comments on Financial Position	Management Replies
A. Comments on Profitability A.1 Non-Current Assets ₹ 24,020.91 crore Property plant & equipment (Note-3) ₹ 21509.34 crore	The above does not include an amount of ₹1330.74 crore towards GST paid on the cost of fixed assets (₹657.83 crore for Sindri and ₹672.91 crore for Barauni plants) and uncapitalized portion of ₹141.67 crore GST on similar capital expenditure at the Gorakhpur plant. As per Para 16(b) of Ind AS 16 on Property, Plant and Equipment, the cost of an item of property, plant and equipment includes "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," which includes non-refundable taxes and duties. Para 13 of Ind AS 8 on Accounting Policies mandates that "an entity shall select and apply its accounting policies consistently for similar transactions, other events and conditions, unless a Standard or an Interpretation specifically requires or permits categorization of items for which different policies may be appropriate" The Company applied inconsistent accounting treatment for GST capitalization on fixed a across different plants. The fixed assets at the Gorakhpur plant were capitalized in the financial year 2022-23, wherein GST of ₹611.33 crore was capitalized out of the total GST of ₹753 crore incurred. However, the fixed assets at the Sindri and Barauni plants were capitalized in the financial year 2023-24, but the corresponding GST was not capitalized. This inconsistency resulted in understatement of the gross block of fixed assets by ₹1472.41 crore, depreciation by ₹113.83 crore and net block by ₹1358.58 crore. Consequently, profit for the year was overstated by: ₹113.83 crore and the PPE is overstated by ₹1472.40 crore.	As per Section 16 of the CGST Act, a registered person is entitled either to (i) capitalize GST as part of the cost of fixed assets with depreciation thereon, or (ii) avail Input Tax Credit (ITC) in GST returns. ITC once availed remains in the Electronic Credit Ledger (ECL), does not lapse, and is equivalent to cash since it can be utilized against future GST liabilities. At the time of COD of Barauni and Sindri plants, GST was retained as ITC and not capitalized, as the Company was exploring diversification into new products such as nano urea, ammonium sulphate, NPK and sulphur-coated urea, which would attract higher GST output liability outside the subsidy mechanism. Retaining ITC in the ECL ensures financial flexibility to optimize future tax obligations. It may also be noted that other fertilizer companies similarly maintain substantial ITC balances in their books. The treatment adopted by HURL is therefore consistent with applicable GST provisions and industry practice. Accordingly, the accounting treatment does not result in any material understatement or overstatement of fixed assets, depreciation, or profit in the financial statements. Further, keeping in view the continuing GST reforms & the industry demand for refund of GST ITC, the issue will be reviewed and action taken accordingly during the FY 2025-26.
A.2 Provisions (Note-20)- ₹48.06 crore	The above does not include provision towards short payment of custom duty of ₹71.64 crore payable for project import of equipment materials and mandatory spares imported for Gorakhpur plant as per demand raised by Customs Authorities. The Company imported goods (Equipment and Material & Mandatory Spare) of ₹1155.86 crore on which the Custom	In respect of the observation, it is submitted that the matter pertains to imports under the Project Import Scheme during 2019–2022 for Gorakhpur plant. Based on the enquiry initiated by the Jawaharlal Nehru Custom House (JNCH), Mumbai, HURL representatives engaged with the customs authorities for resolution.



Department clarified (19.04.2022) that concessional rate of Basic Customs duty 5% only) has been wrongly availed since the mandatory condition (value of spare parts need to be 10% or less of value of main equipment) has not been complied with and as such HURL was not eligible for concessional rate of duty. Thus, provision for differential amount of duty & ₹71.64 crore (total duty of ₹75.01 crore minus amount of ₹3.37 crore paid) was required to be made which was not done. Further, no provision was made for applicable interest on the unpaid duty amount, for the period from 19 April 2022 to 31st March 2025, worked out to ₹31.71 crore. This has resulted in understatement of Provisions with consequent overstatement of profit for the year by ₹103.35 crore. Contingent liability is also overstated on this account.	Subsequently, an amount of ₹85.02 lakh was deposited on 04.07.25 by HURL towards customs duty as per demand generated by the customs authorities on their ICEGATE portal. Challan generated on the portal and Email dated 29.08.2025 confirming receipt of interest on differential duty, amounting to Rs.85.02 lakh is attached as Annexure I. Further, pursuant to the detailed review and recommendations of the customs officials, the case is under the process of permanent closure under the provisions of the Project Import Scheme. In view of the recent development, it is submitted that all requisite customs duty related statutory dues have been discharged and formally acknowledged by the authorities. HURL has submitted all required documents, including Bills of Entry, Bank Realisation Certificates, and Installation Certificates, to facilitate closure of the matter. Based on confirmations received from the customs officials, the enquiry is at the final stage of closure. Letter dated 29.08.2025 has been issued by Deputy Commissioner, SIIB/JNCH Mumbai to Deputy Commissioner Group VI for project import closure report which is expected by 20th September 2025. Accordingly, the Company has complied with all applicable requirements, and no financial implication remains pending in this regard. An amount of Rs. 71,64,96,369/- has been disclosed in the book of accounts as contingent liability for FY 2024-25.
---	--

Annexure I

Outlook

Fw: Fw: Closure of Project Import – HURL GORAKHPUR UNIT_ Finalization of Provisional BOEs and Issuance of Closure Report

From: Group JNCH <cus.grp6mumbai2@gov.in>

Sent: Friday, August 29, 2025 2:31:49 PM

To: Vinay Mohan Jha(Projects & ES) <vinaymjha@hurl.net.in>

Subject: Re: Fw: Closure of Project Import – HURL GORAKHPUR UNIT_ Finalization of Provisional BOEs and Issuance of Closure Report

Gentleman,

Please refer to your mail.

In this regard, It is informed that this office is in the process of finalizing the provisional Bills of Entry. It is also noted that the interest amount arising on the differential duty has already been paid vide Challan No. 1476796435 dated 04.07.2025. As soon as the NOC from SIIB(I) is received, the matter will be proceeded with accordingly.

Regards,

AC/Group-6
NS-V,JNCH

E-Payment Receipt

E-Payment Transaction Status Receipt					
ICEGATE Ref.ID	008000BEINNSA10353199042645895		Date & Time of Payment		Jul 4, 2025, 5:44:12 PM
IEC	AABCB0984E		IEC Name		BALMER LAWIRE & CO LTD_CHA
Bank Branch Code	SBIN0008087		Bank Transaction Number		CK0QJIGVF3
Document Type	BE		ICES Location Code		INNSA1
Bank Name	State Bank of India		Receipt Date & Time		Jul 4, 2025, 6:35:48 PM
Sr.No	Challan No.	Document Number	Document Date	Duty Amount(INR)	ICES ACK Number
1	1476796435	4637	03-02-2022	8501932	NA



C&AG COMMENTS

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF HINDUSTAN URVARAK & RASAYAN LIMITED FOR THE YEAR ENDED 31 MARCH 2025

The preparation of financial statements of Hindustan Urvarak & Rasayan Limited for the year ended 31 March 2025 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with 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 24th June 2025** which supersedes their earlier Audit Report dated 23rd April 2025.

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 2025 under section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

A. Comments on Profitability

A.1 Non-Current Assets ₹24,020.91 crore

Property plant & equipment (Note-3) ₹21509.34 crore

The above does not include an amount of ₹1330.74 crore towards GST paid on the cost of fixed assets (₹657.83 crore for Sindri and ₹672.91 crore for Barauni plants) and uncapitalized portion of ₹141.67 crore GST on similar capital expenditure at the Gorakhpur plant.

As per Para 16(b) of Ind AS 16 on Property, Plant and Equipment, the cost of an item of property, plant and equipment includes "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," which includes non-refundable taxes and duties.

Para 13 of Ind AS 8 on Accounting Policies mandates that "an entity shall select and apply its accounting policies consistently for similar transactions, other events and conditions, unless a Standard or an Interpretation specifically requires or permits categorization of items for which different policies may be appropriate".

The Company applied inconsistent accounting treatment for GST capitalization on fixed assets across different plants. The fixed assets at the Gorakhpur plant were capitalized in the financial year 2022-23, wherein GST of ₹611.33 crore was capitalized out of the total GST of ₹753 crore incurred. However, the fixed assets at the Sindri and Barauni plants were capitalized in the financial year 2023-24, but the corresponding GST was not capitalized.

This inconsistency resulted in understatement of the gross block of fixed assets by ₹1472.41 crore, depreciation by ₹113.83 crore and net block by ₹1358.58 crore. Consequently, profit for the year was overstated by ₹113.83 crore and the PPE is overstated by ₹1472.40 crore.

A.2 Provisions (Note-20)- ₹48.06 crore

The above does not include provision towards short payment of custom duty of ₹71.64 crore payable for project import of equipment materials and mandatory spares imported for Gorakhpur plant as per demand raised by Customs Authorities.

The Company imported goods (Equipment and Material & Mandatory Spare) of ₹1155.86 crore on which the Custom Department clarified (19.04.2022) that concessional rate of Basic Customs duty @5% (only) has been wrongly availed since the mandatory condition (**value of spare parts need to be 10% or less of value of main equipment**) has not been complied with and as such HURL was not eligible for concessional rate of duty.

Thus, provision for differential amount of duty & ₹71.64 crore (total duty of ₹75.01 crore *minus* amount of ₹3.37 crore paid) was required to be made which was not done. Further, no provision was made for applicable interest on the unpaid duty amount, for



the period from 19 April 2022 to 31 March 2025, worked out to ₹31.71 crore. This has resulted in understatement of Provisions with consequent overstatement of profit for the year by ₹103.35 crore. Contingent liability is also overstated on this account.

Date: 22.09.2025
Place: New Delhi

For and on the behalf of the
Comptroller & Auditor General of India

Sd/-
(Tanya Singh)
Principal Director of Audit Central Expenditure
(Agriculture, Food & Water Resources)

HURL EVENTS



Holi Celebration in March, 2025



HURL's 10th Foundation Day Celebration at Gorakhpur on 15.06.2025



HURL's Annual Marketing Meet 2025 at Goa

HURL EVENTS



Women's day Celebration on 08.03.2025



Visit of the Board of Directors
at Gorakhpur plant



International Fertilizer Association (IFA)
Meet 2025 at Monaco, France

एचयूआरएल ने सीआईपीईटी रांची में सक्षम कौशल विकास कार्यक्रम किया शुरू

नई दिल्ली। हिंदुस्तान उर्वरक एवं रसायन लिमिटेड (एचयूआरएल) ने झारखंड के रांची में सीआईपीईटी परिसर में अपनी प्रमुख कौशल विकास पहल सक्षम का विस्तार किया है। सीआईपीईटी लखनऊ और हाजीपुर में इसके स्फल



कार्यक्रम के बाद, इस पहल में अब दो नए क्षेत्रों का स्वागत किया गया है, जिसका लक्ष्य धनबाद जिले के 80 बेरोजगार युवाओं को उद्योग-संबंधित तकनीकी कौशल के साथ

प्रशिक्षित करना है। यह कदम एचयूआरएल के कॉर्पोरेट पर्यावरण उत्तरदायित्व (सीईआर) उद्देश्यों के अनुरूप है। यह कौशल अंतर को दूर करने और वंचित युवाओं के बीच व्यावसायिक शिक्षा को बढ़ावा देने पर केंद्रित है। व्यापक सक्षम कार्यक्रम का उद्देश्य उन क्षेत्रों में 320 उम्मेदवारों को प्रशिक्षित करना है। जहां एचयूआरएल संचालित होता है - अर्थात् गोरखपुर, बरौनी और धनबाद -

हिंदुस्तान उर्वरक रसायन लिमिटेड को मिला पुरस्कार

चिबुआला (एस्एनबी)। उर्वरक नगर स्थित एचयूआरएल के वित्तिय प्रमुख विभाग रांची में हिंदुस्तान उर्वरक एवं रसायन लिमिटेड ने आईसीटी पुरस्कार, गुर्गो में आयोजित समारोह में एचयूआरएल को 'WINNER' का पुरस्कार प्रदान किया।

डॉ. कपिल कुमार सिंह को निम्न। ये प्रोफेसर, हावार्टी टीम के सदस्य, नवाग और लॉजिस्टिक्स और मर्यादा वैश्व संवर्धन में

एचयूआरएल को 'WINNER' का पुरस्कार प्रदान किया। एचयूआरएल को 'WINNER' का पुरस्कार प्रदान किया। एचयूआरएल को 'WINNER' का पुरस्कार प्रदान किया।



2025 के 10 वें संस्करण में दो प्रतिष्ठित पुरस्कार प्रदान किए गए। जिसमें एचयूआरएल को 'WINNER' का पुरस्कार प्रदान किया। एचयूआरएल को 'WINNER' का पुरस्कार प्रदान किया।

एचयूआरएल को 'WINNER' का पुरस्कार प्रदान किया। एचयूआरएल को 'WINNER' का पुरस्कार प्रदान किया। एचयूआरएल को 'WINNER' का पुरस्कार प्रदान किया।

एचयूआरएल ने सिग्मा समिट में हारित ऊर्जा का किया समर्थन

नई दिल्ली (वि)। हिंदुस्तान उर्वरक और रसायन लिमिटेड (एचयूआरएल) ने 05 अप्रैल 2025 को आयोजित सिग्मा समिट-



व्यावसायिक गतिविधि 2025 में हारित ऊर्जा और बायो-इकोनॉमी

नेतृत्व का समर्थन किया। इस अवसर पर मुख्य अतिथि एचयूआरएल के प्रबंध निदेशक डॉ. एसपी मोहंती ने 'मूल्य शृंखला को अनलॉक करना- जैव उत्पाद और अतिरिक्त राजस्व धाराओं' पर व्याख्यान दिए। डॉ. मोहंती ने कहा कि जैव-उत्पाद पारंपरिक इनपुट के पर्यावरण-अनुकूल विकल्प सहित राजस्व धाराओं में विविधता लाने, कृषि लचीलापन बढ़ाने और जैव-अर्थव्यवस्था को मजबूत करने की अपार संभावनाएं रखते हैं।

SIGMA SUMMIT की झलक, जो 5 अप्रैल को आयोजित हुआ, थीम रही-



जो है SIGMA SUMMIT 2025 की झलक, जो 5 अप्रैल को आयोजित हुआ, थीम रही-'Developing & Evolving Entrepreneur Net Zero 2070: Harnessing Growth with CBG'।

सम्मेलन का मुख्य शोकास- डॉ. कपिल कुमार सिंह, जो डॉ. एस.पी. मोहंती, एचयूआरएल के मुख्य अतिथि के रूप में शामिल

की और 'Unlocking the Value Chain-Bio-Products Additional Revenue Streams' विषय पर अलग कोर्सेट चर्चा

डॉ. मोहंती ने CBG परिसर में निम्नलिखित बारी-ग्रीनहाउस गैसों-कार्बोनाइट, CO2 और हाइड्रोजन को जलाने संभवताओं को उजागर किया-जो न केवल कृषि क्षेत्र में पर्यावरण के अनुकूल विकल्प बन सकते हैं, बल्कि कौनों-को तिर नई आयवारी और बाजार विस्तार को बरिख भी बन सकते हैं।

मुख्य बिंदु:

- CBG परिसर में नुनक काले बायो-ग्रीनहाउस गैसों को पहचान
- केमिकल इनपुट को जलाने बायो-अल्टरनेटिव का इस्तेमाल
- जलवायु बदलाव, पर्यावरण और नार्सेट डेवेल
- स्ट्रेटिजिक पार्टनरशिप और संकुलन इकोनॉमी पर अजर

HURL ने अपने स्ट्रेटिजिक वॉलन के संक्षेप में तीन चरणों के प्रति अपनी प्रतिबद्धता दर्शाई, जिसमें कंपनी को सस्टेनेबल इनोवेशन को लो की। टीम HURL ने समिट में 'बैज-बाज' का विस्मय विषय-विषय साझा किया कि कैसे भारत की हरित-ऊर्जा की ओर अ-क्रिया न सकता है।

समर्थन अग्रणी बाल- CBG को केवल गैस तक सीमित न रह, जल्द ही 'बायो-इकोनॉमी' के रूप में अग्रणी का अग्रणी न-गाह।

इन सौच को अगे बढ़ते हुए HURL को 'Visionary & Policy & Government Advocacy for CBG' के लिए Appreciation Award से सम्मानित किया गया-भारत की हरित-ऊर्जा की लक्ष्यता में उनके अग्रणी योगदान को सम्मानित किया।





HINDUSTAN URVARAK & RASAYAN LIMITED

Registered 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