



Innovating Agriculture, Strengthening India

Driving innovation to secure India's agricultural future.

Contents

STRATEGIC REPORT

Innovating Agriculture, Strengthening India	03
Corporate Information	04
Our Promoters	05
Message from the Chairman	06
Performance Highlight (FY 2023-24)	08
Awards & Accolades	10
Future Growth Plans & Upcoming Products	12
Upcoming products:	13
Revitalizing India's Fertilizer Sector: The Formation	14
HURL's Contribution to Atmanirbhar Bharat Abhiyaan: Paving the Path to Self-Reliance	16
Board of Directors	18

STATUTORY REPORTS

Directors' Report	22
-------------------	----

FINANCIAL STATEMENTS

Standalone Financial Statements	58
C&AG Comments	118

Innovating Agriculture, Strengthening India

Driving innovation to secure India's agricultural future.

FY2024 started with a major milestone of declaration of commercial operations for Barauni and Sindri fertilizer plants. Despite being the first year of full-scale operation and few operational challenges encountered primarily at Barauni & Sindri Units, the FY 2024 witnessed remarkable achievements with the cumulative urea production during the year was 35.51 Lakh MT. Gorakhpur Unit has surpassed the production target (13.5 Lakh MT against target of 12.70 Lakh MT), while Barauni & Sindri Units have nearly reached their target. Energy efficiency has also improved to a greater extent. The Company also diversified its product portfolio during FY 24 through marketing of various other fertilizer products."

Annual Report

2023-24



Hindustan Urvarak & Rasayan Limited (HURL) is not just another player in India's fertilizer industry; we are the powerhouse fueling the nation's agricultural revolution. In the financial year 2023-24, HURL's three state-of-the-art units at Gorakhpur, Barauni, and Sindri collectively produced an unparalleled 33.89 lakh metric tons of urea, a testament to our unwavering commitment to national self-reliance. With 33.23 lakh metric tons of urea sales, HURL has solidified its position as the backbone of India's agricultural economy, bridging the critical demand-supply gap and ensuring the timely availability of high-quality fertilizers to millions of farmers across the country.

This year marked a significant leap forward in our mission to transform Indian agriculture. The dedication of our teams has translated into extraordinary results, with our urea production directly supporting the government's Atmanirbhar Bharat Ab-

hiyaan. HURL's contribution doesn't stop at mere numbers; we are driving real economic change. Our operations have generated substantial direct and indirect employment opportunities, catalysing growth in small and medium-scale industries around our manufacturing units. This ripple effect has boosted local economies, increased state revenues through direct taxes, and eased the pressure on national infrastructure.

HURL's cutting-edge facilities are not just about quantity but also about quality and sustainability. Our commitment to environmental stewardship is evident in our production of Neem Coated Urea, which enhances soil health and promotes balanced fertilization. By drastically reducing India's dependency on imported urea, we are not only saving precious foreign exchange but also stabilizing domestic market prices, ensuring that India's farmers have access to affordable, high-quality fertilizers.

We don't just participate in the industry; we lead it. HURL's pioneering use of advanced agricultural technologies, such as drone-assisted farming, positions us as a leader in innovation. Our single-window system for comprehensive agri-input solutions ensures that farmers receive not just fertilizers, but also the tools and knowledge they need to maximize productivity and sustainability.

In 2023-24, HURL has shown that we are more than a fertilizer company; we are the beating heart of India's agricultural prowess. As we look ahead, our vision is clear: to continue driving the nation's agricultural future with unparalleled efficiency, innovation, and a deep commitment to the land and people of India. With every metric ton of fertilizer produced, with every farmer empowered, HURL is forging a stronger, more self-reliant India.



Corporate Information

CHIEF FINANCIAL OFFICER

Shri Anurag Shukla [upto 07.06.2024]
Smt. Poonam Jeswani [w.e.f. 19.07.2024]

COMPANY SECRETARY

Shri K.P. Gupta [upto 15.07.2023]
Smt. Iti Matta [w.e.f. 10.08.2023]

STATUTORY AUDITORS

M/s Surendra Subhash & Co.,
Chartered Accountants, New Delhi

SECRETARIAL AUDITORS

M/s Agarwal S. & Associates,
Company Secretaries, New Delhi

COST AUDITORS

M/s R K Patel & Co.

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, New Delhi
Bank of Baroda, New Delhi
Indian Bank, New Delhi
EXIM Bank, New Delhi

Indusind Bank, New Delhi

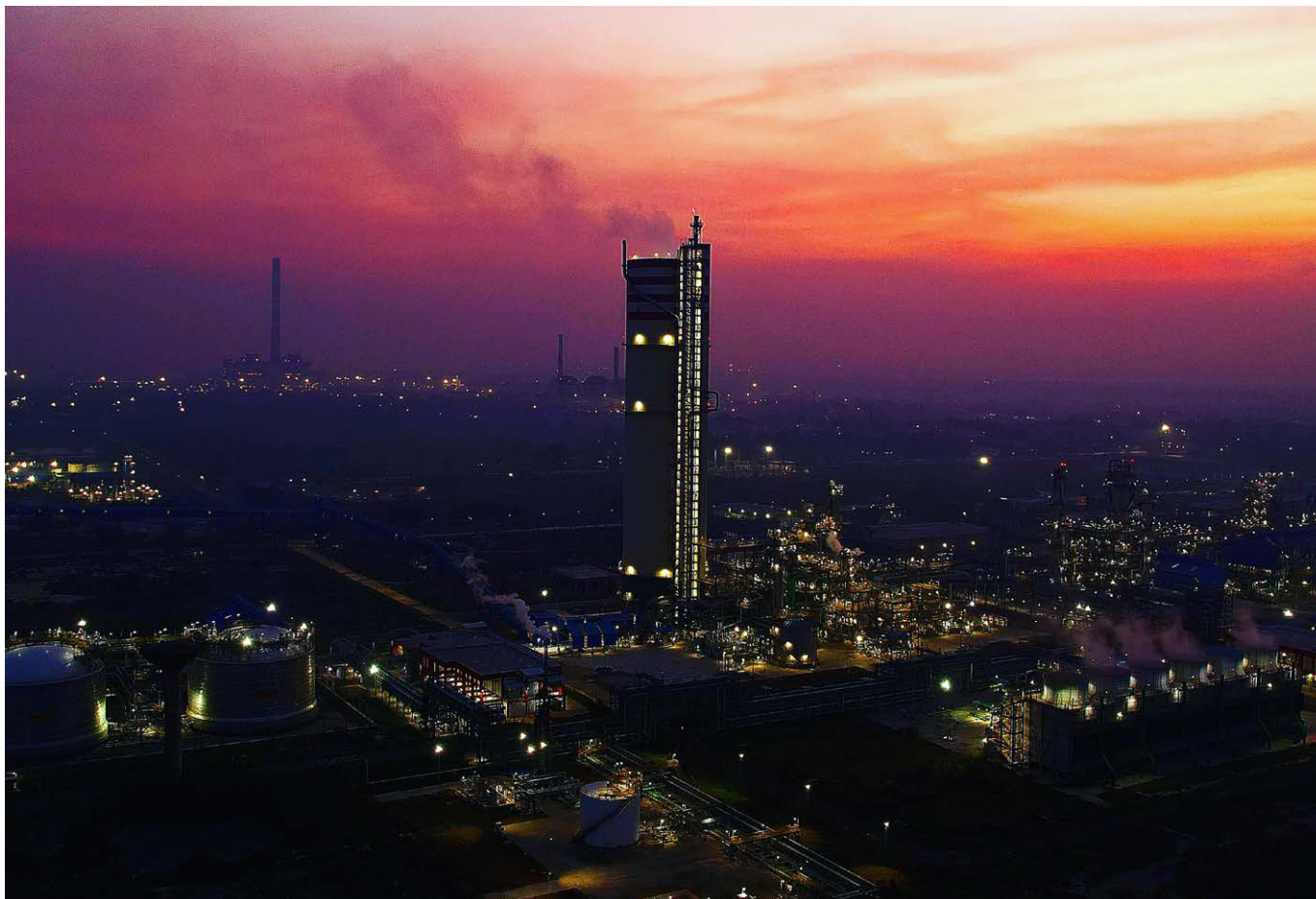
IDBI Bank, New Delhi

REGISTERED OFFICE / CORPORATE OFFICE

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

LOCATION OF PLANTS

Gorakhpur Plant, Gorakhpur,
Uttar Pradesh
Sindri Plant, Dhanbad, Jharkhand
Barauni Plant, Begusarai, Bihar



Our Promoters



Coal India Limited -

Single largest coal producer in the world



NTPC Limited -

India's largest energy conglomerate



Indian Oil Corporation Limited -

One of India's most valuable Energy company



Fertilizer Corporation of India Limited -

In 1978, operating fertilizer plants at Sindri, Gorakhpur, Talcher, Ramagundam, Korba & Jodhpur mining organization were formed into FCIL.



Hindustan Fertilizer Corporation Limited -

HFCL emerged as a separate company following reorganization of the erstwhile FCIL and NFL group.



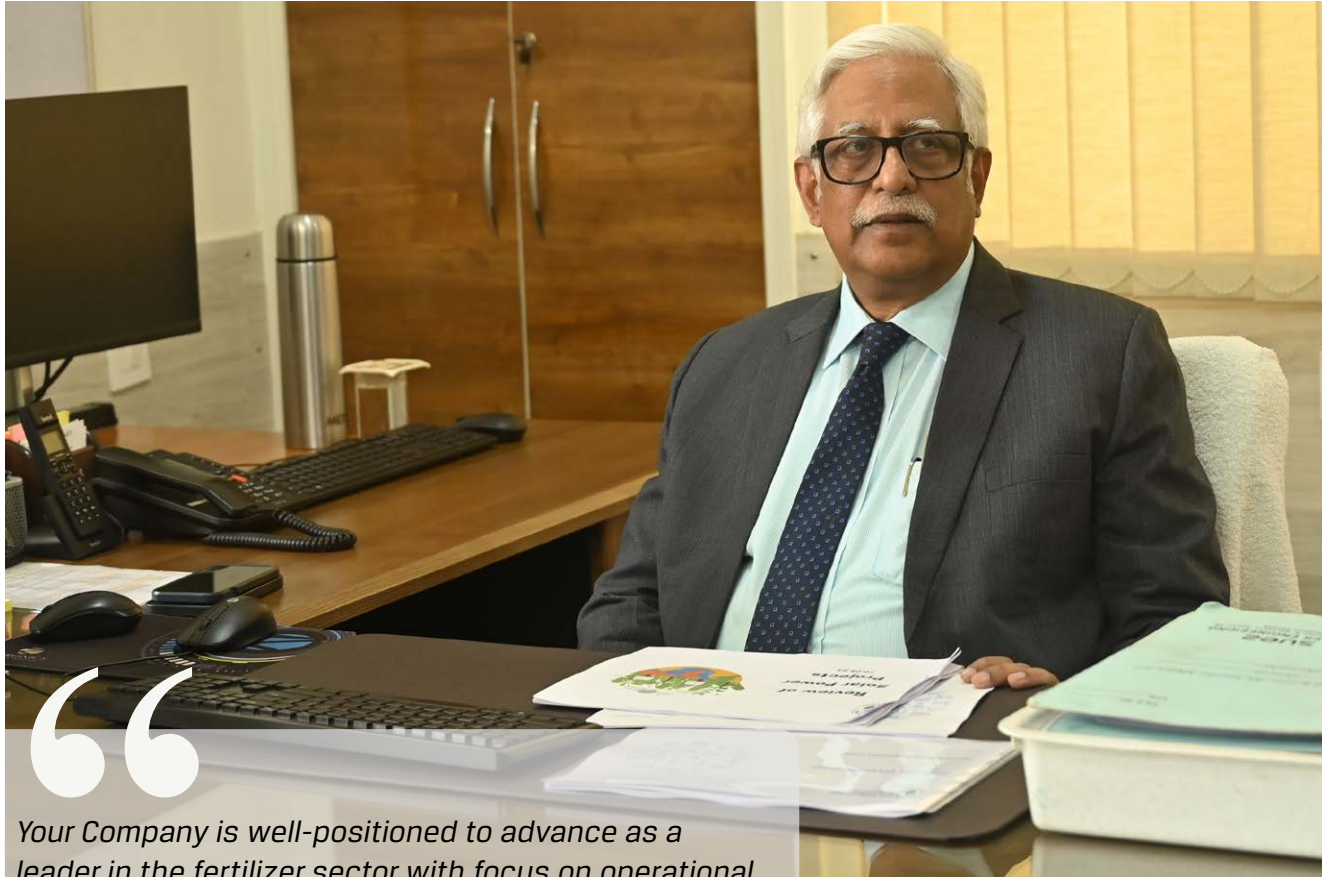
Hindustan Urvarak & Rasayan Limited (HURL) has been incorporated as a public limited company and a Special Purpose Vehicle (SPV) on June 15, 2016, with an objective to achieve self-sufficiency in urea manufacturing and spurring economic growth in eastern India.

HURL is a Joint Venture (JV) of Coal India Limited (CIL), NTPC Limited (NTPC), Indian Oil Corporation Limited

(IOCL), and Fertilizer Corporation of India Limited (FCIL) and Hindustan Fertilizer Corporation Limited (HFCL).

The three lead promoter companies of HURL namely CIL, NTPC and IOCL are amongst top Maharatna Public Sector Undertaking of the Government of India, belonging to Ministries of Coal, Power and Oil & Natural Gas

Message from the Chairman



“

Your Company is well-positioned to advance as a leader in the fertilizer sector with focus on operational excellence in the Urea production and continuously expanding its product offerings and geographies.

₹14,985 crore

Total income

₹1,798 crore

Profit Before Tax. (PBT)

₹1,325 crore

Profit After Tax (PAT)

Dear Stakeholders,

Firstly, I am happy to announce that our Company has performed exceptionally well this year. I thank you all for your continued trust, encouragement and support to the Company and its Management. The Company's Financial Statements for the year ended March 31, 2024, along with the Directors' and Auditors' Report, Comments of Comptroller & Auditor General of India have already been circulated to you.

PERFORMANCE HIGHLIGHTS

During FY 2024, the Company has achieved Revenue from Operations of ₹14,895 Crore approx. and Net Profit of ₹1,325 Crore approx. with a cumulative urea production of 35.51 Lakh MT, in the first year of full commercial operations of all the three plants. The Gorakhpur Plant of the Company commenced operations in FY 2023 and was able to operate at

more than 100% capacity in FY 2024, while Barauni and Sindri Plants started operations in FY2024 only and faced few operational challenges.

We also look back at FY 2024 with a sense of pride that the Honourable Prime Minister of India dedicated the Sindri and Barauni fertilizer plants of our Company to the Nation, in March 2024. I would also like to state that the "Atmanirbhar" aspirations in urea sector are turning into reality.

I am equally delighted to inform that the core strategy of development of non-urea product portfolio in order to provide full range of fertilizers to the farmers, has resulted in considerable achievements. During FY 2024, the Company has not only forayed into trading of non-urea products, but also earned a profit of approx. ₹26 Crore in the six products traded with a quantity of 55,035 MT.

The authorized share capital of the Company as on March 31, 2024 stood at ₹12,000 Crore and subscribed and paid-up share capital stood at ₹7928.98 Crore, with the addition of ₹1041.09 Crore during FY 2024.

MARKET PRESENCE

HURL continued its efforts to enlarge its distribution network both quantitatively as well as qualitatively. Today, we have a strong footprint of 1292 dealers and distributors across 12 States in India, while 3 new States are will be catered in the near future. Aligned with the NaMo Drone Didi's initiative of the Government of India, training in drone operation were provided to 66 women from Self Help Groups (SHGs) during FY 2024. This will encourage Women Empowerment alongside innovation into agricultural practices.

Your Company is well-positioned to advance as a leader in the agricultural sector with focus on operational excellence in the Urea production and continuously expanding its product offerings and geographies.

COMPLIANCES AND DISCLOSURES

Your Company also continues to make efforts to improve the lives of the communities surrounding our plants, by supporting education, skill development, health care and other areas as a part of fulfilment of its' Corporate Environment Responsibility (CER) obligations. The awards accorded to the Company while undertaking its CER obligations as detailed in the "Awards and Accolades" section of the Directors' Report, testifies our commitment to the sustainable growth.

Compliances and disclosures under the Companies Act, 2013 and rules thereunder are being adhered to by your Company.

LOOKING AHEAD

Today, with your support and participation we stand on the verge of an exciting future. The world economy is growing at a robust pace and so is the Indian economy. Our Company's expansion is coinciding with significant technological developments in the fertilizer industry, such as usage of Drone, launch of Nano Fertilizer, Balanced use of fertilizer, impact of climate change in agriculture, decarbonization etc. To pursue the vision of offering diverse range of products to the farmers, we are also planning to add Nano Fertilizers, Sulphur Coated Urea, Ammonia Sulphate and other chemical / organic fertilizers in our product basket.

Also, to enhance the Company image, we are taking steps to become a System driven organization and planning to obtain certification, covering Quality, Environment and Safety.

We also continue to focus on empowering our human capital through strategic initiatives and welfare benefits to its employees and their families. Strong emphasis was placed on recruiting quality talent and equipping them for future, through comprehensive training and development programmes.

ACKNOWLEDGEMENTS

On behalf of Board of Directors, I express my heartfelt thanks for the valuable assistance and co-operation extended to the Company by the Government of India, particularly the Prime Minister's Office, Niti Aayog, Government of Uttar Pradesh, Jharkhand and Bihar, Ministry of Chemicals and Fertiliser, Ministry of Power, Ministry of Petroleum & Natural Gas, Ministry of Coal, Ministry of Finance, Ministry of Environment, Forests & Climate Change for their support and guidance to the Company. Further, I record my sincere appreciation for the cooperation extended by the Promoter Companies, the office of Comptroller & Auditor General of India (C&AG), the Auditors, Bankers of the Company and other professionals associated with the Company.

I would like to take this opportunity to acknowledge the dedication and hard work put in by the HURL team. The trust reposed by the Promoters and other Stakeholders, has always motivated us to achieve greater heights. On behalf of the Board and my own, I am deeply grateful to each one of you, Customers, Partners, Stakeholders, Employees, Farmers, Dealers, Distributors for their constant support and contribution.

With your continued support and trust, we look forward to further growth and opportunities in the FY 2025.




Sincerely,

Shri Debasish Nanda

Chairman

HINDUSTAN URVARAK &
RASAYAN LIMITED

Performance Highlights (FY 2023-24)

HURL UNITS	TOTAL 33.89 LAKH MT* UREA PRODUCTION	TOTAL 33.23 LAKH MT* UREA SALES
GORAKHPUR UNIT 	13.50 Lakh MT UREA SALES	13.37 Lakh MT*
BARAUNI UNIT 	9.48 Lakh MT* UREA SALES	9.31 Lakh MT*
SINDRI UNIT 	10.91 Lakh MT* UREA SALES	10.55 Lakh MT*

*Urea Production & Sales for Barauni & Sindri Units are considered from the date of declaration of Commercial Operation

NON-UREA PRODUCTS	VOLUME (IN MT.)
Single Super Phosphate	25,779
Apna Power (Mycorrhiza)	10,138
Apna Calgrow	3,894
Apna PDM Sri	6,572
FACT (20.20.0.13)	1,337
FACT (Ammonium Sulphate)	7,316
TOTAL NON-UREA PRODUCTS	55,035

UREA



OTHER PRODUCTS



Apna Power



Apna Calgrow



Apna PDMsri

FACT (20.20.0.13)

Single Super Phosphate (SSP)

FACT (Ammonium Sulphate)

Awards & Accolades

Following awards have been won by HURL for production and supply of Urea:



CII Scale Supply Chain and Logistics Excellence Award



Best distribution Strategy



North Eastern Railway's Premier Customer Award



"Emerging Brand of the Year" Fame National Award 2023-24



Following awards have been won by HURL under CSR Category:



Greentech Award – CSR under concern for Health

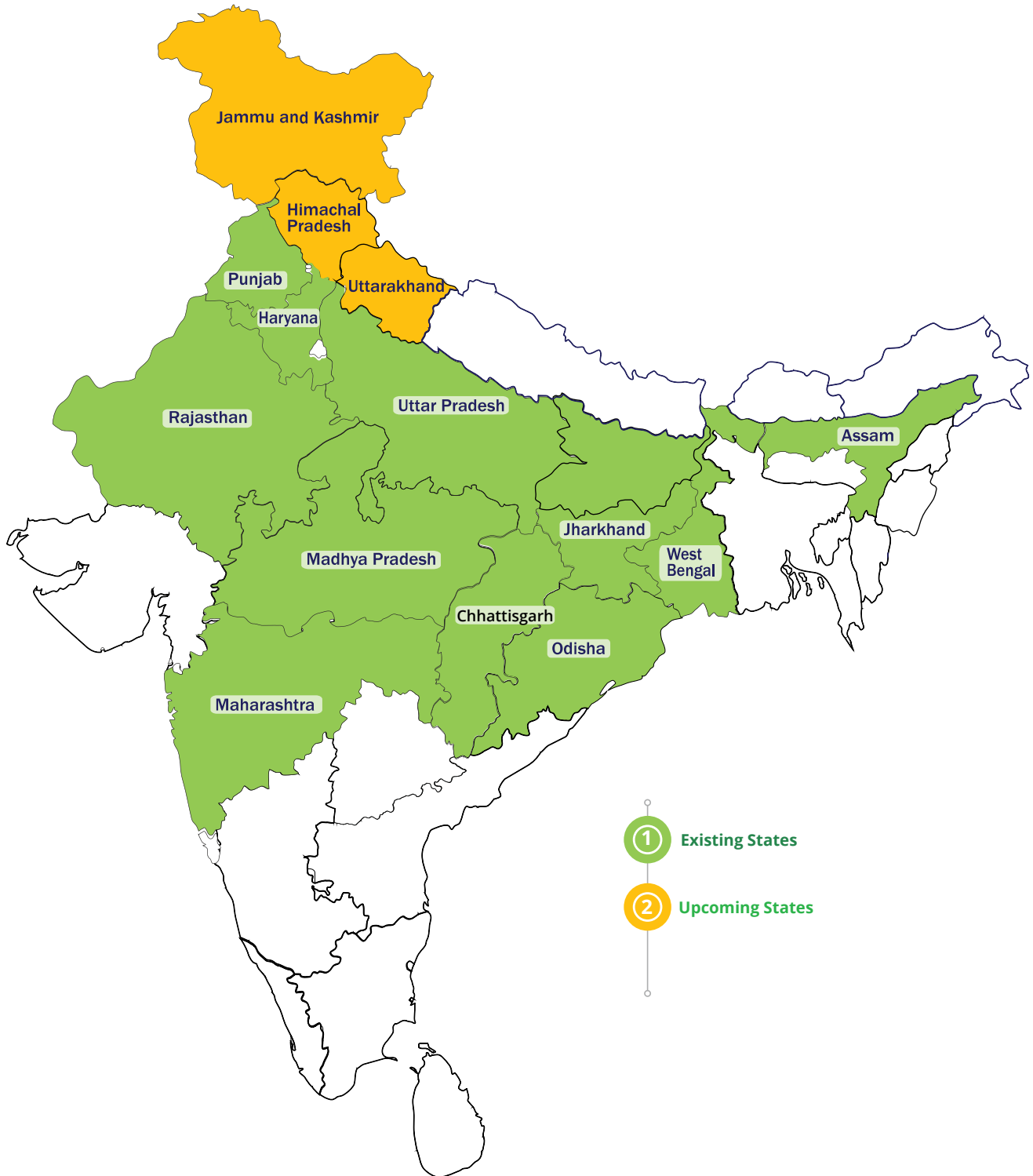
Apex India Excellence Award: "CSR Excellence award under CSR Project of the year" category



National Award for Excellence – CSR Under Health Promotion-12-Mar-2023

Future Growth Plans

HURL TERRITORIES



Upcoming products:



**Apna Promise
PROM (Phosphate
Rich Organic Manure)**



**Apna Bio NPK
Bio NPK (G)**



**Apna NPK 19:19:19
NPK 19:19:19 Foliar**



**Apna 13:00:45
Potassium Nitrate -
13:00:45 Foliar**



**Apna Calgrow B+
Calcium Nitrate -
Boronated**



**Apna Mono Zinc 33%
Zn Sulphate
Monohydrate (33%)**



**Apna Magic
Magnesium Sulphate**



**Apna Sagar Ratna
(Granule)
Sea Weed (Granule)**



**Apna Gold
Bentonite Sulphur 90%**



**Apna Sagar Ratna (Liquid)
Sea Weed (Liquid)**



**Apna Nano Urea
Nano UREA**



**Apna Bhoo Amrit
Fermented Organic
Manure**



Feature:

Revitalizing India's Fertilizer Sector: The Formation and Success of HURL

35.51_{LMT}

Cumulative Urea Production: Achieved 35.51 LMT of urea production across Gorakhpur, Sindri, and Barauni plants in FY 2023-24.

Strategic Response to Urea Shortage

In the early 2000s, the closure of fertilizer units under Fertilizer Corporation of India Limited (FCIL) and Hindustan Fertilizer Corporation Limited (HFCL) left a significant void in India's urea supply chain. Recognizing the growing gap between the demand and supply of urea—a critical component for India's agricultural sector—the Government of India took decisive action in 2007 to explore the revival of these plants. This effort was not merely a response to the shortage but a strategic initiative to utilize existing infrastructure and support the nation's farmers.



Formation of Hindustan Urvarak & Rasayan Limited (HURL)

To address the challenge, Hindustan Urvarak & Rasayan Limited (HURL) was established on June 15, 2016, as a joint venture among three Maharatna Public Sector Units (PSUs)—Coal India Limited (CIL), NTPC Limited, and Indian Oil Corporation Limited (IOCL)—alongside FCIL and HFCL. The incorporation of HURL marked a pivotal moment, bringing together these powerhouses to rejuvenate the Gorakhpur, Sindri, and Barauni fertilizer units. The joint venture was a masterstroke, combining financial strength, technological expertise, and



HURL's revival of India's fertilizer plants marks a new dawn in agricultural sustainability and national self-sufficiency.

operational efficiency to breathe new life into India's fertilizer production capacity.

HURL's projects were carefully planned, beginning with the groundbreaking ceremonies led by the Honourable Prime Minister of India. The Gorakhpur project commenced with the foundation stone laying on July 22, 2016, followed by Sindri on May 25, 2018, and Barauni on February 17, 2019. These projects represented a renewed commitment to agricultural sustainability and national self-sufficiency in urea production.

Achievements and National Significance

The operational milestones achieved by HURL are a testament to the project's success and its significance to India's agricultural landscape. The Gorakhpur plant began commercial operations on May 3, 2022, while the Sindri and Barauni plants followed on April 15, 2023, and April 30, 2023, respectively. By the end of FY 2023-24, HURL had achieved a cumulative urea production of 35.51 lakh metric tonnes (LMT) across all three plants, with Gorakhpur alone surpassing its production targets by reaching 13.50 LMT. These accomplishments were not only technical feats but also symbols of India's drive towards "Atmanirbhar Bharat" (self-reliant India).

HURL's success in these projects is underpinned by its strategic use of state-of-the-art technology and sustainable practices. Each plant is designed to minimize energy consumption and environmental impact while maximizing efficiency. The collaboration with global technology leaders ensures that HURL's facilities are among the most advanced in the world, contributing to the long-term sustainability of India's agriculture sector.

Looking Forward: A Vision for the Future

HURL's achievements in revitalizing India's fertilizer industry are just the beginning. The company is poised to expand its product portfolio and market reach, with plans to introduce new fertilizer products that cater to the evolving needs of Indian agriculture. As the company continues to build on its success, HURL is committed to driving innovation, enhancing productivity, and supporting the nation's farmers in their quest for sustainable agricultural practices.

Feature:

HURL's Contribution to Atmanirbhar Bharat Abhiyaan: Paving the Path to Self-Reliance



Operational Efficiency and Cost Savings:
By reducing freight costs from ₹90 per metric ton (PMT) in FY 2022-23 to ₹26 PMT in FY 2023-24, HURL has not only strengthened its bottom line but also contributed to the economic stability of the regions it serves. This reduction in logistics costs indicates better utilization of local infrastructure, reducing the economic burden on the national railway and road systems.

Bridging the Urea Demand-Supply Gap

As part of the “Atmanirbhar Bharat Abhiyaan” initiative, Hindustan Urvarak & Rasayan Limited (HURL) plays a critical role in addressing India’s urea demand-supply gap. The establishment of HURL’s state-of-the-art fertilizer plants has significantly bolstered the country’s urea production capacity, ensuring that farmers have timely access to this essential agricultural input. With an impressive annual production capacity of 38 lakh metric tonnes (LMT) of Neem Coated Urea, HURL is a cornerstone in India’s journey towards agricultural self-sufficiency.



Revenue and Economic Impact: The revenue from operations for FY 2023-24 was ₹14,89,475.46 Lakhs, a significant increase from the previous year. This substantial growth in revenue reflects HURL's role in boosting economic activity and contributing to the broader economic growth in the regions where its plants are located

Driving Employment and Economic Growth

HURL's operations extend beyond just fertilizer production; they are catalysts for regional economic development. The plants generate substantial direct and indirect employment opportunities in their respective regions, invigorating the local economies. Moreover, HURL's presence spurs the growth of small and medium-scale industries and vendors around the manufacturing units. This industrial hub fosters entrepreneurship and drives further job creation, contributing to a vibrant economic ecosystem.

The ripple effects of HURL's activities extend to various service sectors, including hospitality, travel, transportation, medical, insurance, and financial markets, leading to enhanced revenue for the state exchequer through direct taxes. This multifaceted economic impact underscores HURL's role in not just supporting India's agricultural sector, but also in driving broader economic growth in the regions it operates.

Enhancing Infrastructure and National Self-Reliance

One of the significant advantages of HURL's strategically located plants is the reduction of pressure on India's railway and road infrastructure. By shortening the transportation distances for urea, HURL contributes to more efficient logistics and distribution networks, easing the burden on national infrastructure.

Moreover, HURL's contribution to the Atmanirbhar Bharat Abhiyaan is evident in its efforts to make India self-reliant in urea production. By decreasing dependence on imports, HURL helps stabilize urea prices in the domestic market, ensuring affordability for farmers and contributing to national economic stability. The reduction in urea imports also translates to significant savings in foreign exchange, furthering India's economic independence.

Board of Directors

(As on 23.08.2024)



Shri. Debasish Nanda
Chairman

Shri. Debasish Nanda is also Director – Business Development of Coal India Ltd. Prior to this, he was working as Executive Director (Gas) in Indian Oil Corporation Limited. A graduate in Mechanical Engineering from UCE Burla, Sambalpur University, Shri Nanda is a Post Graduate in Production Engineering from REC Rourkela and also has to his credit a Masters in International Business from IIFT, New Delhi. Shri Nanda joined Indian Oil Corporation in 1988 as a Management Trainee in the Marketing Division and spent 11 years in Marketing of Servo Lubricants. Thereafter, he moved to Business Development Group in 1999. He did a stint in Business Development activities comprising of expansion of lube business overseas, exports of POL, setting-up of Indian Oil's subsidiaries etc. before moving to Indian Oil's Gas Business in 2009. Shri Nanda headed the 'Natural Gas' business of Indian Oil which had a turnover of over ₹20,000 crores. He developed many robust strategies for increasing the penetration of Indian Oil in the natural gas business. He has also handled various diverse positions for liaising with MoP&NG, PNGRB and other Industry bodies. He has chaired the US-India Energy Task Force, headed the work on pipeline RLNG exports to Bangladesh & Sri Lanka and was accorded status of aggregator of HP-HT domestic gas for urea plants.



Shri K. S. Sundaram
Vice- Chairman

Shri K. S. Sundaram is currently serving as Director (Projects) in NTPC Limited (NTPC), India's largest energy conglomerate. Shri Sundaram is a 1988 batch Electronics and Communication Engineering graduate from Govt. College of Technology, Coimbatore with PGDM from MDI Gurgaon in the area of Strategy & Finance.

Shri K. S. Sundaram joined NTPC as Graduate Engineer Trainee officer in 1988 and has more than 35 years of diverse and versatile experience in Project as well as Commissioning stages of 110, 210, 500, 660 and 800 MW fleets, greenfield as well as brownfield, across various states in India. Shri Sundaram was actively involved for the development of 1st supercritical power project of India at Sipat. He has worked in various capacities at NTPC Darlipali Project. During his tenure as Head of Project at NTPC Barauni (720 MW), a taken over Project from Bihar State Electricity Board, project commissioning was accomplished. As Head of Project at Talcher Kaniha (3000 MW), he was influential in improving the performance of the station which has ensured CII-ITC Sustainability award and also construction of FGD.

Before appointment as Director (Projects), NTPC Shri Sundaram has also served as ED to CMD, NTPC.



Smt. Padma Dhulipala
Vice-Chairperson

Smt. Padma Dhulipala is an Engineering Graduate in Electricals and MBA. She is working as Executive Director (Corporate Planning & Economic Studies) at Indian Oil Corporation Limited (Indian Oil). She has more than 34 years of rich and varied experience in disciplines like Terminal operation, Infrastructure planning, Pricing and Corporate planning. She has led the Oil & Energy Industry to review LPG-Subsidy scheme, working out market wise subsidy for Direct Cash Transfer (received appreciation letter from Ministry). She has also prepared for deregulation by carrying out similar exercise including regular interaction with Oil & Natural Gas Ministry for all pricing related interventions.

The major achievements Smt. Padma Dhulipala include developing first e-learning Module of Indian Oil. She was part of Project Development Cell constituted at Oil & Natural Gas Ministry in 2018 for working with Invest India to finalize the list of Projects to be made part of the GatiShakti/NIP program. She was also invited to present India's Oil demand prospects in the 5th Technical Meet on Asian demand-to Hon'ble Secretary General Mt Barkindo of OPEC in 2019. She has also led team for technical evaluation of consultants for assisting Indian Oil in formation of a holding company for Green ventures.

She is also on the Board of IHB, a JV for executing the 2800km LPG pipeline from Kandis to Gorakhpur.



Shri Siba Prasad Mohanty
Managing Director

Shri Siba Prasad Mohanty, Shri. Siba Prasad Mohanty, an Astute Leader, is Managing Director at Hindustan Urvarak and Rasayan Limited with rich and diverse experience of around 35 years primarily in Marketing of Agri Inputs and held post of CMD at Brahmaputra Valley Fertilizer Corporation Limited (BVFCL), and key leadership positions at HIL and at Rashtriya Chemical Fertilizers Limited (RCF). Shri Mohanty has done his Master's in Business Management from Berhampur University, Odisha and Executive Development Programme from IIM Lucknow and Advanced 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 received numerous prestigious awards, including "Marketing Man of the Year" (1995), "Best Employee" (2012), Influential 50 Rural Marketing Professionals of India; "Udyog Rattan Award", "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 agricultural inputs marketing. He is a regular faculty member for different Seminars organized by Fertilizer Association of India (FAI), Eastern Zone. Known for his astute leadership qualities that makes him true gem in the industry.



Shri Masood A. Ansari
Director

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

Shri Masood A. Ansari joined NTPC as an Executive Trainee in 1990 and has more than 30 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.

He joined the Board of HURL on 6th May 2024 as NTPC Nominee Director. In addition, he is serving as a part-time Director on the Board(s) of NTPC's subsidiaries/ joint ventures namely NTECL, GVREL, and NESCL.



Shri Raghunandhan AV
Director

Shri Raghunandhan AV 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 Naresh Arya
Director

Shri Naresh Arya, Director (Finance), Fertilizer Corporation of India Limited (FCIL) and Hindustan Fertilizer Corporation Limited (HFCL) serves in the capacity of Non-Executive Director on the Board of Hindustan Urvarak & Rasayan Limited w.e.f. 14.05.2024. He 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 Sagar Sen
Director

Shri Sagar Sen Shri Sagar Sen is presently working as GM(BD)-Energy Business, Coal India Limited (CIL). He is a mining industry and energy sector professional with more than 30 years of experience in leading business development, corporate planning and M&A related activities.

Shri Sen has done B.E. (Mining) from IEST, Shibpur, (erstwhile BE College, Sibpore) and PGDBM from IIM Calcutta. Shri Sen holds First Class Mine Manager's Certificate of Competency for coal mines awarded by Directorate General of Mine Safety (DGMS), Govt. of India.

Shri Sen has Business Development experience pertaining to coal and non-ferrous minerals / metals, coal to chemicals, thermal and renewable energy. He is also the Country Head of CIL's foreign subsidiary namely, Coal India Africana Limitada, registered in the Republic of Mozambique. Shri Sen has strong relationship and network with key stakeholders in coal industry in Mozambique, South Africa, Indonesia, Australia, the USA and Canada.

Shri Sen was part of the CIL team which involved in the revival of the Fertiliser Plants of FCIL and HFCL which culminated in the incorporation Hindustan Urvarak & Rasayan Limited (HURL) and Talcher Fertilizer Limited (JV of CIL, GAIL, RCF and FCIL).

Currently Shri Sen is currently leading the energy / thermal power business vertical, restructuring and mergers & acquisitions at Coal India Limited HQ, Kolkata

Directors' Report



FY 2024 started with a major milestone of declaration of commercial operations for Barauni and Sindri fertilizer plants. During FY 2024, the cumulative urea production of all the three plants during the year was 35.51 Lakh MT; the Company also diversified its product portfolio beyond urea, through marketing of various other fertilizer products.

Dear Members,

On behalf of the Board of Directors, it gives me immense pleasure to present the 8th Annual Report on the performance of your Company along with Audited Financial Statements for the Financial Year ended on March 31, 2024 together with Auditor's Report and comments of C&AG of India thereon.

1. COMPANY OVERVIEW:

Your Company has been formed as a public limited company and Special Purpose Vehicle (SPV) on June 15, 2016. In pursuance to the Government of India's approval dated July 13, 2016 for revival of closed Fertilizer Plants of HFCL and FCIL, your Company is implementing three Natural Gas based urea manufacturing units located at Gorakhpur (Uttar Pradesh), Sindri (Jharkhand) and Barauni (Bihar).

Your Company is a Joint Venture (JV) of three Maharatna companies 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). The JV Agreement for formation of your Company was executed on May 16, 2016, amongst CIL and NTPC. Subsequently, FCIL, HFCL and IOCL were also inducted as Promoters of HURL based on supplementary JV Agreement executed amongst the Promoters on October 31, 2016. The proposed equity shareholding of CIL, NTPC and IOCL is to be total 89.01% in equal ratio (i.e. 29.67% each) and other two promoters viz. FCIL and HFCL to hold 10.99% equity shareholding in the Company at the time of commercial operations

date (COD) of the project, against value of land on concession, its opportunity cost and usable assets, at Gorakhpur and Sindri units of FCIL and Barauni unit of HFCL.

Each of the three Plants of your Company 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 installed capacity of approx. 1.27 Million Metric Ton Per Annum (MMTPA) each, for production of 'Neem' coated prilled urea using 'Natural gas' as feedstock. Gas Authority of India Limited (GAIL) and IOCL are supplying Natural Gas to these three plants. The land owned by FCIL / HFCL (Promoters) has been leased to HURL for all the three projects by way of Lease Deed under a Concession Agreement.

All the three plants of your Company integrate the best technologies, with the aim to meet the demand for urea in seven States of India, namely Uttar Pradesh, Bihar, Jharkhand, Chhattisgarh, Madhya Pradesh, West Bengal and Odisha, and to achieve self-sufficiency in urea sector. Projects & Development India Limited (PDIL) has been appointed as the Project Management Consultant (PMC) for all the three projects. All the three projects were inaugurated by the Honourable Prime Minister of India i.e. Gorakhpur project on July 22, 2016, Sindri project on May 25, 2018 and the Barauni project on February 17, 2019.

All the three plants of the Company have commenced commercial operations. The Gorakhpur fertilizer Plant was dedicated to the Nation by the Honourable Prime Minister of India on December 07, 2021. During the FY 2023-24, the Sindri and Barauni fertilizers plants have also been dedicated to the Nation by the Honourable Prime Minister of India on March 01, 2024 and March 02, 2024, respectively.

2. OPERATIONAL AND FINANCIAL PERFORMANCE:

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). All the three Plants are operating at full capacity, ensuring the timely availability of fertilizers to farmers. 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 Department of Fertilizers (DoF), Ministry of Chemical & Fertilizers.



During the FY 2023-24, your Company's Urea plants achieved composite urea production of 35.51 LMT and composite specific energy consumption of 5.20 GCal/MT of Urea. The highlights of the performance of the Company for the Financial Year (FY) 2023-24 is as under:

A. Operational Performance: During the FY 2023-24, all the three plants were operational and it is the first year of operations of Sindri & Barauni plants of your Company. The Gorakhpur plant commenced commercial operations during the previous FY i.e. on May 03, 2022. It has achieved its highest ever urea production of 13.50 LMT during FY 2023-24, surpassing the production plan of 12.70 LMT of Urea.

During the FY 2023-24, Date of Commencement of Commercial Operations (DCCO) of Sindri and Barauni plants have been achieved on April 15, 2023 and April 30, 2023, respectively. The operational performance of all three plants were as under:



(₹ in MT)

Sr.No.	Operational Parameters	Sindri Plant	Barauni Plant	Gorakhpur Plant
1.	Production of Urea	10,91,406 MT	9,47,703 MT	13,50,128 MT
2.	Production percentage to Installed capacity	90%	81%	106%
3.	Sale of Urea	10,55,088 MT	9,31,243 MT	13,37,041 MT
4.	Energy Consumption	5.181 Gcal/MT	5.202 Gcal/MT	5.150 Gcal/MT

During the FY 2023-24, in addition to the production of urea, your Company has also forayed into trading of other fertilizers and traded six products viz. Mycorrhiza (Apna Power), Single Super Phosphate (SSP), Calcium Nitrate (CN), Potassium Derived from Molasses (PDM), FACTOMF and FACTO AM.

B. Financial Performance: The key highlights on the financial performance of the company for the FY ended March 31, 2024 with comparative position of previous year's performance are as under:

(₹ in Lakhs)

Sr.No.	Financial Performance	Year ended 31.03.2024	Year ended 31.03.2023
1.	Revenue from Operations	14,89,475.46	4,40,119.53
2.	Other Income	9,268.09	4,799.67
3.	Total Income [(1) + (2)]	14,98,743.55	4,44,919.20
4.	Total Expenses	13,18,986.60	4,54,205.40
5.	Profit / (Loss) Before Tax [(3) - (4)]	1,79,756.95	(9,286.20)
6.	Tax Expense	47,308.37	(3,182.01)
7.	Profit / (Loss) After Tax [(5) - (6)]	1,32,448.58	(6,104.19)
8.	Other Comprehensive Income (Net of taxes)	17.23	9.87
9.	Total Comprehensive Income [(7) + (8)]	1,32,465.81	(6094.32)
10.	Earnings per equity Share	1.83	(0.10)
11.	Net Worth	9,66,077.04	7,29,502.23

The revenue from operations for the year ended March 31, 2024 was mainly on account of sale of neem coated Urea, sale of Ammonia, subsidy from Government of India, revenue on account of traded goods and other income. The major contributors to the profit before tax were starting of commercial operations at all the units and meeting the energy efficiency norms (mainly during the last three quarters of the FY 2023-24), and margins from the traded products.

The financial statements for the FY 2023-24 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.



3. AWARDS & ACCOLADES:

During the FY 2023-24, the Company has received the following awards:

Sr. No.	Date and Place of Receipt of Award	Name of the Award	Project / Category
1.	April 11, 2023, at Goa	Apex Excellence Award	Gorakhpur unit received the award in two categories, viz. 1. CSR Excellence Award-2022 Declared as "GOLD Category" 2. HR Excellence Award-2022 Declared as "GOLD Category"
2.	July 13, 2023, at Mumbai	National Excellence Award-2023	Gorakhpur unit received the award in two categories, viz. 1. HR National Excellence Award-2023 for HR Site Compliance Management. 2. CSR National Excellence Award-2023 for Concern for Health in CSR.
3.	September 15, 2023, at Bengaluru	National Excellence Award-2023	Gorakhpur Unit received "CSR National Excellence Award-2023" for Concern for Health in CSR.
4.	November 2, 2023, at the DRM office of North Eastern Railway in Lucknow	North Eastern Railway's Premier Customer awards	Gorakhpur unit has received two prestigious awards from the Lucknow Division of North Eastern Railway: 1. Premier Customer Under the Gold Category 2. First Gati Shakti Terminal in North Eastern Railway
5.	November 22, 2023, at J&K	Greentech India Award-2023	Gorakhpur unit received "CSR Greentech India Award-2023" for Healthcare Promotion
6.	December 1, 2023, at Bangalore	CII Scale Supply Chain and Logistics Excellence Awards 2023	The Company received the awards in two categories, viz.: 1. Supply Chain and Logistics Excellence award 2023 under Chemical / Fertiliser category 2. AI-Readiness Excellence Award

In addition to the above awards, Shri S.P. Mohanty, Managing Director, HURL received 'Chanakya Award 2023' from Public Relations Council of India, for Outstanding Performance Under Best Joint Venture Company, on September 21, 2023 at a function held at New Delhi. He also received "Biju Ratna Award, 2024", at the State Business Leadership Awards & Summit, 2024 on March 05, 2024 at a function held at Bhubaneswar, for outstanding contributions and leadership in the fertilizer industry.

4. NEW PROJECTS BEING UNDERTAKEN:

With the commissioning of HURL units, the country has moved one step closer to the "Atma Nirbharta" in Urea Production. There is a substantial reduction in the import of Urea in the FY 2023-24.

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

A. Nano Urea: In order to meet the demand of Urea and to reduce the imports, Government of India

is constantly pushing to boost the indigenous manufacturing of Urea and other alternate Fertilizers. Nano Urea is a Nanotechnology based revolutionary Agri-input that provides nitrogen to plants. It would help the farmers of the country in achieving economic and sustainable agriculture. Furthermore, this will be a revolutionary step to improve soil health and promote environmental sustainability. With the help of Nano Urea, India aims to become self-sufficient in Urea by 2025.

Under this prospect, 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 for the proposed project.

B. Ammonia Sulphate: Ammonium Sulphate, a water-soluble inorganic compound is rich in Nitrogen and Sulphur, beneficial for lowering the pH balance of alkaline soils, enhancing soil fertility, and promoting sustainable farming practices. There is a significant market volume of Ammonium Sulphate in the States of the country, wherein HURL has strong presence.

Therefore, 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 being prepared for the establishment of this plant.

C. Sulphur coated Urea: The Cabinet Committee on Economic Affairs (CCEA) has approved the introduction of Sulphur Coated Urea under the brand name "Urea Gold" and further decided to price it on par with Neem coated urea. This is a step to align with the Government's commitment to promote sustainable and innovative agriculture practices. Sulphur Coated Urea is expected to play a pivotal role in enhancing soil health, optimizing nutrient release and improve crop yields.

Your Company has signed a Memorandum of Understanding (MoU) with Rashtriya Chemicals and Fertilizers Limited (RCF) to collaborate on the manufacturing of Sulphur Coated Urea.

5. SALES & MARKETING:

During the FY 2023-24, all the three plants of your Company made a cumulative production of 33.89 LMT Neem Coated Urea and out of the total production, 98.05% (33.23 LMT) Urea has been sold.

Apart from extension of product portfolio beyond urea, your company has widened its operation by establishing its footprints in ten new States in India. HURL will start its operations in seventeen states, with addition of Jammu & Kashmir, Himachal Pradesh, Uttarakhand, Meghalaya, Manipur, Tripura and Maharashtra in addition to existing marketing territory viz. Bihar, Uttar Pradesh, Jharkhand, West Bengal, Assam, Madhya Pradesh, Chhattisgarh, Rajasthan, Haryana & Punjab. This strategic expansion into new territories will lead to significant growth in your Company's customer base and enhanced sales opportunities and propel the Company towards long-term business sustainability. Overall, in FY 2023-24, the strategies that were conceptualized and formulated during the preceding years were launched. Some of the initiatives taken during the year were as under:

A. Branding and Promotion: During the FY 2023-24, your company undertook a series of strategic initiatives to build brand saliency among its stakeholders. These activities included organizing farmers' meetings and training programs to educate and empower the farming community with modern agricultural practices focusing on PM-PRANAM scheme of the Government of India. The company also conducted product demonstrations and devoted field days to showcase the effectiveness and benefits of its products in real-world scenarios.

To strengthen relationships within the distribution network, HURL held dealer and retailer meets, ensuring robust support and collaboration. Participation in exhibitions and farmer fairs further enhanced visibility and engagement. Additionally, various Below the Line Marketing (BTL) activities such as Jeep Campaigns, Farmers' meeting, Farmers' Training Programme, Channels Partner's Meeting, etc. were executed to increase brand presence and salience in rural markets. Through these comprehensive efforts, HURL effectively reinforced its commitment to support the agricultural sector.

B. Channel Strategy: During FY 2023-24, your company has expanded dealer network by over 1,100 partners, which will cater to 75,000 retailers. This strategic move will broaden HURL's market penetration, strengthen its industry position, foster growth, and enhance overall customer satisfaction, positioning the company for further product expansion. In order to keep its channel partner informed about the Company's business plan, consistent two-way dialogue through Dealers' / Retailers' meet were organized from time to time in all its marketing territories.

C. Logistics: Your company has substantially reduced the under recovery of freight from ₹90 PMT (per metric tons) in FY 2022-23 to just ₹26 PMT in FY 2023-24 strengthening its bottom line. Moreover, meticulous handling of Rakes has mitigated losses, as evidenced by zero instances of cut or torn urea bags reported at the railheads. Additionally, streamlined operations have resulted in no movements of urea to warehouse and savings from secondary movements of the urea.

D. Expansion of Product Portfolio: During FY 2023-24, your Company launched a series of products under its brand umbrella, demonstrating a strong commitment to serve the farmers and meeting the diverse needs of the agricultural community. Mycorrhiza was the first non-urea product, which was dedicated to the farmer community on June 16, 2023. Following this, in FY 2023-24, your Company started trading of several other products namely Single Super Phosphate (SSP), Calcium Nitrate (CN), Potassium Derived from Molasses (PDM), FACTOMF and FACTO AM.

E. Innovation & Technology: The Government of India has prioritized the infusion of innovation and technology into the agricultural sector, introducing

various schemes to bolster this initiative. Among these, drones have emerged as a focal point, particularly in empowering rural women. Through the "Mahila Kisan Drone Kendra" scheme of the Government of India, HURL has undertaken training in drone operation of 66 women from Self Help Groups (SHGs) alongside its own executives. Additionally, HURL has provided 60 drones to these women SHGs, under the NaMo Drone Didis initiative of the Government of India. This initiative aimed to foster self-reliance among women in rural areas while also injecting innovation into agricultural practices. The drones will be utilized for tasks such as spraying pesticides, liquid fertilizers, including nano-urea, and crop monitoring and analysis, thereby modernizing and enhancing efficiency in farming operations.

F. Sustainable farming: The Government of India strives for self-reliance in the fertilizer sector and improvement in soil health of the country. In order to support this vision of the Government of India, your company through "Community Radios" programme disseminated information on Government schemes like PM-PRANAM and balanced fertilizer use among farmers in Bihar & Odisha. Through this program, HURL aimed to promote the benefits of organic fertilizers and the importance of maintaining soil health for sustainable farming.

6. PROJECT COST & ITS FINANCING:

The total revised cost approved for the execution of the all the three projects of your Company as on March 31, 2024 was ₹27,89,460 Lakh (₹9,44,320 Lakh for Gorakhpur Project, ₹8,93,925 Lakh for Sindri Project and ₹9,51,215 Lakh for Barauni project). This revised project cost was allocated in the equity share capital of ₹7,92,898,00 Lakh and debt portion of ₹17,73,791 Lakh, with debt equity ratio of 71:29.

The financial closure of the Gorakhpur project of your Company was achieved by tying-up the debt requirement of ₹5,31,433 Lakh from consortium of banks, lead by State Bank of India (SBI) on September 22, 2018 and in respect of Sindri & Barauni project the

debt requirement of ₹5,23,276 Lakh and ₹5,28,244 Lakh, respectively, was tied with the consortium of banks, lead by SBI on October 11, 2018 in the form of secured loan. Your company had availed a total loan of ₹15,82,953 Lakh (Rupee Term Loan-I) from consortium of banks, lead by SBI, including Interest Free loan from the Government of India. Further, term loan facility / secured loan of ₹1,90,838 Lakh (Rupee Term Loan-II) was availed from consortium of banks, lead by SBI on June 10, 2022 for all the three projects.

The total outstanding balance of loan (Rupee Term Loan I & II) as on March 31, 2024 stood at ₹14,09,025.25 Lakh. Interest Free loan sanctioned by Government of India of ₹89,480 lakhs with outstanding balance as on March 31, 2024 stood at ₹87,467 lakhs.

The Promoter Companies viz. CIL, NTPC and IOCL have provided Sponsors' Undertaking for the term loan.

Also, your company was sanctioned working capital facility / secured loan of ₹4,17,903 Lakh from consortium of Banks, Lead by SBI on June 10, 2022 for all the three projects and outstanding balance as on March 31, 2024 stood at ₹48,956 Lakh.

7. SHARE CAPITAL & DISINVESTMENT:

SHARE CAPITAL:

During the year, the Company increased its Authorized share capital from ₹8,00,000 lakhs to 12,00,000 lakhs.

Further, the Company issued and offered 10,410.9 lakh equity shares of ₹10/- each amounting to ₹104,109 lakhs to all existing shareholders on Rights Issue basis in the proportion of their shareholding. CIL, NTPC and IOCL have subscribed to the offer, while FCIL and HFCL declined their offers. Consequently, equity shares amounting to ₹104,109 lakhs (including the unsubscribed equity shares) were allotted to CIL, NTPC and IOCL in equal proportions on 30.11.2023. Thus, the paid-up share capital of the Company as on March 31, 2024 stood at ₹7,92,898 lakhs from ₹6,88,789 lakhs as on March 31, 2023.

The details of share capital allotted during the FY 2023-24 and shareholding as on March 31, 2024 is given below:

Sl. No.	Name of the Shareholder	Category	Total Number of Equity Shares as on March 31, 2023*	Allotments made during the FY 2023-24 (Nov. 30, 2023 @ ₹10 per Share)	Total Number of Equity Shares as on March 31, 2024*	Percentage of Share-holding
1.	Coal India Limited (CIL)	Promoter	2,29,59,55,000	34,70,30,000	2,64,29,85,000	33.3332%
2	NTPC Limited (NTPC)		2,29,59,55,000	34,70,30,000	2,64,29,85,000	33.3332%



3.	Indian Oil Corporation Limited (IOCL)	2,29,59,55,000	34,70,30,000	2,64,29,85,000	33.3332%
4.	Fertiliser Corporation of India Ltd (FCIL)	16,667	-	16,667	0.0002%
5.	Hindustan Fertiliser Corporation Ltd (HFCL)	8,333	-	8,333	0.0001%
Total		6,88,78,90,000	1,04,10,90,000	792,89,80,000	100

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

List of Shareholders and Shareholding as on March 31, 2024:

Sr.No.	Name of the Shareholder	No. of Shares Held (of ₹10/- each) as on 31.03.2024	No. of Shares Held (of ₹10/- each) as on 31.03.2023
1.	Coal India Limited (CIL)	264,29,84,999	229,59,54,999
2.	CIL and Shri Debasish Nanda	1	1
3.	NTPC Limited (NTPC)	264,29,84,999	229,59,54,999
4.	Ms. Renu Narang (holding share on behalf of NTPC)	1	1
5.	Indian Oil Corporation Limited (IOCL)	264,29,84,999	229,59,54,999
6.	Shri Sanjay Kaushal (holding share on behalf of IOCL)	1	1
7.	Fertilizer Corporation of India Limited (FCIL)	16,667	16,667
8.	Hindustan Fertilizer Corporation Limited (HFCL)	8,333	8,333
Total		792,89,80,000	688,78,90,000

The entire share capital of the Company is held in the dematerialized mode. There was no share subscription money pending allotment as on March 31, 2024. The issued, subscribed and paid-up share capital as on March 31, 2024 stood at ₹7,92,898 lakhs

In line with cabinet approval dated July 13, 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 plant has been achieved during the previous year and process of deciding the number of shares to be issued to FCIL has been initiated. Further, COD of Sindri and Barauni plants have been achieved in FY 2023-24 and the process of issue shares to FCIL and HFCL have also been initiated. However, pending issue of shares during FY 2023-24, there is no change in number of shares held by FCIL and HFCL.

DISINVESTMENT:

In line with the direction of Department of Fertilisers, Ministry of Chemical & Fertilizers in the previous FY, the Board of Directors of the Promoter companies viz. NTPC Limited, Coal India Limited and Indian Oil Corporation Limited and their respective Administrative Ministries viz. Ministry of Power, Ministry of Coal, and Ministry of Petroleum & Natural Gas, have accorded in-principle

approval for disinvestment of their stake in HURL.

8. RESERVES:

Your reserves of the Company under the Reserves and Surplus (Retained earnings and other comprehensive income) stood at ₹1,23,679.04 lakhs during FY 2023-24 [Previous year ₹(8,786.77) lakhs].

9. SECURED LOANS AND RATING:

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

During the FY 2023-24, India Ratings & Research Private Limited (India Rating) in July 2023 has provided 'IND A/ Stable' rating for Term Loan of ₹17,73,700 lakhs to your Company and 'IND A/Stable/IND A1' to Fund-based limits of ₹3,03,000 lakhs and non-fund based limits of ₹1,39,400 lakhs.

During April 2024, India Rating has upgraded the rating of above Banks facilities of HURL from 'IND A/Stable' to 'IND A+/Positive' with addition of Fund-based/non-fund-based working capital limits of ₹50,000 lakhs.

10. DIVIDEND:

The Board of Directors have not recommended any dividend for FY 2023-24.

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.

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

As per the World Economic Outlook (WEO), April 2024 of the International Monetary Fund (IMF), the global economy registered a growth of 3.2% in 2023. However, this growth is marked with inflationary pressures, moderated global trade due to rising geopolitical tensions, cross-border restrictions and slower growth in advanced economies.

India's response to the pandemic on the economic front, with three salient components i.e. focus on public spending on infrastructure, digitalization of service industry and Atmanirbhar Bharat Abhiyan have helped the economic growth in the country. As per the National Statistical Office (NSO), Ministry of Statistics and Programme Implementation (MoSPI) released on May 31, 2024, the Real GDP of the country has been estimated to grow by 8.2% in FY 2023-24 as compared to the growth rate of 7.0% in FY 2022-23. Nominal GDP has witnessed a growth rate of 9.6% in FY 2023-24 over the growth rate of 14.2% in FY 2022-23. India has now set for itself the goal of becoming a developed nation by the year 2047, i.e. the hundredth year of independence.

Over 77 years of independent India's existence the Indian economy's high dependence on the agriculture sector has remained constant, due to its contribution to the economic growth and consumption expenditure. Agriculture is at nexus of three greatest challenges of the 21st century – sustaining food and nutrition security, adaption and mitigation of climate change, and sustainable use of critical resources such as water, energy and land. In order to sustain agriculture growth, there is need for upgradation of agriculture technology, the application of modern skills in farm practices, adoption of innovation in farming viz. Cooperative Farming, lowering wastages in the use of fertilizer, water and other inputs etc.

The Indian agriculture sector provides livelihood support to about 42.3% of the population and has a share of 18.2% in the country's GDP at current prices. In growth terms, agriculture and allied sector has registered an average annual growth of 4.18% at constant prices, during last five years. As per the provisional estimates for 2023-24, the growth rate of agriculture sector stood at 1.4% which is below 4.7% in 2022-23, mainly because of drop in the foodgrain production due to delayed and poor monsoons.

Towards the "Viksit Bharat @ 2047" and to create development and all-round prosperity in the country, the Government is making sustained efforts to accelerate inclusive and transformative development of the agriculture sector. As part of its various initiatives to introduce progressive and eco-friendly solutions, the Government is focusing on accelerating R&D efforts in developing new climate-resilient crop varieties, enhancing oilseeds production and Digital Public Infrastructure (DPI) including digital crop surveys. Further, acknowledging the contribution of women farmers and focus on infra, rural roads and energy will also benefit this sector.

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 FY2024-25 allocated ₹1.64 lakh crores for fertilizer subsidy, same as proposed in the Interim Budget, though lower than the revised estimate (RE) of ₹1.88 lakh crores allotted for FY2023-24 (RE). With commissioning of new urea plant, production of urea has reached a level of 31.41 million MT in 2023-24. There has been 7.1% reduction in import of urea in 2023-24 compared to 2022-23.

Though, India is moving toward gaining self-sufficiency in urea, it still depends on imports to meet its rock phosphate demand. Rock phosphate is the key raw material for DAP and NPK fertilizers. India is dependent on imports for muriate of potash and imports nearly 5 million tonnes of phosphate rock, 2.5 million tonnes of phosphoric acid and 3 million tonnes of DAP annually. In the case of di-ammonium phosphate, around 60% of the supply is imported. In addition, 25% of urea and 15% of NPK fertilizer requirements are met through imports. Since its inception in 2010, the NBS scheme has played a pivotal role in ensuring farmers have access to essential nutrients at subsidized prices. After the successful adoption of nano-urea, the Government policies have been focused for application of nano-DAP on various crops in all agro-climatic zones. The Government has allocated ₹100 crore for promotion of organic fertilizers during FY 2024-25 against



₹6 Crore in FY 2023-24 (RE). A new scheme for promotion of organic fertilizers providing Market Development Assistance (MDA) and promotion of Research and Development as GOBARDhan initiatives (Galvanizing Organic Bio-Agro Resources Dhan) was introduced in 2023. The PM-PRANAM (PM Programme for Restoration, Awareness Generation, Nourishment, and Amelioration of Mother Earth) scheme was also launched last year to incentivize States if they reduce usage of chemical fertilizers. It promotes sustainable methods such as use of alternative fertilizers viz. Nano Urea, Nano DAP, and organic fertilizers.

Given India's natural competitive advantage, the agriculture sector has immense scope for contribution to employment and economic growth. Fertilizer industry remains vital to agriculture productivity. The self-reliance in the fertilizer sector is necessary in the interest of Indian agriculture and domestic production and will be the dominant force in journey towards 'Viksit Bharat'.

Outlook of the Company and its preparedness to tap opportunities:

With the commissioning of all three urea manufacturing plants and established supply chain network, Urea segment, being the core business of the Company is fully established.

Your Company aims to offer a complete range of plant nutrition to the farmers like nutrients (Basic, Major, Secondary and Micro) & other soil & crop productivity products which are required by the crops / vegetation apart from various bulk and non-bulk fertilizers. HURL is already into manufacturing of urea, which is the most important Nitrogenous (N) fertilizer in the country. The other important fertilizer is Phosphorus (P) and Potassium (K) [P&K], which the country is not sufficiently producing either due to non-availability of raw material and/or non-viability.

In the coming years, the Company is aiming to significantly expand its brand portfolio and increase its market penetration. For this, various non-bulk fertilizers like PROM, Bio NPK, Zinc Sulphate (33%), Bentonite Sulphur (90%), Sulphur WDG (90%), Magnesium Sulphate, Sea Weed (Granule), Sea Weed (Liquid), WSF (19:19:19), (13-0-45), Fermented Organic Manure (FOM), and Micro-Nutrient Mixture, will be launched. Additionally, the Company will introduce non-bulk fertilizers through import viz. MOP (Muriate of Potash), DAP (Diammonium phosphate), NPK Grades (10-26-26), (12-32-16) and (20-20-0-13), Triple Super Phosphate etc. This will enable HURL to offer a comprehensive range of products.

Further, the Company is taking steps towards setting up of Nano Urea plant, Ammonium Sulphate Plant 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:

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 would be amongst lowest specific energy consuming fertiliser plants in the country, and are expected to achieve the best energy consumption of less than 5.0 Gcal per MT of urea.

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:

- (a) **For Ammonia** - Haldor Topsoe Technology, Denmark for Sindri and Barauni plants and KBR Technology USA, for Gorakhpur plant;
- (b) **For Urea** - Saipem from Italy for Sindri and Barauni plants and Toyo Engineering from Japan for Gorakhpur plant.

The plants are being 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 are being 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.

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:

- (i) the steps taken on impact on conservation of energy;
- (ii) the steps taken by the Company for utilising alternate source of energy;

(iii) the capital investment on energy conservation equipments;

- Gorakhpur Plant is utilizing solar energy by installing a rooftop solar power system with a capacity of 150 kW, involving an investment of ₹66 lakhs.
- Sindri Plant is also utilizing solar energy by installing 200 solar street lights of 35 W each, involving an investment of ₹83 lakhs.

B. Technology Absorption: None

C. Foreign Exchange Earnings & Outgo:
Earnings – Nil; Outgo- ₹43,570.59 Lakhs

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, 2024, the Company has eight 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.

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

Shri S.P. Mohanty (DIN:05336787), CMD, Brahmaputra Valley Fertilizer Corporation Limited (BVFCL) was appointed as Managing Director, HURL on additional charge basis w.e.f. March 15, 2023. Subsequently, in terms of the Articles of Association of the Company, applicable provisions of the Companies Act, 2013, and upon reliving from BVFCL, Shri Mohanty was appointed as regular Managing Director, HURL w.e.f. 29.12.2023.

Shri K.S. Sundaram (DIN:10347322) nominated by NTPC Limited (NTPC) was appointed as Vice Chairman of the company w.e.f. December 06, 2023, in place of Shri U.K. Bhattacharya (DIN: 08734219), who superannuated from the post of Director (Projects), NTPC w.e.f. November 30, 2023. Shri K.S. Sundaram was appointed as Additional Director and shall hold office upto the date of AGM. The details of Shri K.S. Sundaram whose appointment is to be regularized at the ensuing AGM, are contained in the Notice convening the ensuing AGM of the Company.

The composition of the Board of Directors of the

Company as on March 31, 2024, was as follows:

Sr. No.	Name and DIN	Designation
1.	Shri Debasish Nanda (DIN: 09015566)	Chairman
2.	Shri K.S. Sundaram (DIN: 10347322)	Vice Chairman
3.	Shri D.S. Sehgal (DIN: 09065182)	Vice Chairman
4.	Shri S.P. Mohanty (DIN: 05336787)	Managing Director
5.	Dr. A.K. Samantaray (DIN: 07090691)	Director
6.	Ms. Renu Narang (DIN: 08070565)	Director
7.	Shri Subhajit Sarkar (DIN: 09706305)	Director
8.	Shri Padamsing P. Patil (DIN: 09747446)	Director

In accordance with the provisions of Companies Act, 2013 and Articles of Association of the Company, Shri S.P. Mohanty, Managing Director shall retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible, have offered himself for re-appointment. His details are contained in the Notice convening the ensuing AGM of the Company.

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

After the close of the FY 2023-24 the following changes were made in the Board of Directors:

- Shri Padamsing Pradipsing Patil (DIN: 09747446), nominated by FCIL/HFCL ceased to be Director on the Board of HURL, consequent upon his reliving from existing duties in Department of Fertilizers w.e.f. 03.04.2024. Shri Anurag Rohatgi (DIN: 09774170), Nominee Director of HFCL, was appointed as Director on the Board of HURL, w.e.f. 19.04.2024. Consequent upon change in nomination of Director on the Board of HURL by FCIL / HFCL, Shri Naresh Arya (DIN: 10627329), Director (Finance) of FCIL / HFCL, was appointed as Director w.e.f. 14.05.2024, vice Shri Anurag Rohtagi.
- Smt. Renu Narang (DIN: 08070565), ceased to be Director on the Board of HURL, consequent upon nomination of Shri Masood Akhtar Ansari (DIN: 10429528), ED (Finance), NTPC, by NTPC in her place, w.e.f. 06.05.2024.
- Shri Subhajit Sarkar (DIN: 09706305), ceased to be Director on the Board of HURL, consequent upon nomination of Shri Raghunandhan AV (DIN: 10570608), ED (New Business), IOCL, by IOCL in his place w.e.f. 10.05.2024.



- Shri D.S. Sehgal (DIN: 09065182), nominated by IOCL superannuated from the services of IOCL on 30.04.2024 and consequently ceased to be Director on the Board of HURL. Ms. Padma Dhulipala (DIN: 09565836), ED (CP & ES), IOCL, was nominated by IOCL in his place w.e.f. 10.05.2024.
- Dr. A.K. Samantaray (DIN: 07090691), nominated by CIL superannuated from the services of CIL on 30.06.2024 and consequently ceased to be Director on the Board of HURL. Shri Sagar Sen (DIN: 10111651), GM (BD-Thermal), CIL, was nominated by CIL in his place who was appointed w.e.f. 18.07.2024.

Ms. Padma Dhulipala, Vice Chairperson; Shri Masood Akhtar Ansari, Director; Shri Raghunandhan AV, Director; Shri Naresh Arya, Director; and Shri Sagar Sen, Director have been appointed as Additional Director and shall hold office upto the date of AGM. The details of Directors whose appointment is to be regularized at the ensuing AGM, are contained in the Notice convening the ensuing AGM of the Company.

The Nomination & Remuneration Committee and the Board of Directors recommends the appointment / re-appointment of Directors as detailed herein above.

KEY MANAGERIAL PERSONNEL (KMP):

The following were the KMP of the Company as on March 31, 2024:

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

During the FY 2023-24, Shri K.P. Gupta ceased to be Company Secretary & KMP of HURL on July 15, 2023. Smt. Iti Matta was appointed as Company Secretary & KMP w.e.f. August 10, 2023.

After the close of the year, 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 of five CPSE, 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, Director. During FY 2023-24, no remuneration was paid to the non-Executive Directors. Apart, from this the Company has one whole-time Director viz. Managing Director and the remuneration of the Managing Director is recommended by the Nomination & Remuneration Committee and Board of Directors to the General Meeting for approval.

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 [web-link https://hurl.net.in/overview](https://hurl.net.in/overview). The remuneration paid to Directors and KMPs during the FY 2023-24 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 of provisions of Section 197 of the Companies Act, 2013 read with Rule 5 of the aforesaid Rules, the details of the top ten employees in terms of remuneration drawn are placed as **Appendix-B** 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 2023-24, nine (9) Board Meetings were held i.e. on April 11, 2023; May 15, 2023; June 02, 2023; August 10, 2023; September 12, 2023; September 21, 2023; October 09, 2023; December 19, 2023; and March 18, 2024. 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

2023-24, the meetings of the Board were held virtually as well as physically, and one meeting was held at the plant of the Company located at Gorakhpur (U.P.).

The attendance details at the Board Meetings held during the FY 2023-24 are as follows:

Sr. No.	Date of the Meeting	Board Strength	No. of Directors Present
1.	11.04.2023	8	7
2.	15.05.2023	8	6
3.	02.06.2023	8	5
4.	10.08.2023	8	7
5.	12.09.2023	8	5
6.	21.09.2023	8	7
7.	09.10.2023	8	7
8.	19.12.2023	8	8
9.	18.03.2024	8	8

The details of Director's attendance at Board Meetings and Annual General Meeting held during FY 2023-24 are tabled below:

Name of Director	Meeting Date									Whether attended last AGM held on 21.09.2023	Total Meetings held during the tenure	No. of Meetings attended	% of Attendance
	11.04.2023	15.05.2023	02.06.2023	10.08.2023	12.09.2023	21.09.2023	09.10.2023	19.12.2023	18.03.2024				
Shri Debasish Nanda	P	P	P	P	P	P	P	P	P	Yes	9	9	100
Shri U.K. Bhattacharya (upto 30.11.2023)	P	LA	LA	LA	P	P	P	NA	NA	Yes	7	4	57.1
Shri D.S. Sehgal	P	LA	P	P	P	P	P	P	P	Yes	9	8	88.8
Shri K.S. Sundaram (w.e.f. 06.12.2023)	NA	NA	NA	NA	NA	NA	NA	P	P	N.A.	2	2	100
Shri S.P. Mohanty	P	P	P	P	P	P	P	P	P	Yes	9	9	100
Dr. A.K. Samantaray	P	P	P	P	LA	P	P	P	P	Yes	9	8	88.8
Ms. Renu Narang	LA	P	P	P	P	P	P	P	P	Yes	9	8	88.8
Shri Subhajit Sarkar	P	P	LA	P	LA	LA	LA	P	P	Yes	9	5	55.5
Shri Padamsing P. Patil	P	P	LA	P	LA	P	P	P	P	Yes	9	7	77.7

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 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, 2024 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 Committee as on March 31, 2024 was as under:

Sr. No.	Name	Designation
1.	Ms. Renu Narang	Chairperson of the Committee
2.	Shri D.S. Sehgal	Member
3.	Dr. A.K. Samantaray	Member
4.	Shri Padamsing P. Patil	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 2023-24, six 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
	11.04.2023	11.05.2023	10.08.2023	07.09.2023	08.12.2023	18.03.2024			
Shri D.S. Sehgal	P	P	P	P	P	P	6	6	100
Ms. Renu Narang	P	P	P	P	P	P	6	6	100
Dr. A.K. Samantaray	P	P	P	P	P	P	6	6	100
Shri Padamsing P. Patil	P	P	P	P	LA	P	6	5	83.3

Ms. Renu Narang, Chairperson of the Committee was present at the AGM held on September 21, 2023 to answer the queries of the shareholders.

The recommendations of the Audit Committee have been accepted by the Board of Directors during the FY 2023-24.

The present composition of Audit Committee is as under:

Sr. No.	Name of the Member	Designation
1.	Shri Masood Akhtar Ansari	Chairman of the Committee
2.	Shri Raghunandhan AV	Member
3.	Shri Naresh Arya	Member
4.	Shri Sagar Sen	Member

- (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 Committee as on March 31, 2024 was as under:

Sr. No.	Name of the Member	Designation
1.	Shri K.S Sundaram	Chairman of the Committee
2.	Shri D.S. Sehgal	Member
3.	Dr. A.K. Samantaray	Member

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

During the FY 2023-24, five 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
	11.04.2023	09.08.2023	06.09.2023	13.11.2023	08.03.2024			
Shri U.K. Bhattacharya (upto 30.11.2023)	P	P	P	P	NA	4	4	100
Shri D.S. Sehgal	P	P	P	P	P	5	5	100
Dr. A.K. Samantaray	P	P	P	P	P	5	5	100
Shri K.S. Sundaram (w.e.f. 06.12.2023)	NA	NA	NA	NA	P	1	1	100

Shri U.K. Bhattacharya, the then Chairman of the NRC Committee was present at the Annual General Meeting held on September 21, 2023 to answer the queries of the shareholders.

The present composition of Nomination & Remuneration Committee is as under:

Sr. No.	Name of the Member	Designation
1.	Shri K.S Sundaram	Chairman of the Committee
2.	Ms. Padma Dhulipala	Member
3.	Shri Sagar Sen	Member

(iii) Corporate Social Responsibility (CSR) Committee - Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Corporate Social Responsibility (CSR) Committee of the Board has been originally constituted by the Board of

Directors on June 28, 2019 to formulate policy for Enterprise Social Commitment (ESC) and oversee implementation of requirements prescribed by Ministry of Environment, Forest and Climate Change on ESC in addition of CSR policy. The composition of the Committee as on March 31, 2024 was as under:

Sr. No.	Name of the Member	Designation
1.	Dr. A.K. Samantaray	Chairman of the Committee
2.	Ms. Renu Narang	Member
3.	Shri Subhajit Sarkar	Member
4.	Shri S.P. Mohanty	Member

During the FY 2023-24, three 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
	09.11.2023	19.02.2024	18.03.2024			
Dr. A.K. Samantaray	P	P	P	3	3	100
Ms. Renu Narang	P	P	P	3	3	100
Shri Subhajit Sarkar	P	P	P	3	3	100
Shri S.P. Mohanty	P	P	P	3	3	100

The present composition of CSR Committee is as under:

Sr. No.	Name of the Member	Designation
1.	Shri Raghunadhan AV	Chairman of the Committee
2.	Shri S.P. Mohanty	Member
3.	Shri Masood Akhtar Ansari	Member
4.	Shri Sagar Sen	Member

(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, 2024	Present Composition
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. Shri Subhajit Sarkar – Chairman 2. Dr. A.K. Samantaray – Member 3. Shri S.P. Mohanty, Member 4. Ms. Renu Narang, Member Permanent Invitee: 1. Concerned Head of Project 2. CFO	1. Ms. Padma Dhulipala – Chairperson 2. Shri S.P. Mohanty - Member 3. Shri Masood Akhtar Ansari - Member 4. Shri Sagar Sen - Member Permanent Invitee: 1. Concerned Head of Project 2. CFO



Name of the Committee	Roles & Responsibility	Composition as on March 31, 2024	Present Composition
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 K.S. Sundaram – Chairman 2. Dr. A.K. Samantaray – Member 3. Shri Subhajit Sarkar – Member	1. Shri K.S. Sundaram – Chairman 2. Shri Raghunandhan AV – Member 3. Shri Naresh Arya – Member 4. Shri Sagar Sen – Member Permanent Invitee: 1. CFO

20. CORPORATE SOCIAL RESPONSIBILITY:

The Company has Corporate Social Responsibility (CSR) Policy and CSR Committee [as detailed in para 19 (iii) above] in terms of the applicable provisions of the Companies Act, 2013. However, in view of the losses incurred by the Company during the three previous financial years viz. 2020-21, 2021-22 and 2022-23, the obligation of making CSR expenditure pursuant to provisions contained under Companies Act, 2013 did not arise on the Company for the FY 2023-24.

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.

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

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.

Your Company has initially committed a corpus of ₹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 FY 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.

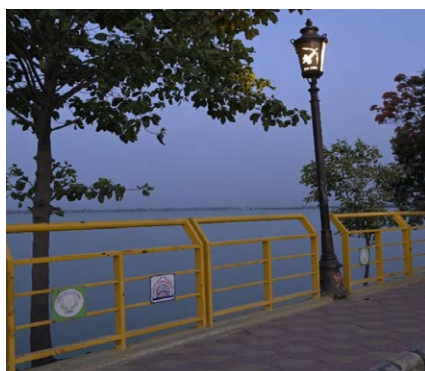
In addition to the above, two proposals on skill development of the local youths as a part of commitment during the public hearing are under active consideration which are aimed at imparting training to the local youth (male & female) on different trades for creating job opportunities. This has been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

The Company is undertaking its flagship healthcare infrastructure project 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 State.

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. Also, the tireless efforts of the Gorakhpur CSR team of your Company have resulted in winning awards which are detailed in the 'Awards and Accolades' section of this Report.



Inauguration of Paediatric Intensive Care Units (PICUs) by Hon'ble Chief Minister - Uttar Pradesh



Ramgarh Taal Facelifting and Beautification



Development of Model Village - Sonbarsa



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.



Community Plantation– Baruani

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 is being undertaken on deposit work basis.



Supply of Drinking Water – Sindri

Environment & Sustainability: The Company is dedicated to sustainability, environmental care, and following related rules and regulations. By planting trees, promoting

environmental awareness, and complying with laws, the Company is contributing to create a greener future and demonstrating responsible corporate behaviour.



Celebrating World Environment Day - 5th June, World Forest Day – 21st March and World Water Day 22nd March

By promoting awareness and sustainable practices, the Company aims to build a culture of environmental responsibility and contribute to a greener future. Key environment related celebrations in your company at all three Urea units include World Forest Day on 21st March, World Water Day on 22nd March, World Earth Day on 22nd April, and World Environment Day on 5th June, to further this goal.

Your Company is fully committed to meeting all environmental regulatory requirements. By consistently working with the State Pollution Control Boards, the Company has successfully obtained the necessary Consent to Operate and other environmental clearances for all three plants ahead of schedule, ensuring smooth operations.

As a part of statutory compliance and niche contribution for a greener planet, your Company has also undertaken the plantation activities at all its project locations, which are progressing at a good pace. At all three sites (Gorakhpur, Sindri & Barauni), more than 33% of the total plant area is being developed as green belt in different phases (130 Acres at Gorakhpur, 132 acres at Sindri and 116 acres at Barauni to be developed as green belt). Your Company aims to expand its reforestation efforts and set more ambitious targets for tree planting, working in alignment with local

ecological priorities. The Company is also planning to do afforestation by Miyawaki Method aimed at achieving the greener cover at an accelerated pace.

22. SAFETY:

The safety and well-being of our employees, customers, and stakeholders have always been a top priority for your Company. In this regard, your Company has made significant progress in improving safety measures and promoting a culture of safety across the entire organization.

Your company has developed safety policies and procedures to align with industry best practices and regulatory requirements. These policies are regularly updated & communicated to all employees and are easily accessible through internal communication channels. A safety reporting system has been implemented that encourages employees to report any safety concerns or incidents promptly.

Regular safety audits and inspections are being conducted across all the facilities to identify potential hazards, assess compliance with safety protocols, and implement corrective actions where necessary. These audits have been instrumental in maintaining a safe working environment and reducing the risk of accidents or incidents.



(Training on CPR and First Aid)

Theme for this year 2024

"Be a road safety hero"



शापथ

- मैं शापथ लेता हूँ/लेती हूँ...
- सड़क पर वाहन चलाने से पहले सभी सुरक्षा संकेपी कारों का ध्यान रखूंगा/रखूंगी।
- वातावरण नियमों का हमेशा तुरंत और अपने रवजन से पालन करवाऊंगा/करवाऊंगी।
- दो पहिया वाहन चलाने समय हमेशा हेलमेट पहनूंगा/पहनूंगी।
- कार चलाने समय हमेशा सीट बेल्ट लगाऊंगा/लगाऊंगी।
- कभी भी शराब पीकर गाड़ी नहीं चलाऊंगा/चलाऊंगी।
- खाने चलाने समय कभी भी मोबाइल फोन पर बात नहीं करूंगा/करूंगी।
- हमेशा एंजुलूस और फास्टर विंगेड माइनों को पहले जाने के लिए रास्ता दूंगा/दूंगी।
- सड़क दुर्घटना के पीड़ितों को मदद करने के लिए सर्वदल तत्पर रहूंगा/रहूंगी।



Road Safety Pledge



Guidance By Babu Sir



Guidance By Gupta Sir

Guidance By Bagga



35TH NATIONAL ROAD SAFETY WEEK 2024 (11TH to 17TH JANUARY) AT HURL, GORAKHPUR



Some Glimpses:

- Display of Road Safety Posters/Banners
- Road Safety Oath by Employees, Workforce
- Vehicle Inspection
- Training Programme

Your Company has reached significant safety milestones in FY 2023-24. It has enhanced Safety, Health & Environment (SHE) capabilities through various training sessions on critical safety procedures. Regular mock drills were organized to improve emergency preparedness, and proactive monitoring is ongoing. This achievement reflects the employees' dedication and commitment to following safety guidelines and prioritizing safety in their daily work.

The company's safety initiatives will continue to be an integral part of its operations for creating a safer working environment for all stakeholders.

23. RISK MANAGEMENT:

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

Risk Management policy has been formed to ensure 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. HURL's Risk Management Policy has been placed at the website of the Company at weblink <https://hurl.net.in/policies>.

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.

24. 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, 2024 is placed at the website of the Company at weblink <https://hurl.net.in/return>.

25. 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.

26. 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 create a positive and productive work environment.

- a. **Employee Strength:** During the FY 2023-24, 148 employees were added to the strength of the family of the company. As on March 31, 2024, there were 879 number of employees in HURL, out of which, 38 were women employees. Apart from this, as on March 31, 2024, there were 15 numbers of manpower on deputation from the Promoter Companies viz. NTPC, IOCL and CIL.
- b. **Employee Welfare:** Your company values its human capital and continues to strive for work environment that promotes wellbeing of its employees. Your Company has extended several welfare benefits to its employees and their families such as a comprehensive Group Medclaim Policy and Group Personal Accident Insurance Scheme.
- c. **Performance based culture:** Your Company lays strong emphasis on developing a culture of performance and firmly believes that motivated employee maximizes achievement of Company targets. Accordingly, your Company rewards high performance by providing pay linked to performance. Your Company also has a well-defined career progression policy which provides growth opportunities to high performing employees.
- d. **Employee Engagement:** To foster 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, National Days etc., both at Corporate HQ 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) and employees are provided opportunities to participate in events / programs and sessions organized by this association.

- e. Training & Development:** Our commitment to learning and professional growth has been cornerstone of HR strategy. In the FY 2023-24 also, your Company conducted various functional, behavioral trainings through Conferences, Seminars, Skill building workshops etc. both in India and abroad. Further, regular safety and compliance trainings were also conducted. In the FY 2023-24, a total of 454 employees underwent training on various topics.

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

Apart from membership of SCOPE, your Company is also a member of Fertilizer Association of India (FAI), International Fertilizer Association (IFA) and Institute of Directors (IOD). The employees are being encouraged to participate in various industry events / seminars and leadership programmes which help in staying abreast with the latest industry updates.

- f. Grievance Redressal:** Your Company believes in openness and transparency. Employees can reach out to senior management in case of any grievance and can freely share their experiences, suggestions and feedback.

Your Company disposed off all grievances received under CPGRAMS in a time bound manner.

HURL is one of the few companies who takes a lot of care of its employees not only at working place, but extends its relation beyond working place with the families of employees, by organizing various programmes like Annual Day, Women's Day, New Year Celebrations, Holi Milan etc.

Employee centric wellness and wellbeing activities was also strengthened by way of preventive medical check-ups, camps and wellness sessions like Yoga, indoor games etc. Employees and their family members' engagement was also encouraged through Annual Events and Cultural Programs.

27. PROTECTION OF WOMEN AT WORKPLACE:

Pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 and rules made there under, the Company has in place 'Prevention of Sexual Harassment at workplace' policy and constituted Internal Committee (IC) at HQ and all the three projects of the Company, in terms of requirement under the said Act and Rules.

The Company regularly conducts workshops/sessions for all employee and also for the members of IC. During the year under review, training programmes for all employees and IC members were conducted by the Company.

During the FY 2023-24, two complaints of sexual harassment were received and have been dealt and disposed off as per requirement under the said Act and Rules.

28. INFORMATION TECHNOLOGY (IT) INITIATIVES:

Your Company has implemented SAP S4 HANA for FICO (Finance and Accounting), MM (Material Management) and SD (Sales & Distribution) modules and integrating e-Way Bill generation, e-invoicing, and GST reporting capabilities into SAP; Secure connectivity of all the plants through Multiprotocol Label Switching (MPLS) for efficient and reliable data communication in computer networks.

Your Company has taken various IT initiatives during FY 2023-24, in line with the best practices in the fertilizer industry in order to accomplish business requirements and to move towards digitalization. These initiatives included integration of all the business processes in ERP through the SAP modules viz: FICO, MM and SD with DCS. Successful implementation of e-Office enabling employees to work from anywhere, ensuring speedy collaboration, saving time and enabling paperless approval process. Windows-based server

for application like Biometric, Document Management System (DMS) has been procured. Realtime Account Receivable (the payment submitted by any dealer to bank are real-time updated in SAP) has been implemented. Vigilance complaint portal, recruitment portal and board meeting solution has been successfully implemented and installation of CCTV for security surveillance purposes has been got done.

29. 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 Officer are posted on the website of the Company. Queries received have been replied within the stipulated time. During the FY 2023-24, 42 RTI applications were received and replied to.

30. 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 2023-24, a total of 4 (four) complaints were received by the Vigilance Department, all of which were examined and necessary action taken thereon. Comptroller & Auditor general of India (C&AG) conducted the audit of HURL and submitted the report containing 23 paras, pointing out financial irregularities. These paras are under the scrutiny of the Vigilance department. As a preventive vigilance measure, the Department has carried out three surprise inspection and 2 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, 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.

HURL developed online Vigilance complaint portal w.e.f. November 01, 2023. It is a valuable tool for fostering accountability, reducing corruption, and ensuring ethical conduct within the organisation".

The Whistle Blower and Fraud Prevention Policies are available at the website of the Company at weblink <https://hurl.net.in/policies>.

31. 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.

32. GENERAL MEETINGS

The 7th Annual General Meeting (AGM) of the Company for the year 2023 was held on September 21, 2023 at 1330 Hrs. at the NTPC office, Conference Hall, Core-7, 5th floor, Scope Complex, Lodhi Road, New Delhi – 110003.

No Extra -Ordinary General Meeting (EGM) held during FY 2023-24.



33. AUDITOR:

STATUTORY AUDITOR:

The Comptroller & Auditor General of India (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 2023-24, in terms of the provisions of the Companies Act, 2013.

The Auditors' Report on the Financial Statement of the Company for the period from April 01, 2023 to March 31, 2024 is enclosed under 'Auditors Report and Financial Statements for FY 2023-24' section of the Annual Report. There are no qualifications, reservations or adverse remarks made by the Statutory Auditors.

INTERNAL AUDITOR:

Your Company had appointed M/s AMAA & Associates, Chartered Accountants, New Delhi as the Internal Auditors of the Company for FY 2023-24, in terms of the provisions of the Companies Act, 2013.

COST RECORDS AND COST AUDITOR:

During the FY 2023-24, the Company was 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 2023-24, in terms of the provisions of the Companies Act, 2013.

SECRETARIAL AUDITOR:

Your Company has appointed M/s Agarwal S. & Associates, Company Secretaries, New Delhi (CP No. 5910), as the Secretarial Auditor of the Company for the FY 2023-24, 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 2023-24 is placed as Appendix-D to this report. There are no qualifications, reservations or adverse remarks made by the Secretarial Audit Report.

34. C&AG REVIEW:

The comments of Comptroller and Auditor General (C&AG) of India on the Financial Statements for the year ending March 31, 2024, along with the

Management replies thereto shall be enclosed under "Auditors Report and Financial Statements for FY 2023-24" section of the Annual Report.

35. 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 financial year 2023-24 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 Financial Year 2023-24 is enclosed to this report as Appendix-C.
- D. **SECRETARIAL AUDIT REPORT:** The Secretarial Audit Report by M/s Agarwal S. & Associates, Company Secretaries, New Delhi (CP No. 5910), is enclosed to this report as Appendix-D.

36. OTHER DISCLOSURES:

- (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' during the FY 2023-24.
- (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, 2024.
- (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 2023-24.
- (vii) There are no proceedings initiated / pending against your Company 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 Fertiliser, 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 take 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 their sustained efforts leading towards self-reliance in meeting Urea demand, thereby contributing towards improving the lives of the farmers and corresponding economic growth in eastern part of India and boosting Indian Economy.

For and on behalf of the Board of Directors

Sd/-

Shri Debasish Nanda
Chairman

Date : 23.08.2024
Place : New Delhi



'Appendix-A'

Annual Report on Corporate Social Responsibility (CSR) activities

1. Brief outline on CSR Policy of the Company:

During the year, the Board of Directors of the Company have approved the Corporate Social Responsibility (CSR) Policy of the Company, in consonance with Section 135 of the Companies Act, 2013 ("the Act") and rules made thereunder.

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 three (3) times during FY 2023-24 i.e. on November 09, 2013, February 19, 2024 and March 18, 2024. The composition of the CSR Committee as on March 31, 2024 was as under:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee	
			Held during the year	Attended during the year
1.	Dr. A.K. Samantaray	Chairman	3	3
2.	Ms. Renu Narang	Director	3	3
3.	Shri Subhajit Sarkar	Director	3	3
4.	Shri S.P. Mohanty	Managing Director	3	3

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: NA

- Average net profit of the company as per section 135(5): Nil
 - Two percent of average net profit of the company as per section 135(5): Nil
 - 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)]: Nil
- Amount spent on CSR projects (both ongoing and other ongoing projects): Nil
 - Amount spent in Administrative Overheads: Nil
 - Amount spent on Impact Assessment, if applicable: NA
 - Total amount spent for the Financial Year [(a)+(b)+(c)]: Nil
 - CSR amount spent or unspent for the Financial Year:

Amount Unspent (in ₹)

Total Amount spent for the Financial Year (in ₹)	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Nil	Nil	NA	NA	Nil	NA

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

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

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

Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Balance Amount in unspent CSR Account under Section 135 (6) (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135 (6), if any Amount (in ₹)	Date of transfer	Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
1.	FY 2020-21	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2.	FY 2021-22	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3.	FY 2022-23	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): NA

For and on behalf of the Board of Directors

Sd/-

Shri S.P. Mohanty
Managing Director
DIN: 05336787

Sd/-

Shri Raghunadhan AV
Chairman CSR Committee
DIN: 10570608

Date : 23.08.2024
Place : New Delhi

FORM NO. AOC-2

'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

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL
2. 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 (₹ In Lakhs)
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 ₹45,57,000/- along with consideration amount for first year, of ₹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 ₹12 per year, during the period of Agreement.	28.04.2022	NIL

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 (₹ In Lakhs)
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 valid till 30.04.2028.	The salient terms of agreement are as follows: <ul style="list-style-type: none">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 / SCMDelivered / Ex-terms: Delivered basis at HURL Gorakhpur plantTake or Pay: 75% yearly basisLiquidated Damages: 70% for default period (s) of 15 daysCredit days: 35 daysPayment Security: Equivalent to value of 30 days gas supply with provision of signing Tripartite AgreementDelivery Terminal: Dahej LNG Terminal, Gujarat / Any Other Terminal based on mutual agreement.	16.08.2022	NIL	
Contract Price: The contract price payable under the Agreement consist of the following elements / components					
Cost		Remarks			
Component					
Foreign		It shall be equivalent to foreign currency component declared			
Currency		by Petronet LNG Limited on monthly basis pursuant to policy			
Component (FCC)		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.			



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 (₹ In Lakhs)
	Regasification Charges		Regasification Charges with effect from 01.01.2022 shall be ₹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 ₹15.83 per MMBTU (subject to an escalation of 5% per annum).		
	Amendment dated 26.09.2023:			12.09.2023	
			<ul style="list-style-type: none"> procurement of Additional Gas (on long-term basis) for Gorakhpur unit for a quantity of 0.07 MMSCMD of RLNG requirement 		

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 (₹ In Lakhs)				
3	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 Barauni & Sindri plant for quantity of 0.26 MMSCMD]	<p>Date: GSTA with IOCL executed on 09.01.2023.</p> <p>Duration: Agreement valid till 30.04.2028.</p>	<p>The salient terms of agreement are as follows:</p> <ul style="list-style-type: none">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 / SCMDelivered / Ex-terms: Delivered basis at HURL Barauni & Sindri plantTake or Pay: 75% yearly basisLiquidated Damages: 70% for default period (s) of 15 daysCredit days: 35 daysPayment Security: Equivalent to value of 30 days gas supply with provision of signing Tripartite AgreementDelivery Terminal: Dahej LNG Terminal, Gujarat / Any Other Terminal based on mutual agreement. <p>Contract Price: The contract price payable under the Agreement consists of the following elements / components:</p>	28.12.2022	NIL				
<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></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.
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.								



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 (₹ In Lakhs)
	Regasification Charges		Regasification Charges with effect from 01.01.2023 shall be ₹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.		
	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.		

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 (₹ In Lakhs)
.			Other Charges shall with effect from 01.01.2023 will be ₹16.62 per MMBTU (subject to an escalation of 5% per annum).		
4. Procurement of Lubricants & HSD by HURL for all its three units at Gorakhpur, Sindri and Barauni from IOCL	Date: MoU yet to be entered	For Barauni unit ₹10 Lakhs (Approx.)/Month. (Excluding GST) aggregating to ₹1.1 Cr. (approx.) (Excluding GST) during FY 2023-24		-	15.13
		For Gorakhpur unit ₹8 Lakhs (Approx.)/Month. (Excluding GST) aggregating to ₹1. Cr. (approx.) (Excluding GST) during FY 2023-24			
		For Sindri unit ₹5 Lakhs (Approx.)/Month. (Excluding GST) aggregating to ₹53.55 lakhs (approx.) (Excluding GST) during FY 2023-24			

Note:

- (i) Apart from the above transactions, the Promoter companies viz. NTPC, CL 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 Debasish Nanda
Chairman
DIN: 09015566

Date : 23.08.2024
Place : New Delhi



'Appendix-C'

Information of top ten employees in terms of remuneration drawn during FY 2023-24

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

Sr. No.	Employee Name	Designation	Qualifications	Nature of Employment (Contractual or otherwise)	Remuneration (in ₹)	Experience (Years)	Date of Joining	Age (in years)	Last Employment
1.	Shri Niroj Kumar Sahu	Chief General Manager (Marketing)	MBA (Marketing / Finance) MTech (Mechanical Engineering)	Deputation from IOCL	90,34,054.00	29	01.03.2022	55	IOCL
2.	Shri Arvind Kumar	General Manager (Finance)	CMA; M. Com	Deputation from IOCL	88,18,322.00	29	26.03.2019	51	IOCL
3.	Shri Ravi Chandra Khorwal	Chief General Manager (C&M)	BE (Mechanical Engineering); PGD (Business Administration); PGD (Malts Mgt.); Advance Diploma (Business Management)	Deputation from NTPC	81,53,107.00	37	28.08.2020	57	NTPC
4.	Ms. Meenakshi Anand	General Manager (IT)	BE (Electrical Engineering); PGD in Management	Deputation from NTPC	72,69,808.00	38	21.12.2020	59	NTPC
5.	Shri Sanjay Chawla	General Manager (CSR, Environment & Safety)	B. Tech (Mining Engineering)	Deputation from CIL	69,35,076.00	34	21.09.2016	58	CIL
6.	Shri Dipten Roy	Sr. Vice President & Project Head (Gorakhpur)	BE (Chemical Engineering)	Regular HURL	66,86,837.00	36	20.09.2018	57	Sriram Fertilizer & Chemicals
7.	Shri Anurag Shukla	Chief Financial Officer	MBA (Finance)	Deputation from NTPC	66,80,436.00	34	25.07.2022	57	NTPC
8.	Shri Subodh Dixit	Chief Manager (HR), Gorakhpur	B. Tech (Mining Engineering)	Deputation from CIL	60,41,563.00	33	05.04.2017	58	CIL
9.	Ms. Indu Balkrishna	DGM (HR)	AMIE in Electronics and Communication	Deputation from NTPC	59,30,181.00	35	28.11.2022	56	NTPC
10.	Shri Dharminder Bhagga	VP (Maintenance), Barauni	BE (Instrumentation & Controls)	Regular HURL	51,20,796.00	32	29.01.2021	55	GE T&D India Limited

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 Debasish Nanda

Chairman

DIN: 09015566

Date : 23.08.2024

Place : New Delhi

'Appendix-D

Form No. MR-3

Secretarial Audit Report

For the financial year ended 31st March, 2024

{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,

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** (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 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 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**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; - **Not Applicable**
- (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**

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- **Not Applicable**

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (f) 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;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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.

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

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India
- (ii) The SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 - (Not Applicable).

During the period under review, 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 women 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.

Generally, adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent, 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 dissenting members' views, if any, are captured 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, following are the specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws:

1. The Date of Commencement of Commercial Operations of (DCCO) of Sindri unit (Jharkhand) and Barauni unit (Bihar) of the Company were achieved on 15.04.2023 and 30.04.2023, respectively.
2. During the financial year 2023-24, Company offered 1,0410.9 lakh equity shares amounting to ₹104,109 lakhs to all existing shareholders on Rights Issue basis in the proportion of their shareholding. CIL, NTPC and IOCL have subscribed to the offer, while FCIL and HFCL declined their offers. Consequently, equity shares amounting to ₹104,109 lakhs (including the unsubscribed equity shares by FCIL and HFCL) were allotted to CIL, NTPC and IOCL in equal proportions on 30.11.2023.
3. During the financial year 2023-24, the Company increased its Authorized share capital from ₹8,00,000 lakhs to ₹12,00,000 lakhs and altered its Memorandum of Association to that effect.

For **Agarwal S. & Associates,**

Company Secretaries,

ICSI Unique Code: P2003DE049100

Peer Review Cert. No. 2725/2022

Sd/-

CS Sachin Agarwal

Partner

FCS No. : 5774

C.P. No. : 5910

UDIN: F005774F000757415

Date : 17.07.2024

Place : New Delhi

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**

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records, based on our inspection of records produced before us for 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 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 and our report is not covering observations/comments/ weaknesses already pointed out by the other Auditors.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation 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 test basis and to give our opinion whether Company has proper Board-processes and Compliance-mechanism in place or not.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Agarwal S. & Associates,**
Company Secretaries,
ICSI Unique Code: P2003DE049100
Peer Review Cert. No. 2725/2022
Sd/-

CS Sachin Agarwal
Partner
FCS No. : 5774
C.P. No. : 5910

Date : 17.07.2024
Place : New Delhi



INDEPENDENT AUDITOR'S REPORT

To

**The Members of
M/s Hindustan Urvarak & Rasayan limited
Report on the Audit of Financial Statements**

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, 2024**, 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, 2024, 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) On the basis of the written representations received from the directors as on 31.03.2024 taken on record by the Board of Directors, None of the directors is disqualified as on 31st March 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the Adequacy of the Internal Financial Controls 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.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the details of pending litigations as on 31.03.2024 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 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.

Our opinion is not modified in respect of this matter.

For **Surendra Subhash & Co.**

Chartered Accountants

FR No. 03173N

Sd/-

CA Surendra Kumar Jain

Partner

Membership No. 082170

UDIN No. 24082170BKHQGX9054

Date : 17.05.2024

Place : New Delhi



'Annexure-A'

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, 2024

Sr. 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.

Date : 17.05.2024
Place : New Delhi

For **Surendra Subhash & Co.**
Chartered Accountants
FR No. 03173N
Sd/-
CA Surendra Kumar Jain
Partner
Membership No. 082170
UDIN No. 24082170BKHQGX9054

'Annexure-B'

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, 2024:

(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

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

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

(d) According to the information and explanations given to us and on the basis 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.

(e) 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, 2024 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 Crore deposited on 29.03.2022 and balance of ₹71.65 Crore 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 year 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 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 not applicable to this Company. Accordingly, clause 3 (xxi) of the Order is not applicable.

For **Surendra Subhash & Co.**

Chartered Accountants

FR No. 03173N

Sd/-

CA Surendra Kumar Jain

Partner

Membership No. 082170

UDIN No. 24082170BKHQGX9054

Date : 17.05.2024

Place : New Delhi



'Annexure-C'

(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 2024 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 2024, 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.

Date : 17.05.2024
Place : New Delhi

For **Surendra Subhash & Co.**

Chartered Accountants

FR No. 03173N

Sd/-

CA Surendra Kumar Jain

Partner

Membership No. 082170

UDIN No. 24082170BKHQGX9054



Balance Sheet

as at March 31, 2024

(₹ in Lakh)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-Current Assets			
(a) Property, Plant & Equipment	3	2,196,016.50	738,502.00
(b) Capital Work in Progress	4	321.76	1,504,235.22
(c) Intangible Assets	5	99.79	29.63
(d) Right of Use Assets	6	73,699.20	74,241.37
(e) Financial Assets			
i) Other Financial Assets	7	24,277.16	13,608.57
(f) Deferred Tax Assets (net)	21	-	3,035.04
(g) Other Non-Current assets	8	138,423.08	137,246.35
Total Non-Current Assets (A)		2,432,837.49	2,470,898.18
Current Assets			
(a) Inventories	9	35,476.13	23,701.74
(b) Financial Assets			
i) Investments	10	46,953.43	1,606.21
ii) Trade Receivables	7A	297,362.10	239,984.98
iii) Cash & Cash equivalents	11	43,246.87	17,186.01
iv) Bank Balances (other than (iii) above)	12	24,270.74	610.83
v) Other Financial Assets	7	33.61	1.04
(c) Current Tax Assets (Net)	8	400.75	951.70
(d) Other Current Assets	13	23,472.86	21,141.02
Total Current Assets (B)		471,216.49	305,183.53
Total Assets (A+B)		2,904,053.98	2,776,081.71
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	14	792,898.00	688,789.00
(b) Other Equity	15	173,179.04	40,713.23
Total Equity (A)		966,077.04	729,502.23
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
i) Borrowings	16	1,325,034.23	1,374,349.91
ii) Lease Liabilities	17	766.46	35.81
iii) Other Financial Liabilities	19	11,661.62	4,292.83
(b) Provisions	20	64,682.49	58,978.37
(c) Deferred Tax Liabilities (net)	21	44,279.12	-
(d) Other Non-Current Liabilities	22	52,414.05	57,764.63
Total Non-Current Liabilities (B)		1,498,837.97	1,495,421.55
Current Liabilities			
(a) Financial Liabilities			
i) Borrowings	16	196,474.34	146,613.24
ii) Lease Liabilities	17	402.86	216.88
iii) Trade payables:			
iii a) Total outstanding dues of micro enterprises and small enterprises	18	1,619.42	1,656.67
iii b) Total outstanding dues of creditors other than micro enterprises and small enterprises	18	91,739.28	181,062.06
iv) Other Financial Liabilities	19	141,025.38	215,854.86
(b) Other Current Liabilities	23	4,864.70	3,952.59
(c) Provisions	20	3,012.99	1,801.63
Total Current Liabilities (C)		439,138.97	551,157.93
Total Equity and Liabilities (A+B+C)		2,904,053.98	2,776,081.71

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 : 17.05.2024
Place : New Delhi

Sd/-
Debasish Nanda
Chairman
DIN-09015566
Sd/-
S.P. Mohanty
Managing Director
DIN-05336787

Sd/-
Dhulipala Padma
Vice Chairperson
DIN-09565836
Sd/-
Iti Matta
Company Secretary

For and on behalf of the Board of Directors

Sd/-
Masood Akhtar Ansari
Director
DIN-10429528
Sd/-
Anurag Shukla
Chief Financial Officer

Statement of Profit and loss

for the year ended March 31, 2024

(₹ in Lakh)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
INCOME			
Revenue from Operations	24	1,489,475.46	440,119.53
Other Income	25	9,268.09	4,799.67
Total Income (A)		1,498,743.55	444,919.20
EXPENSES			
Cost of materials consumed	26	1,008,596.22	369,253.91
Purchases of Stock-in-Trade	27	17,163.01	-
Changes in inventories	28	(23,310.74)	(5,727.33)
Freight and Handling	29	39,901.59	9,581.02
Employee Benefits Expenses	30	12,054.97	4,550.97
Finance Costs	31	145,113.34	39,262.52
Depreciation and Amortisation expenses	32	87,713.11	27,998.23
Other Expenses	33	31,755.10	9,286.08
Total Expenses (B)		1,318,986.60	454,205.40
Profit/(Loss) before exceptional items and Tax C=(A-B)		179,756.95	(9,286.20)
Exceptional Items (D)		-	-
Profit/(Loss) before Tax E=(C-D)		179,756.95	(9,286.20)
Tax expense (F):			
a) Current Tax		-	-
b) Deferred Tax		47,308.37	(3,168.32)
Short / (Excess) tax for earlier years		-	(13.69)
Profit/(Loss) for the year G=(E-F)		132,448.58	(6,104.19)
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		23.03	13.19
(ii) Income tax relating to items that will not be reclassified to profit or loss		(5.80)	(3.32)
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)		17.23	9.87
Total Comprehensive Income for the year (G+H)		132,465.81	(6,094.32)
Earnings per equity share (₹)			
(1) Basic		1.83	(0.10)
(2) Diluted		1.83	(0.10)

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 : 17.05.2024
Place : New Delhi

Sd/-
Debasish Nanda
Chairman
DIN-09015566
Sd/-
S.P. Mohanty
Managing Director
DIN-05336787

Sd/-
Dhulipala Padma
Vice Chairperson
DIN-09565836
Sd/-
Iti Matta
Company Secretary

For and on behalf of the Board of Directors

Sd/-
Masood Akhtar Ansari
Director
DIN-10429528
Sd/-
Anurag Shukla
Chief Financial Officer



Changes In Equity

For the year ended March 31, 2024

A. EQUITY SHARE CAPITAL

(₹ in Lakh)

Particulars	Opening Balance	Changes in Equity Share Capital during the period	Closing Balance
As at 31.03.2024	688,789.00	104,109.00	792,898.00
As at 31.03.2023	488,827.00	199,962.00	688,789.00

(₹ in Lakh)

Particulars	Shares to be issued against Right of use of Land and other Usable Assets	Reserves and Surplus		Other Comprehensive income	Total
		Share Application money pending allotment	Retained Earnings		
Balance as at 01.04.2023	49,500.00	-	(8,796.64)	9.87	40,713.23
Additions during the year	-	-	132,448.57	-	132,448.57
Comprehensive income for the year	-	-	-	17.24	17.24
Adjustments during the year	-	-	-	-	-
Total comprehensive income for the year	-	-	132,448.57	17.24	132,465.81
Balance as at 31.03.2024	49,500.00	-	123,651.93	27.11	173,179.04
Balance as at 01.04.2022	49,500.00	-	(2,692.45)	-	46,807.55
Additions during the year	-	-	(6,104.19)	-	(6,104.19)
Comprehensive income for the year	-	-	-	9.87	9.87
Total comprehensive income for the year	-	-	(6,104.19)	9.87	(6,094.32)
Balance as at 31.03.2023	49,500.00	-	(8,796.64)	9.87	40,713.23

As per our report annexed
For **Surendra Subhash & Co.**

Chartered Accountants

FR No. 03173N

Sd/-

CA Surendra Kumar Jain

Partner

Membership No. 082170

Date : 17.05.2024

Place : New Delhi

Sd/-

Debasish Nanda

Chairman

DIN-09015566

Sd/-

S.P. Mohanty

Managing Director

DIN-05336787

Sd/-

Dhulipala Padma

Vice Chairperson

DIN-09565836

Sd/-

Iti Matta

Company Secretary

Sd/-

Masood Akhtar Ansari

Director

DIN-10429528

Sd/-

Anurag Shukla

Chief Financial Officer

For and on behalf of the Board of Directors

Cash Flow Statement

for the year ended March 31, 2024

(₹ in Lakh)

Particulars	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	179,756.95	(9,286.20)
Adjustments for :		
Depreciation and Amortisation	87,713.11	27,998.24
Finance Cost	145,113.34	39,262.52
Interest from Bank Deposits	(2,252.97)	(634.22)
Gain on Mutual Funds Investments	(1,585.37)	(1,590.33)
Gain on Foreign exchange transactions	920.73	301.51
Loss on de-recognition of property, plant and equipment	0.13	0.98
Interest on Income Tax Refund	(27.98)	(29.63)
Operating Profit before working capital changes	409,637.94	56,022.87
Adjustments for :		
Security Deposits and Bank Deposits	(34,328.51)	(13,441.89)
Advances and Other Assets	(3,896.32)	61,757.71
Inventory	(11,774.39)	(23,331.80)
Trade Receivables	(57,377.13)	(239,984.97)
Liabilities and Outstanding Expenses	(153,173.50)	191,135.09
Cash Generated from Operation	149,088.09	32,157.01
Refund of Income Tax Received	878.19	151.18
Net Cash Flow from Operating Activities (A)	149,966.28	32,308.19
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,543,295.21)	(763,295.26)
Expenditure on Project Construction	1,503,913.46	328,028.29
Purchase of Intangible Assets	(92.19)	(20.03)
Investment / Redemption of Mutual Funds	(45,347.22)	2,348.01
Interest from Bank Deposits	2,058.46	466.55
Gain on Mutual Funds Investments	1,029.66	1,341.11
Net Cash from Investing Activities (B)	(81,733.04)	(431,131.33)
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital	104,109.00	199,962.00
Proceeds from Non Current Borrowings	545.41	281,549.65
Interest and Other Borrowing Cost	(146,573.21)	(69,704.24)
Payment of Lease Obligations	(253.58)	(471.01)
Net Cash from Financing Activities (C)	(42,172.38)	411,336.40
Net Increase / (Decrease) in Cash & Cash equivalents (A+B+C)	26,060.86	12,513.26
Cash & Cash equivalents (Opening balance)	17,186.01	4,672.75
Cash & Cash equivalents (Closing balance)	43,246.87	17,186.01
(All figures in bracket represent outflow)		

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

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

Date : 17.05.2024
Place : New Delhi

Sd/-
Debasish Nanda
Chairman
DIN-09015566

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

For and on behalf of the Board of Directors

Sd/-
Dhulipala Padma
Vice Chairperson
DIN-09565836
Sd/-
Iti Matta
Company Secretary

Sd/-
Masood Akhtar Ansari
Director
DIN-10429528
Sd/-
Anurag Shukla
Chief Financial Officer



Notes To The Financial Statements

for the year ended March 31, 2024

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

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, 2024 for the Statement of Profit & Loss and Balance Sheet as on that date.

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.

2.1.1 2. 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 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	3
Printer	3
Enabling Works	
- Internal Electrification of Non-Plant Building	10
- Internal Electrification of Plant Building	5
Forklift and Hydra	8
Firefighting Tender and Ambulance	15
Laboratory Equipment	5 - 10
Electrical Equipment	5 - 10
Plant and Machinery	5 - 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:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

2.11.1.2.2 Debt instruments at FVTOCI

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

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each



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

2.11.1.2.3 Debt instruments at FVTPL

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

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

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

2.11.1.2.4 Equity Investments

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

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

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

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

2.11.1.2.5 Derecognition

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

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

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

2.11.1.2.6 Impairment of Financial Assets

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

- (a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- (b) Financial assets that are debt instruments and are measured as at FVTOCI
- (c) Lease receivables under Ind AS 17
- (d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

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

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

2.11.2 Financial Liabilities

2.11.2.1 Initial recognition and measurement

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

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

2.11.2.2 Subsequent measurement

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

2.11.2.2.1 Financial liabilities at fair value through profit or loss

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

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

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

of such liability are recognised in the statement of profit or loss.

2.11.2.2.2 Financial liabilities at amortised cost

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

2.11.2.2.3 Derecognition

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

2.11.3 Reclassification of financial assets

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

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

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

2.11.4 Off setting of financial instruments

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

Financial Risk Management

2.12 Borrowing Costs

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

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

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which the same are incurred.

2.13 Taxation

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

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

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which

those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

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

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

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

2.14 Employee Benefits

2.14.1 Short-term Benefits

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

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

2.14.2.1 Defined Contribution plans

Under defined contribution scheme, provident fund is a post-employment benefit plan established under State Plan. The company pays fixed contribution into fund maintained by Employees Provident Fund Organisation (EPFO) and the Company will have no legal or constructive obligation to pay further amounts. The contributions to the scheme are charged to the statement of profit and loss in the year when employee rendered related services.

2.14.2.2 Defined benefits plan

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

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

Re-measurement of the net defined benefit liability, which comprise actuarial gain and losses considering the return on plan assets (excluding interest) and the effects of the assets ceiling (if any, excluding interest) are recognised immediately in the other comprehensive income. The company determines



the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit and loss.

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

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

2.14.3 Other Long-term Employee benefits

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

2.15 Foreign Currency Transactions

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

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

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

- (a) profit or loss attributable to equity shareholders of the company is increased by the after-tax amount of dividends and interest recognised in the period in respect of the dilutive potential equity shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential equity shares; and
- (b) the weighted average number of equity shares outstanding is increased by the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

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

2.20 Adjustments pertaining to prior period

Material prior period errors are corrected retrospectively by restating the comparative

amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

2.21 Prepaid Expenses

Individual expense up to ₹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

3 : PROPERTY , PLANT AND EQUIPMENT



HINDUSTAN URVARAK & RASAYAN LIMITED
Annual Report 2023-24

(₹ in Lakh)

Particulars	Freehold Land	Building	Non Plant Building	Furniture and Fixtures	Vehicles	Plant & Machinery	Electrical Equipment and Installations	Office Equipments	Computers and Data Processing Equipments	Railway Sidings	Road, Drain & Culvert	Total
Gross Carrying Amount:												
As at 1 April 2022	11.28	-	-	486.10	1,381.16	114.64	50.10	334.45	434.23	-	-	2,811.96
Additions	78.78	-	-	379.76	116.01	751,853.01	4,567.74	339.35	182.48	2,960.93	2,915.33	763,393.39
Deletions/Adjustments	-	-	-	-	-	(0.52)	-	(25.39)	(70.56)	-	-	(96.47)
As at 31 March 2023	90.06	-	-	865.86	1,497.17	751,967.13	4,617.84	648.41	546.15	2,960.93	2,915.33	766,108.88
As at 1 April 2023	90.06	-	-	865.86	1,497.17	751,967.13	4,617.84	648.41	546.15	2,960.93	2,915.33	766,108.88
Additions	-	15,321.87	8,963.75	162.78	17.23	1,493,938.01	1,715.80	484.19	191.84	10,825.44	11,843.01	1,543,463.92
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	2,309,400.49
Accumulated Depreciation and Impairment												
As at 1 April 2022	-	-	-	93.21	39.40	11.42	14.98	131.01	190.95	-	-	480.97
Charge for the year	-	-	-	76.57	96.20	26,012.16	336.41	99.33	19.04	171.09	254.81	27,065.61
Deletions/Adjustments	-	-	-	-	-	0.11	-	5.10	55.09	-	-	60.30
As at 31 March 2023	-	-	-	169.78	135.60	26,023.69	351.39	235.44	265.08	171.09	254.81	27,606.88

(₹ in Lakh)												
Particulars	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
As at 31 Marc 2023	-	-	-	169.78	135.60	26,023.69	351.39	235.44	265.08	171.09	254.81	27,606.88
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	107,922.87	768.37	437.99	364.29	1,007.49	1,597.87	113,383.99
Net Carrying Amount												
As at 31 March 2024	94.66	14,964.54	8,535.31	764.45	1,279.25	2,137,877.79	5,565.27	690.77	305.11	12,778.88	13,160.47	2,196,016.50
As at 31 March 2023	90.06	-	-	696.08	1,361.57	725,943.44	4,266.45	412.97	281.07	2,789.84	2,660.52	738,502.00



4. CAPITAL WORK IN PROGRESS

		(₹ in Lakh)
Particulars		Building
Gross Carrying Amount:		
As at 1 April 2022		1,795,497.72
Additions		470,262.70
Capitalisation/Deletions		(761,525.20)
As at 31 March 2023		1,504,235.22
As at 1 April 2023		1,504,235.22
Additions/Deletions		38,195.35
Capitalisation		(1,542,108.81)
As at 31 March 2024		321.76
Net Carrying amount		
As at 31 March 2024		321.76
As at 31 March 2023		1,504,235.22

5. INTANGIBLE ASSETS

				(₹ in Lakh)
Particulars	Computer Software	Website Development Cost		Total
Gross Carrying Amount:				
As at 1 April 2022	88.92	8.19		97.11
Additions	15.88	4.14		20.02
Deletions/Adjustments	-	-		-
As at 31 March 2023	104.80	12.33		117.13
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
Amortisation and Impairment				
As at 1 April 2022	61.85	3.32		65.17
Charge for the year	20.37	1.96		22.33
Impairment	-	-		-
Deletions/Adjustments	-	-		-
As at 31 March 2023	82.22	5.28		87.50
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
Net Carrying Amount				
As at 31 March 2024	94.61	5.14		99.79
As at 31 March 2023	22.58	7.05		29.63

6. RIGHT OF USE ASSETS (ROU)

(₹ in Lakh)

Particulars	Land and Other Assets	Building- Corporate Office & Plant Site	Total
Gross Carrying Amount:			
As at 1 April 2022	80,742.30	1,680.33	82,422.63
Additions	-	-	-
Deletions/Adjustments	-	(1.67)	(1.67)
As at 31 March 2023	80,742.30	1,678.66	82,420.96
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
Amortisation and Impairment			
As at 1 April 2022	5,210.10	1,102.89	6,312.99
Charge for the year	1,468.01	398.62	1,866.63
Impairment	-	-	-
Deletions/Adjustments	-	(0.03)	(0.03)
As at 31 March 2023	6,678.11	1,501.48	8,179.59
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
Net Carrying Amount			
As at 31 March 2024	72,596.17	1,103.03	73,699.20
As at 31 March 2023	74,064.19	177.18	74,241.37

7. OTHER FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at 31 st March 2024	As at 31 st March 2023
Non Current		
Security deposits	1,617.72	1,387.11
Security deposits to Related Parties	2.76	2.76
Bank Deposits - Margin money against bank guarantee/letter of credit *	22,656.68	12,218.70
TOTAL	24,277.16	13,608.57

*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 31.03.2024 amounting ₹177.89 lakhs (PY ₹213.62 lakhs).

7A TRADE RECEIVABLE

(₹ in Lakh)

Particulars	As at 31 st March 2024	As at 31 st March 2023
a) Trade Receivables		
Unsecured, considered good	3,207.29	1,466.11
Doubtful	-	-
	3,207.29	1,466.11
Less: Allowance for doubtful debts (Expected Credit Loss)	-	-
Total (a)	3,207.29	1,466.11
b) Subsidy (Government of India)	294,154.81	238,518.87
TOTAL (a + b)	297,362.10	239,984.98



8. OTHER NON-CURRENT ASSETS

	(₹ in Lakh)	
Particulars	As at 31 st March 2024	As at 31 st March 2023
(i) Capital Advances	4,438.76	6,445.27
(ii) Advances other than capital advances		
CGST/SGST/IGST- Input	133,984.32	130,801.08
TOTAL	138,423.08	137,246.35
Other Current Assets		
Current Tax Assets		
Advance tax, TDS and TCS	400.75	951.70
Less: Provision for tax	-	-
TOTAL	400.75	951.70

9. INVENTORIES

	(₹ in Lakh)	
Particulars	As at 31 st March 2024	As at 31 st March 2023
Inventories :		
Finished Goods		
Neem Coated Urea	24,153.03	17,192.05
Ammonia	4,902.98	5,209.74
	29,056.01	22,401.79
Traded Goods		
Traded Product (Myc, PDM, CN, FACT etc)	-	-
	-	-
Raw Material		
Neem Oil	71.31	96.06
Chemicals	814.94	63.16
	886.25	159.22
Others		
Packing Material	653.66	377.31
Spare Parts	4,880.21	763.42
	5,533.87	1,140.73
TOTAL	35,476.13	23,701.74

10. INVESTMENTS

	(₹ in Lakh)	
Particulars	As at 31 st March 2024	As at 31 st March 2023
Investment in Mutual Funds*	46,953.43	1,606.21
TOTAL	46,953.43	1,606.21
*Aggregate amount of quoted investment (at fair value)		
	46,953.43	1,606.21

11. CASH AND CASH EQUIVALENTS

	(₹ in Lakh)	
Particulars	As at 31 st March 2024	As at 31 st March 2023
Balances with Banks		
- in Deposit Accounts	41,504.62	15,200.92
- in Current Accounts	1,742.25	1,985.09
TOTAL	43,246.87	17,186.01

12. OTHER BANK BALANCES

(₹ in Lakh)

Particulars	As at 31 st March 2024	As at 31 st March 2023
Balances with Banks		
- in Deposit Accounts	24,270.74	610.83
TOTAL	24,270.74	610.83

- Fixed deposits held as margin money against BG/LC/DSRA with validity upto 12 months.
- Balance with banks in deposit accounts includes interest accrued upto 31.03.2024 amounting ₹270.74 lakhs (PY ₹10.13 lakhs).

13. OTHER CURRENT ASSETS

(₹ in Lakh)

Particulars	As at 31 st March 2024	As at 31 st March 2023
Prepaid Expense	944.57	917.43
Advance for goods and services	3,663.56	796.08
Advance to employees	2,522.94	1,426.51
Advance to Related Parties	15.13	1.00
Other Deposits and Advances (Gratuity Fund)	90.93	-
Input Tax Credit (CGST/SGST/IGST)	16,235.73	18,000.00
TOTAL	23,472.86	21,141.02

14. EQUITY SHARE CAPITAL

(₹ in Lakh)

Particulars	As at 31 st March 2024	As at 31 st March 2023
Authorised		
12,00,00,00,000 Equity Shares of ₹10/- each	1,200,000.00	800,000.00
(PY 800,00,00,000) Equity Shares of ₹10/- each		
	1,200,000.00	800,000.00
Issued, Subscribed and Paid-up		
792,89,80,000 Equity Shares of ₹10/- each	792,898.00	688,789.00
(PY 688,78,90,000 Equity Shares of ₹10/- each)		
	792,898.00	688,789.00

- Shares in the Company held by each shareholder holding more than 5% shares:

(₹ in Lakh)

Name of Shareholders	No. of Shares held (Face value of ₹10 each)
As on 31.03.2024	
Coal India Limited	2,642,985,000
NTPC Limited	2,642,985,000
Indian Oil Corporation Limited	2,642,985,000
As on 31.03.2023	
Coal India Limited	2,295,955,000
NTPC Limited	2,295,955,000
Indian Oil Corporation Limited	2,295,955,000



2. Details of shareholding of promoters:

Name of Shareholders	No. of Shares held (Face value of ₹10 each)
As at 31.03.2024	
Coal India Limited	2,642,985,000
NTPC Limited	2,642,985,000
Indian Oil Corporation Limited	2,642,985,000
Fertilizer Corporation of India Limited	16,667
Hindustan Fertilizer and Corporation Limited	8,333
	7,928,980,000
As at 31.03.2023	
Coal India Limited	2,295,955,000
NTPC Limited	2,295,955,000
Indian Oil Corporation Limited	2,295,955,000
Fertilizer Corporation of India Limited	16,667
Fertilizer Corporation of India Limited	8,333
TOTAL	6,887,890,000

3. 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.

4. 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 which are in the process of allotment.

15. OTHER EQUITY

Particulars	Shares to be issued against Right of use of Land and other Usable Assets	Retained Earnings	Other Comprehensive income	(₹ in Lakh)
				Total
Balance as at 01.04.2023	49,500.00	(8,796.64)	9.87	40,713.23
Additions during the year	-	132,448.57	-	132,448.57
Other comprehensive income for the year	-	-	17.24	17.24
Adjustments during the year	-	-	-	-
Total comprehensive income during the year	-	132,448.57	17.24	132,465.81
Balance as at 31.03.2024	49,500.00	123,651.93	27.11	173,179.04
Balance as at 01.04.2022	49,500.00	(2,692.45)	-	46,807.55
Additions during the year	-	(6,104.19)	-	(6,104.19)
Other comprehensive income for the year	-	-	9.87	9.87
Adjustments during the year	-	-	-	-
Total comprehensive income during the year	-	(6,104.19)	9.87	(6,094.32)
Balance as at 31.03.2023	49,500	(8,796.64)	9.87	40,713.23

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 is ₹ 33,000 lakhs and shares to be issued to HFCIL is ₹16,500 lakhs.

Equity shares for settlement of the same to be issued as per terms of Joint Venture Agreement.

16. BORROWINGS

	(₹ in Lakh)	
Particulars	As at 31 st March 2024	As at 31 st March 2023
Non-Current		
Term Loan from Banks (Secured)	1,262,797.39	1,315,553.92
Interest Free Loan from Govt. of India (Secured)	62,236.84	58,795.99
TOTAL	1,325,034.23	1,374,349.91
Current		
Term Loan from Banks (Secured)	146,227.86	120,222.85
Working Capital Demand Loan (Secured)	48,872.01	18,842.02
Cash Credit (Secured)	84.43	6,472.86
Interest Free Loan from Govt. of India (Secured)	1,290.04	1,075.51
TOTAL	196,474.34	146,613.24

Note:

- The bank borrowings has 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.
- Interest rate on term loan RTL-I is SBI MCLR 1 year (floating) plus 0.50% and Interest rate on term loan RTL-II is SBI MCLR 6 month (floating) plus 0.60%.
- Company has taken working capital loan during FY 2023-24 at interest rate SBI MCLR 6 month floating + 0.25%
- 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 ₹438 lakh for Gorakhpur unit, ₹354 lakhs for Barauni unit and ₹326 lakhs for Sindri unit has been made during FY 2023-24. The present value of loan payable as on 31.03.2024 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.

- Borrowings have been used for the project construction activities for which it was taken.

17. LEASE LIABILITIES

	(₹ in Lakh)	
Particulars	As at 31 st March 2024	As at 31 st March 2023
Non current		
Lease Liabilities against ROU assets	766.46	35.81
TOTAL	766.46	35.81
Current		
Lease Liabilities against ROU assets	402.86	216.88
TOTAL	402.86	216.88



18. TRADE PAYABLES

(₹ in Lakh)

Particulars	As at 31 st March 2024	As at 31 st March 2023
Current		
Trade Payables for Micro, Small and Medium Enterprises (MSME)	1,619.42	1,656.67
	1,619.42	1,656.67
Total Outstanding other than MSME		
Trade Payable - Related Party	21,626.75	17,460.15
Trade Payables for other than MSME	70,112.53	163,601.91
TOTAL	91,739.28	181,062.06

19. OTHER FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at 31 st March 2024	As at 31 st March 2023
Non Current		
Liability for Employee Benefits	-	50.83
Security Deposits from Dealers	11,661.62	4,242.00
TOTAL	11,661.62	4,292.83
Current		
- Non MSME (LSTK)	1,298.34	19,995.71
- Non MSME (Others)	514.49	20,284.99
Security Deposits from Vendors	4,787.15	4,003.39
Earnest Money Deposit	373.25	415.14
Retention Money from Contractors	99,332.97	124,161.57
Payable to Related Parties	1.26	24.36
Liability for Employees	41.79	12.68
Outstanding expenses	34,676.13	46,957.02
TOTAL	141,025.38	215,854.86

20. PROVISIONS

(₹ in Lakh)

Particulars	As at 31 st March 2024	As at 31 st March 2023
Non Current		
Employee Benefits		
-Earned Leaves	439.03	353.50
-Gratuity	-	259.75
-Sick Leaves	323.49	184.37
Enterprise Social Commitment	63,919.97	58,180.75
TOTAL	64,682.49	58,978.37
Current		
Employee Benefits		
-Earned Leaves	62.78	51.42
-Gratuity	-	30.54
-Sick Leaves	45.33	28.33
-Performance linked pay	384.25	281.84
-Salary Revision	2,520.63	1,409.50
TOTAL	3,012.99	1,801.63

21. DEFERRED TAX LIABILITIES/(ASSET)

(₹ in Lakh)

Particulars	As at 31 st March 2024	As at 31 st March 2023
Opening Balance	(3,035.04)	129.96
Deferred Tax Liabilities/(Asset) recognised during the year	47,314.16	(3,165.00)
TOTAL	44,279.12	(3,035.04)

22. OTHER NON CURRENT LIABILITIES

(₹ in Lakh)

Particulars	As at 31 st March 2024	As at 31 st March 2023
Deferred Income- Right of Use Assets	28,473.93	29,051.14
Deferred Income- Interest Free Loan from GOI	23,940.12	28,713.49
TOTAL	52,414.05	57,764.63

23. OTHER CURRENT LIABILITIES

(₹ in Lakh)

Particulars	As at 31 st March 2024	As at 31 st March 2023
Advance from Customers	2,409.31	2,142.57
Total	2,409.31	2,142.57
Statutory Dues:		
TDS (Income Tax) payable	797.80	359.69
GST payable	1,361.46	1,178.49
TDS (GST) payable	167.08	143.19
Contribution to Approved Funds	122.67	112.67
Other Statutory Dues	6.38	15.98
Total	2,455.39	1,810.02
TOTAL	4,864.70	3,952.59

24. REVENUE FROM OPERATIONS

(₹ in Lakh)

Particulars	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Sale of Goods		
A) Finished Goods		
Neem-Coated Urea	179,134.62	62,293.38
Ammonia	5,171.82	5,934.72
Less: Transferred to expenditure during construction period (Note-4)	10,132.54	22,797.83
	174,173.90	45,430.27
Subsidy from GOI		
Subsidy- Price	1,325,298.88	535,183.07
Subsidy- Freight	43,794.22	10,201.63
Less: Transferred to expenditure during construction period (Note-4)	73,532.48	150,695.44
	1,295,560.62	394,689.26
TOTAL	1,469,734.52	440,119.53



B) Traded Goods		
Mycorrhizal	12,743.21	-
Single Super Phosphate (SSP)	2,751.49	-
Calcium Nitrate (CN)	2,106.76	-
Potassium Derived From Molasses (PDM)	694.26	-
FACTOMFOS	285.85	-
FACT AM	1,159.37	-
	19,740.94	-
Revenue from Operations : Total (A + B)	1,489,475.46	440,119.53

25. OTHER INCOME

(₹ in Lakh)		
Particulars	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Interest from :		
Deposits with Banks	2,058.46	466.55
Mobilisation Advances	214.79	250.91
Less: Transferred to Finance Cost (Note 31)	4.51	34.72
Less: Transferred to expenditure during construction period (Note-4)	15.77	48.52
	2,252.97	634.22
Gain on Mutual Fund Investments	1,585.37	1,590.33
Deferred Income- Right of Use Assets	577.21	575.63
Deferred Income- Interest Free Loan from GOI	4,773.37	4,492.20
Miscellaneous income	272.99	718.58
	7,208.94	7,376.74
Less: Transferred to expenditure during construction period (Note-4)	193.82	3,211.29
	7,015.12	4,165.45
TOTAL	9,268.09	4,799.67

- Interest earned on temporary parking of borrowed funds in form of deposits with bank is transferred to Finance Cost and net finance cost is transferred to CWIP upto 02nd May 2022 for Gorakhpur unit, upto 14th April 2023 for Sindri unit & 29th April 2023 for Barauni unit.
- Other income generated from construction contracts and related to plant are transferred to expenditure during construction period in case of Barauni & Sindri and Gorakhpur unit.

26. COST OF MATERIALS CONSUMED

(₹ in Lakh)		
Particulars	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Cost of Materials Consumed:		
Natural Gas	1,035,964.71	723,791.75
Packing Material	12,978.78	5,604.51
Neem Oil	2,105.43	763.40
Chemicals	1,551.08	731.19
Raw Water	1,043.06	-
Less: Transferred to expenditure during construction period (Note-4)	45,046.84	361,636.94
TOTAL	1,008,596.22	369,253.91

27. PURCHASES OF STOCK-IN-TRADE

(₹ in Lakh)

Particulars	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Non Bulk Trading - Apna Power	11,055.06	-
Non Bulk Trading - SSP	2,655.46	-
Non Bulk Trading - CN	1,536.84	-
Non Bulk Trading - PDM	512.69	-
Non Bulk Trading - FACTOMFOS	280.17	-
Non Bulk Trading - FACT AM	1,122.79	-
TOTAL	17,163.01	-

28. CHANGES IN INVENTORIES

(₹ in Lakh)

Particulars	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Changes in Inventories:		
Neem Coated Urea	(12,248.07)	(17,192.05)
Ammonia	(1,991.16)	(5,209.74)
Less: Transferred to expenditure during construction period (Note-4)	(9,071.51)	16,674.47
TOTAL	(23,310.74)	(5,727.33)

29. FREIGHT AND HANDLING

(₹ in Lakh)

Particulars	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Freight and Handling Expense	41,946.20	13,026.98
Less: Transferred to expenditure during construction period (Note-4)	2,044.61	3,445.96
TOTAL	39,901.59	9,581.02

30. EMPLOYEE BENEFITS EXPENSES

(₹ in Lakh)

Particulars	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Salary and other benefits		
Salary	10,428.99	9,784.11
Contribution to Provident Fund	485.18	453.80
Actuarial (Gain)/loss	-	(6.21)
Other Employee Benefits	251.80	75.50
	11,165.97	10,307.20
Less: Transferred to expenditure during construction period (Note-4)	355.95	6,515.28
(A)	10,810.02	3,791.92



(₹ in Lakh)

Particulars	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Deputation Cost		
For Employees of CIL	363.74	388.70
For Employees of NTPC	442.78	885.10
For Employees of IOCL	465.31	785.65
For Employees of GSPC	-	22.60
	1,271.83	2,082.05
Less: Transferred to expenditure during construction period (Note-4)	26.88	1,323.00
(B)	1,244.95	759.05
TOTAL (A+B)	12,054.97	4,550.97

- The Company has employees on deputation from CIL, NTPC, IOCL and GSPC LNG Limited. Deputation cost is being reimbursed and GST on deputation cost is being reimbursed to these companies on the basis of tax invoice, whoever has claimed.

31. FINANCE COST

(₹ in Lakh)

Particulars	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Unwinding of discount on Lease Liabilities	60.48	42.10
Unwinding of discount on Interest Free Loan	4,773.37	4,492.20
Interest and Other Borrowing Cost	145,109.61	108,966.76
Less: Interest Income on Bank Deposits (Note-25)	4.51	34.72
Less: Transferred to expenditure during construction period (Note-4)	4,825.61	74,203.82
TOTAL	145,113.34	39,262.52

32. DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakh)

Particulars	For the year ended 31 st March 2024	For the year ended 31 st March 2023
On Property Plant and Equipment (Note-3)	85,840.34	27,186.20
On Intangible Assets (Note-5)	22.03	22.33
On Right of Use of Assets (Note-6)	1,917.31	1,866.57
	87,779.68	29,075.10
Less: Transferred to expenditure during construction period (Note-4)	66.57	1,076.87
TOTAL	87,713.11	27,998.23

33. OTHER EXPENSES

(₹ in Lakh)

Particulars	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Promotional expenses	737.77	66.03
Bagging Operations	4,375.98	1,602.99
Manpower Services	2,923.43	1,766.60
Telephone & Internet Expenses	130.18	39.72
Vehicle Hire Charges	463.06	380.66
Advertisement and Publicity Expenses	32.99	5.76
Auditor's Remuneration	1.32	1.20
Consultancy Expense	26.03	128.47
Credit Rating Fee	15.31	27.20
Electricity & Fuel Expenses	4,717.35	1,505.41
Loss on Foreign exchange (net)	920.73	301.51
Guest House Expenses	317.03	348.33
Hotel Accommodation Charges	17.82	16.94
Legal and Professional Expenses	63.96	52.41
Bank Charges	1,150.16	1,218.58
Insurance Premium	4,787.73	1,157.84
Office Expenses	69.76	159.45
Printing & Stationeries	42.44	48.66
Recruitment Expense	20.53	66.22
EDP & IT Expenses	444.33	179.06
Rent- Building	70.97	113.28
Project Inauguration Expense	698.29	7.33
Repair & Maintenance	6,110.22	2,312.14
Security Service Charge	2,262.97	1,780.62
Housekeeping Expenses	485.69	207.75
Rate & Taxes	178.58	89.25
Travelling Expenses	410.38	267.14
Training Expenses	56.82	8.50
Environment Monitoring Expense	67.54	75.02
Horticulture Work	228.51	148.40
Enterprise Social Commitment	6,803.00	-
Canteen Expenses	527.84	217.88
Hire Charges of Equipments	23.14	25.05
Miscellaneous Expenses	565.07	472.62
	39,746.93	14,798.02
Less: Transferred to expenditure during construction (Note-4)	7,991.83	5,511.94
TOTAL	31,755.10	9,286.08

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.



In addition to above, the Company has lease agreement with Neyveli Lignite Corporation originally for a lease term of five years further extended for two years and three months which has been completed on March 2024 and Oil & Natural Gas Corporation Limited for Corporate Office premises at Scope Minar, Laxmi Nagar New Delhi for a lease term of three years which is going to be completed on August 2026 and Mr. Ravindra Kumar Gupta for Guest House at Panchsheel Park, New Delhi for a lease term of three years which is going to be completed on December 2026 and Mrs. Sangeeta Saraogi for State office at Raipur, Chhattisgarh for a lease term of five years which is going to be completed on February 2029. Right of use for the office premises on lease is recognised with corresponding lease liabilities.

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 Lakhs)
Less than one year	494.18
One to five years	806.60
More than five years	127.39
TOTAL	1,428.17

34.2 Related Party & Key Management Personnel (KMP) Disclosures

A. Related Party Information

Sr. No.	Name of the related party	Description of relationship
1	Coal India Limited	Promoter Venturers
2	NTPC Limited	
3	Indian Oil Corporation Limited	
4	Hindustan Fertilizer Corporation Limited	
5	Fertilizer Corporation of India Limited	
6	Rashtriya Chemicals & Fertilizers Limited	Others
7	Brahmaputra Valley Fertilizer Corporation Limited	

B. Key Management Personnel

Sr. No.	Name of the related party	Description of relationship
1	Mr. Siba Prasad Mohanty (S.P. Mohanty)	Managing Director (MD) [Holding Additional Charge of Post of MD HURL w.e.f 15.03.2023 to 28.12.2023] [Full time charge of MD, w.e.f. 29.12.2023]
2	Mr. Anurag Shukla	Chief Financial Officer (CFO) [w.e.f. 28.09.2022]
3	Mr. Kalyan Prasad Gupta (K.P. Gupta)	Company Secretary (CS) [w.e.f. 30.11.2018 to 15.07.2023]
4	Smt. Iti Matta	Company Secretary (CS) [w.e.f. 10.08.2023]
5	Independent Directors	No Independent Directors during FY 2023-24

Transactions with Related Parties

(₹ in Lakh)

Sr. No.	Name of the related party	For the year ended 31 st March 2024	For the year ended 31 st March 2023
	Deputation Cost		
1.	NTPC Limited	442.78	885.10
	Coal India Limited	363.74	388.70
	Indian Oil Corporation Limited	465.31	785.65
	Others		
	Indian Oil Corporation Limited		
	-Purchase of Fuel/Natural Gas	173,701.49	48,856.99
	-Purchase of Lubricants/Diesel	219.13	44.38
	-Others	166.22	-
	Rashtriya Chemicals & Fertilizers Limited		
	- Rent	-	22.25
	- Others	-	-
2.	Fertilizer Corporation of India Limited		
	- Rent	60.78	497.27
	Hindustan Fertilizer Corporation Limited		
	- Rent	1.00	1.00
	Utility Powertech Limited		
	- Purchase of Services	852.54	1,063.69
	Brahmaputra Valley Fertilizer Corporation Limited		
	- Sale of Urea	2,367.13	-

Outstanding Balance Receivable/(Payable)

(₹ in Lakh)

Sr. No.	Name of the related party	As at 31 st March 2024	As at 31 st March 2023
1	Promoter Venturers		
i.	NTPC Limited	(15.23)	(25.77)
ii.	Coal India Limited	-	-
iii.	Indian Oil Corporation Limited	(21,595.41)	(17,461.73)
iv.	Hindustan Fertilizer Corporation Limited	-	(0.03)
v.	Fertilizer Corporation of India Limited	(0.69)	(494.27)
2	Others		
i.	Rashtriya Chemicals & Fertilizers Limited	-	6.36
ii.	Utility Powertech Limited	(115.43)	(6.11)
iii.	BVFCL	(30.82)	-

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 31.03.2024 towards Promoter Venturers is as follows:

Particulars	Lease Liabilities (Present value of lease rent) (₹ in Lakhs)	Value of Shares to be issued against Right of use of Land and other Usable Assets (₹ in Lakhs)
FCIL (for Gorakhpur and Sindri)	23.84	33,000.00
HFCL (for Barauni)	11.94	165,00.00



Remuneration of Key Managerial Personnel

(₹ in Lakh)			
Sr. No.	Name of the related party	For the year ended 31 st March 2024	For the year ended 31 st March 2023
	Salary and Other Benefits		
	Mr. Siba Prasad Mohanty, MD [from 29.12.2023]	18.10	-
1.	Mr. A. K. Gupta, MD [upto 24.05.2022]	-	16.82
	Mr. K.P. Gupta, CS [upto 15.07.2023]	20.43	48.3
	Smt. Iti Matta, CS [from 10.08.2023]	22.17	-
	Deputation Cost		
2.	Mr. Anurag Shukla, CFO	73.54	46.13
	Mr. B.K. Garg, CFO [upto 31.07.2022]	-	26.22

34.3 Earnings Per Share

Sr. No.	Particulars	For the year ended 31 st March 2024	For the year ended 31 st March 2023
i.	Net profit after tax attributable to Equity Shareholders (₹ in Lakhs)	132,448.57	(6,104.19)
ii.	Weighted Average no. of Equity Shares Outstanding as on reporting date	7,237,764,508	5,950,497,918
iii.	Basic and Diluted Earnings per Share in Rupees (Face value ₹10/- per share)	1.83	(0.10)

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 31.03.2024 CERTIFICATES AS PER IND AS 19

(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)	-
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:

Period	Gratuity	Earned Leaves	Sick Leaves
Number of employees	879	879	879
Total monthly salary (₹ in Lakhs)	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%	-
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) Summary of membership data at the date of valuation and statistics based thereon:

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 Lakhs)	20

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

(₹ in Lakh)

Act, 2013):

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)%]

ACTUARIAL VALUATION OF EMPLOYEE BENEFITS AS AT 31.03.2023 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	290.29	404.92	212.71

(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	141.40	211.98	160.53
Interest Cost	10.25	15.37	11.64
Current Service Cost	131.60	185.43	97.23
Benefits paid	(16.32)	(21.79)	-
Actuarial (gain)/loss	23.36	13.93	(56.69)
Present value of the obligation at the end of the period	290.29	404.92	212.71
Fair value of plan assets at end of period	-	-	-
Funded Status - Surplus/ (Deficit)	(290.29)	(404.92)	(212.71)

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

Period	Gratuity	Earned Leaves	Sick Leaves
Number of employees	838	844	844
Total monthly salary (₹ in Lakhs)	323.67	329.66	824.16
Average Past Service (Years)	1.6	1.6	1.6
Average Future Service (Years)	27.7	27.6	27.6
Average Age (Years)	32.3	32.4	32.4
Total Leave With Cap/Without Cap (No.s)	-	30268/30268	6662/6662
Total CTC for Availment/ Rate	-	824.16/ 3%	-
Weighted average duration (based on discounted cash flows) in years	21	21	-
Average monthly salary	0.39	0.39	0.98
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	7.50 % per annum
Salary Growth Rate	5.00 % per annum
Mortality	IALM 2012-14
Withdrawal rate (Per Annum)	5.00% 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 Lakhs)	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)	30.54	51.42	28.33
Non-Current Liability (Long Term)	259.75	353.50	184.37
Total Liability	290.29	404.92	212.70

(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)	290.29 @ Salary Increase Rate : 5%, and discount rate :7.25%	404.92	212.70
Liability with x% increase in Discount Rate	263.48; x=1.00% [Change (9)%]	368.44; x=1.00% [Change (9)%]	193.77; x=1.00% [Change (9)%]
Liability with x% decrease in Discount Rate	322.16; x=1.00% [Change 11%]	448.30; x=1.00% [Change 11%]	235.27; x=1.00% [Change 11%]
Liability with x% increase in Salary Growth Rate	322.65; x=1.00% [Change 11%]	448.96; x=1.00% [Change 11%]	235.62; x=1.00% [Change 11%]
Liability with x% decrease in Salary Growth Rate	262.65; x=1.00% [Change (10)%]	367.31; x=1.00% [Change (9)%]	193.19; x=1.00% [Change (9)%]
Liability with x% increase in Withdrawal Rate	297.49; x=1.00% [Change 2%]	414.73; x=1.00% [Change 2%]	217.90; x=1.00% [Change 2%]
Liability with x% decrease in Withdrawal Rate	282.05; x=1.00% [Change (3)%]	393.69; x=1.00% [Change (3)%]	206.74; x=1.00% [Change (3)%]

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:

The company has access of undrawn term loan of ₹1,25,582 Lakhs (P.Y.: ₹2,28,426 Lakhs)

The company has access to undrawn fund based working capital facility of ₹2,53,575 Lakhs (PY: ₹2,24,658.88 Lakhs) and undrawn non fund based working capital facility of ₹1551 Lakh (PY: ₹1551 Lakhs)

(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, 2024	Less than One Year	One to Five Year	More than Five Year	Total
Non-derivatives				
Creditors for capital goods/ services and others	129,890.71	-	-	129,890.71
Lease liabilities	494.18	806.60	127.39	1,428.17
Retention Money/Deposits	104,493.37	11,661.62	-	116,154.99
Borrowings	196,474.34	779,941.20	545,093.03	1,521,508.57
Total non-derivative liabilities	431,352.60	792,409.42	545,220.42	1,768,982.44



(₹ in Lakh)

March 31, 2023	Less than One Year	One to Five Year	More than Five Year	Total
Non-derivatives				
Creditors for capital goods/ services and others	269,993.49	50.83	-	270,044.32
Lease liabilities	225.35	15.00	130.40	370.75
Retention Money/Deposits	128,580.10	4,242.00	-	132,822.10
Borrowings	146,613.24	769,415.84	604,934.07	1,520,963.15
Total non-derivative liabilities	545,412.18	773,723.67	605,064.47	1,924,200.32

(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)

Particulars	As at 31 st March 2024	As at 31 st March 2023
Financial Liabilities		
- Creditors	4,794.99	25,203.23

'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 2024 by ₹47.95 Lakhs (increase/decrease the profit for year ended 31st March 2023 by ₹252.03 Lakhs)

(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, 2024 would increase/decrease by ₹760.75 Lakhs (for the year ended March 31, 2023: increase/decrease By ₹760.48 Lakhs). 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)		
Particulars	As at 31 st March 2024	As at 31 st March 2023
Net Debt	1,479,431.02	1,504,029.83
Total Equity	966,077.04	729,502.23
Net Debt to equity ratio (in times)	1.53	2.06

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, 2024, 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 2023-24, company has not breached 2 of the covenants and will be not liable for additional interest payout during the FY 2023-24.

The above parameters tested from the first full financial year of operations on the basis of audited financial statements.

Fair Value Measurements

Financial instruments by category (₹ in Lakh)				
Particulars	As at 31 st March 2024		As at 31 st March 2023	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Investments	46,953.43	-	1,606.21	-
Cash and cash equivalents	-	43,246.87	-	17,186.01
Other bank balances	-	24,270.74	-	610.83
Bank deposits with more than 12 months maturity	-	22,656.68	-	12,218.70
Security deposit	-	1,650.63	-	1,389.87
Trade receivable	-	297,362.10	-	239,984.98
Others	-	3.46	-	1.04
Total	46,953.43	389,190.48	1,606.21	271,391.43
Financial Liabilities				
Other financial liabilities	-	247,215.02	-	403,119.11
Borrowings	-	1,521,508.57	-	1,520,963.15
Total	-	1,768,723.59	-	1,924,082.26

Fair Value of financial assets and liabilities measured at amortised cost



(₹ in Lakh)

Particulars	As at 31 st March 2024		As at 31 st March 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Investments	46,953.43	46,953.43	1,606.21	1,606.21
Cash and cash equivalents	43,246.87	43,246.87	17,186.01	17,186.01
Other bank balances	24,270.74	24,270.74	610.83	610.83
Bank deposits with more than 12 months maturity	22,656.68	22,656.68	12,218.70	12,218.70
Security deposit	1,650.63	1,650.63	1,389.87	1,389.87
Trade receivable	297,362.10	297,362.10	239,984.98	239,984.98
Others	3.46	3.46	1.04	1.04
TOTAL	436,143.91	436,143.91	272,997.64	272,997.64
Financial Liabilities				
Other financials liabilities	247,215.02	247,215.02	403,119.11	403,119.11
Borrowings	1,521,508.57	1,521,508.57	1,520,963.15	1,520,963.15
Total	1,768,723.59	1,768,723.59	1,924,082.26	1,924,082.26

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)

March 31, 2024	Level 1	Level 2	Level 3	Total
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	-	-	297,362.10	297,362.10
Others	-	-	3.46	3.46
Total	46,953.43	-	389,190.48	436,143.91
Financial Liabilities				
Other financials liabilities	-	-	247,215.02	247,215.02
Borrowings	-	-	1,521,508.57	1,521,508.57
Total	-	-	1,768,723.59	1,768,723.59

(₹ in Lakh)

March 31, 2023	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments	1,606.21	-	-	1,606.21
Cash and cash equivalents	-	-	17,186.01	17,186.01
Other bank balances	-	-	610.83	610.83
Bank deposits with more than 12 months maturity	-	-	12,218.70	12,218.70
Security deposit	-	-	1,389.87	1,389.87
Trade receivable	-	-	239,984.98	239,984.98
Others	-	-	1.04	1.04
Total	1,606.21	-	271,391.43	272,997.64
Financial Liabilities				
Other financials liabilities	-	-	403,119.11	403,119.11
Borrowings	-	-	1,520,963.15	1,520,963.15
Total	-	-	1,924,082.26	1,924,082.26

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 st March 2024	As at 31 st March 2023
Amount remained unpaid (Trade Payables & Capital Goods)	-	-
a) Principal amount (Note-18)	-	-
b) Interest due thereon	1619.42	1656.67
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 revised 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	708,577	860,271	944,320	03.05.2022
Sindri	697,701	813,009	893,925	15.04.2023
Barauni	704,326	838,799	951,215	30.04.2023
Total	2,110,604	2,512,079	2,789,460	

There is no major impact on the ability of the Company as a going concern.

Commitments & Contingent Liabilities & Pending Litigations:

- a) Commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for as on 31.03.2024 is ₹ 90,968.00 Lakhs (PY ₹1,09,898 Lakhs for FY 2022-23).
- b) Contingent Liabilities: Claims against the company not acknowledged as debt ₹1,74,214.82 lakhs (PY ₹1,47,544.79 lakhs).

LSTK agencies have raised claims of ₹55164.74 lakhs for Gorakhpur, ₹45678.99 lakhs for Sindri and 46353.09 lakhs for Barauni Project, amounting to total ₹1,47,196.82 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.

Balance amount of contingent liabilities includes claims raised by the Non-LSTK agencies amounting ₹19,568.04 lakhs and demand from Government authorities amounting ₹7,449.95 lakhs.

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	Disposed off by HC-Delhi	ARB.P.-871/2022	Arbitration	1,951.14	Petition is disposed off and Arbitrator is appointed by Hon'ble High Court
M/s S.B Protech	Disposed off by HC-Delhi	O.M.P.(I) (COMM.) 249_2022	Arbitration		Petition is disposed off
M/s S.B Protech	Arbitration	Arbitration	Arbitration		Evidence to start on next date
M/s D.P.S	HC-Delhi	Arb. P. 152/2023	Arbitration	2,646.53	Arbitrator likely to hold first proper sitting next month and fix the schedule.
M/s Divyajyoti	HC-Delhi	OMP (I) (Comm.) No. 259/2022	Return of Bank guarantee	81.00	Petition disposed off. BG returned to agency.
M/s Divyajyoti		Legal notice by Agency	Arbitration	791.09	Reply had been sent to agency. Further no communication has been received from agency.

(₹ 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
Amarjeet Shahi	Lower Court	MWA/(13) /2023-E1 Dated 16.05.2023 MWA-12 /2023-E1 Dated 30.01.2024	Minimum wages act 1948	1.11	Further no communication has been received from HR Construction.
BTL EPC LTD	Notice for Arbitration		Arbitration	3,318.19	Reply of notice has been given
BTL EPC LTD	Notice for Arbitration		Arbitration	3,452.95	Reply of notice has been given
BGR Energy system Ltd vrs HURL	High Court of Delhi	40/2024,O.M.P(I) (COMM.)	BG Encashment	1,758.05	Under Hearing
M/s Nice Projects Limited	Regional Labour Commissioner	MW Claim(27) (2023)LEO/D-III	Nonpayment of minimum wages to workers	18.44	Under Communication
Total				14,018.51	

34.8 Expenditure in Foreign Currency

(₹ in Lakh)

Unit	For the year ended 31 st March 2024	For the year ended 31 st March 2023
CAPEX Expenditure (in GBP, USD, EUR and JPY)	41,123.31	16,375.22
O&M Expenditure (in GBP, USD, EUR and JPY)	2,157.70	122.10

34.9 Expenses charged to Statement of Profit and Loss

Remuneration of MD, MD secretariat, CS, CFO/Head (Finance), Head HR, Head Marketing, Expenses of Corporate Office and Marketing Activities which are not directly attributable to Projects have been charged to the Statement of Profit and Loss.

The expenses related to the Corporate office other than those charged to P&L are equally apportioned and transferred to expenditure during construction of the projects (Barauni & Sindri).

Expenditure and Income of Gorakhpur Plant has been charged to Profit & Loss account w.e.f 03.05.2022 upon declaration of Commercial Operations.

Expenditure and Income of Sindri Plant has been charged to Profit & Loss account w.e.f 15.04.2023 upon declaration of Commercial Operations.

Expenditure and Income of Barauni Plant has been charged to Profit & Loss account w.e.f 30.04.2023 upon declaration of Commercial Operations.

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

The Additional provision for ESC/CER @ 2.5% of Project Cost recognised amounting to ₹ 6,803 lakhs has been provided during the FY 2023-24 on account of revision in the project cost.

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



34.12 Trade Payables ageing schedule as at 31st March, 2024

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	1,354.17	304.85	43.80	50.83	1,753.65
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
Total	1,354.17	304.85	43.80	50.83	1,753.65

34.13 Trade Receivable ageing schedule as at 31st March, 2024

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months to 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	137.93	196.97	-	-	-	334.90
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Total	137.93	196.97	-	-	-	334.90

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 2024.
- ia) UP Government has allocated 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, take over and conveyancing of title of which is pending.
- 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) (a) Capital-Work-in Progress (CWIP) - Ageing Schedule as at 31 March 2024

(₹ 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	321.75	-	-	-	321.75
Projects temporarily suspended	-	-	-	-	-

v) (b) Capital-Work-in Progress (CWIP) - Completion schedule for projects overdue or cost overruns as compared to original plan as on 31 March 2024

(₹ 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	
	Upto 31 March 2025	1 April 2025 to 31 March 2026	1 April 2026 to 31 March 2027	Beyond 1 April 2027	
Gorakhpur	87.02	-	-	-	87.02
Sindri	234.73	-	-	-	234.73
Barauni	-	-	-	-	-

- 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 2023-24, 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, being the first year of commencement of the trading business.
- xi) CSR provision is not applicable 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 management has approved the payment for Ad-hoc advances of 15% of CTC and corresponding provision for the expenditure of pay revision has been made in the books of accounts. The approval of management for pay revision details and modalities are in process as on the date of balance sheet.
- xv) Pending annual pool rate to be notified by FICC for the FY 2023-24, the subsidy for the urea sold during the year is recognized based on monthly weighted average of delivered gas cost during the year, the subsidy eligibility as per New Investment Policy (NIP-2012). The recognized subsidy for the FY 2023-24 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 4.78 lakh MT (PY 2.84 lakh MT) through POS device to beneficiaries as on 31.03.2024, subsidy of ₹ 2,92,989.56 lakh (PY ₹ 2,21,795.67 lakh) which has accrued on sale to dealers but shall become due for payment under DBT upon sale through POS device and same has been recognized in the current period. (Note 7A & 24)

The final pool rate for the month of March 2024 has been notified by M/s GAIL and the impact of this rate on the profit and loss for the year is a net gain of ₹154.36 lakh (compared to ₹ 519.51 lakh in the previous year), which is not considered material. Therefore, it shall be accounted for in the FY 2024-25 along with the impact of the annual gas pool rate. This approach is in line with the accounting policy of the company (Note 2.3).

- xviii) 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. As per the modalities agreed by the promoters, the value of shares to be allotted is to be determined based on the actual expenditure incurred on the respective plants, on the Commercial Operation date, which shall not be lower than the price of the shares, as determined by a registered valuer. Accordingly, the Company has appointed valuers for all three plants for the valuation of land and price of equity shares to be allotted in lieu thereof. Share allotment to FCIL and HFCL will be done upon submission of their valuation report, as per aforesaid methodology.
- xix) Approval for disinvestment of NTPC, CIL & IOCL stake in HURL has been approved by their Board and same has been accorded by Ministry of Power & Ministry of Coal and Ministry of Petroleum and Natural Gas MoPNG.
- xx) 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.
- xxi) The company has no cases of any charges or satisfaction yet to be registered with ROC beyond the statutory time limits.
- xxii) 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.

xxiii) Disclosure of Ratios

Ratio	Numerator	Denominator	FY 2023-24	FY 2022-23	% Variance	Reason for Variance
Current ratio	Current Assets	Current Liabilities	1.07	0.55	93.79	Improvement in Working capital due to efficient utilization of current assets and current liabilities during the F.Y. 2023-24.
Debt-equity ratio	Paid-up debt capital (Long term borrowings+Short term borrowings)	Shareholder's Equity (Total Equity)	1.57	2.08	-24.46	The Ratio indicates the proportion of debt fund in relation to equity. The ratio has been reduced due to capital infusion by the promoters.
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	1.26	0.38	227.56	Improvement in Profitability has increased DSCR

Ratio	Numerator	Denominator	FY 2023-24	FY 2022-23	% Variance	Reason for Variance
Return on equity ratio	Profit for the year	Average Shareholder's Equity	18.30%	-1.03%	1883.88	Improvement in Profitability causes better ratio for Return on Equity Ratio
Inventory turnover ratio	Revenue from operations	Average Inventory	50.34	36.57	37.66	Inventory Turnover Ratio mainly due to inventory maintained in current FY 2023-24.
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	5.54	1.83	202.29	Trade Receivables Turnover Ratio has increased due to increase in sale value.
Trade payables turnover ratio	Total Purchases (Fuel Cost + Other Expenses+Closing Inventory-Opening Inventory)	Average Trade Payables	7.31	3.49	109.40	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	8.35	-3.50	338.68	Net Capital Turnover Ratio due to increase in sales value.
Net profit ratio	Profit for the year	Revenue from operations	8.89	-1.39	741.14	Net Profit Ratio of current year is higher due to higher production and sale of urea.
Return on capital employed	Earning before interest and taxes	Capital Employed(i)	13.32%	1.35%	888.88	Improved because improvement in EBIT
Return on investment Investments in subsidiary and joint venture companies			NA	NA	NA	Company has no JV or Subsidiary where funds are invested
Return on investment Investments in others			NA	NA	NA	Company has only temporary parking of funds as investment in mutual funds

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

xxiv) 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.

As per our report annexed
For **Surendra Subhash & Co.**
Chartered Accountants
FR No. 03173N
Sd/-
CA Surendra Kumar Jain
Partner
Membership No. 082170

Date : 17.05.2024
Place : New Delhi

Sd/-
Debasish Nanda
Chairman
DIN-09015566
Sd/-
S.P. Mohanty
Managing Director
DIN-05336787

Sd/-
Dhulipala Padma
Vice Chairperson
DIN-09565836
Sd/-
Iti Matta
Company Secretary

For and on behalf of the Board of Directors

Sd/-
Masood Akhtar Ansari
Director
DIN-10429528
Sd/-
Anurag Shukla
Chief Financial Officer



महा निदेशक लेखा परीक्षा
(कृषि, खाद्य एवं जल संसाधन), नई दिल्ली
Director General of Audit
(Agriculture, Food & Water Resources), New Delhi
गोपनीय



रिपोर्ट/2-253/डी.जी.ए./सी.ई./(ए.एफ.&डब्ल्यू.आर)/A/cs/HURL/2024-25/ 3094

दिनांक :- 13/09/2024 .

सेवा में,

प्रबन्ध निदेशक,

हिन्दुस्तान उर्वरक एवं रसायन लिमिटेड,

कोर -4, 9वीं मंजिल, स्कोप मीनार,

लक्ष्मी नगर जिला केंद्र,

दिल्ली-110092.

विषय: भारत के नियन्त्रक एवं महालेखापरीक्षक द्वारा कम्पनी अधिनियम 2013 के अनुच्छेद 143(6)(b) के अंतर्गत हिन्दुस्तान उर्वरक एवं रसायन लिमिटेड के 31 मार्च 2024 को समाप्त वर्ष के वित्तीय खातों पर टिप्पणियाँ ।


महोदय,

इस पत्र के साथ कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत हिन्दुस्तान उर्वरक एवं रसायन लिमिटेड के 31 मार्च 2024 को समाप्त वर्ष के वित्तीय खातों पर टिप्पणियाँ भेजी जा रही हैं।

कृपया इस पत्र की पावती भेजने की कृपा करें।

संलग्न: यथोपरी

भवदीय,


(संदीप लाल)

महानिदेशक लेखापरीक्षा, केन्द्रीय व्यय (कृषि, खाद्य एवं जल संसाधन)

**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 (HURL) FOR THE YEAR ENDED 31 MARCH 2024**

The preparation of financial statements of **HINDUSTAN URVARAK & RASAYAN LIMITED** for the year ended 31 March 2024 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 17 May 2024.

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 2024 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 Financial Position

A.1 Current Liabilities

Provisions (Note 20): ₹ 30.13 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. This has resulted in understatement of Provisions with consequent overstatement of profit for the year by ₹ 71.64 crore.

Contingent liability is also overstated on this account.

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

Place: New Delhi

Date: 13.09.2024

20
13/09/2024

(Sandeep Lall)

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



HURL EVENTS



7th AGM OF HURL HELD AT NTPC OFFICE, NEW DELHI



HURL Annual Day Celebrations on 15.06.2024



HURL Women's Day celebration on 08.03.2024



HURL Holi Celebration in March, 2024



HINDUSTAN URVARAK & RASAYAN LIMITED
Annual Report 2023-24



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