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INDEPENDENT AUDITOR'S REPORT

To,
The Members of Zuari Farmhub Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Zuari Farmhub Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss and 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its profit and its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) as 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report but does 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.



Branches

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such 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.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but



is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), 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 'A'", a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
- 2 As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement and Statement of Changes in Equity dealt with by this Report, are in agreement with the books of account.



- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 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 'B'" to this report.
- (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, as amended in our opinion and to the best of our information and according to the explanations given to me/us:
- i. The Company does not have any pending litigations which would impact its financial position except the ones disclosed in clause 3(vii)(b) of CARO in annexure A.
 - ii. The Company did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a) The management has represented that, to the best of its knowledge and belief, 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 or entity, 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;

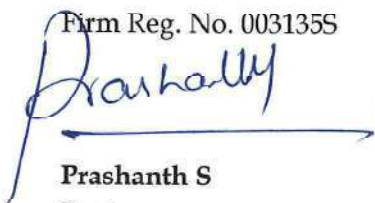


- b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly 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;
- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the company.
- vi. The company has used an accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with. The audit trail has been preserved by the Company as per the statutory requirements for record retention.

For K. P. Rao & Co.

Chartered Accountants

Firm Reg. No. 003135S



Prashanth S

Partner

Membership No. 228407



UDIN: 25228407BMOJLP6195

Place: Bangalore

Date: 06-05-2025

Annexure 'A' TO THE INDEPENDENT AUDITOR'S REPORT

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

Re: Zuari Farmhub Limited (the "Company")

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

- (i) 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. The Property, Plant and Equipment have been physically verified by the management at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and based on the examination of records of the company and the registered sale deeds / transfer deeds / conveyance deeds provided to us, We report that the title deeds of all the immovable properties, comprising of land and building, are in the name of the company as at the Balance Sheet date.
- d. The Company has not revalued any of its Property, Plant and Equipment and Right of Use assets or intangible assets during the year.
- e. Based on the information and explanation furnished to us, no proceedings have been initiated on the Company under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and Rules made there under.
- (ii) a. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and in our opinion, the coverage and procedure of such verification is appropriate. Based on the information and explanation furnished to us, no material discrepancies in excess of 10% or more in the aggregate for each class of inventory were noticed on physical verification.
- b. During the year, the company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks are in agreement with the books of account.
- (iii) During the year the Company has not made investments in, provided loans, advances in the nature of loans, stood guarantee or provided security to Companies, Firms, Limited Liability Partnerships or any other parties. Hence, the requirement to report under clause 3(iii) of the Order is not applicable to the Company.



- (iv) In our opinion and according to the information and explanations given to us, the company has not granted any loans or provided any guarantees or given any security or made any investments to which the provision of Sections 185 and 186 of the Companies Act, 2013 attract. Hence, clause 3(iv) of the order is not applicable.
- (v) The Company has not accepted any deposit, within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) during the year. Hence, the reporting under clause 3(v) of the order is not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 and We are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) a. According to the information and explanations given to us and according to the books and records as produced and examined by us, in respect of statutory dues, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods & Service Tax, Cess and other material statutory dues as applicable with the appropriate authorities. As at last day of financial year, there were no amounts payable in respect of the aforesaid statutory dues outstanding for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us and as per our verification of the records of the company, there are disputed amounts of tax/duty that have not been deposited with appropriate authorities as at 31st March 2025.

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act	Income Tax	14,61,520	AY 2023-24	CIT Appeals
Income Tax Act	Income Tax	96,30,830	AY 2022-23	CIT Appeals

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the company, during the year no tax assessments under the Income-tax Act, 1961 (43 of 1961) have been made.
- (ix) a. According to the books and records of the Company examined by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.



- b. According to the information and explanation given to us and on the basis of our audit procedure, We report that the company has not been declared willful defaulter by any bank or financial institution or other lenders.
 - c. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
 - d. On an overall examination of the financial statements of the company, We report that no funds raised on short-term basis have been used for long-term purposes by the Company.
 - e. 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, associates or joint ventures. Hence, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
 - f. On an overall examination of the financial statements of the company, We report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) a. The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments). Hence, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- b. According to the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares / fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) a. To the best of our knowledge and according to the information and explanations given to us and on the basis of examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, no fraud by the Company or on the Company was noticed or reported during the year.
- b. According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act 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 including the representation made to us by the management of the Company, no whistle-blower complaints were received by the Company during the year and hence, reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- (xii) a. The Company is not a Nidhi company and hence, reporting under clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.



- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details thereof have been disclosed in the financial statements, as required by the applicable Accounting Standards.
- (xiv) a. In our opinion and based on our examination, the company has an internal audit system which is commensurate with the size and nature of its business.
b. We have considered the reports of Internal Auditor of the company issued for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, during the year, Company has not entered into any non-cash transactions with its directors or persons connected with him and accordingly, the reporting under clause 3(xv) of the Order is not applicable to the Company.
- (xvi) a. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
b. In our Opinion and based on our examination, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
c. In our opinion and based on our examination, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
d. According to the information and explanations given by the management, the Group does not have not more than one CIC as part of the Group. Accordingly, the reporting under Clause 3(xvi)(d) is not applicable to the Company.
- (xvii) Based on our examination of books of accounts, the Company has not incurred any cash loss in the current as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year.
- (xix) 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 plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and We neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.



- (xx) a. According to the information and explanations given to us, in respect of other than ongoing projects, The company has spent CSR amount during the financial year and it doesn't have any unspent amount to be deposited in separate account at the year end.
- b. According to the information and explanations given to us, in respect of ongoing projects, The company doesn't have any ongoing projects and there is no unspent amount to be deposited in separate account at the year end.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **K. P. Rao & Co**
Chartered Accountants
Firm reg. No. 003135S

Prashanth S



Prashanth S

Partner

Membership Number: 228407

UDIN: 25228407BMOJLP6195

Place: Bangalore

Date: 06-05-2025

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

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 the Company as at 31st March 2025 in conjunction with our audit of the Balance Sheet as at 31st March 2025, the statement of profit and loss annexed for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing (the Standards'), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 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. This includes those policies and procedures that:

- i. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- ii. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and
- iii. 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 financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

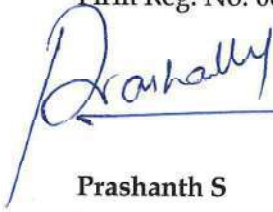
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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 maintained, 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 31st March 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. However, the existing policies, systems, procedures and internal controls followed by the Company have to be completely and appropriately documented.

For **K. P. Rao & Co.**
Chartered Accountants
Firm Reg. No. 003135S





Prashanth S
Partner
Membership No. 228407

UDIN: 25228407BMOJLP6195

Place: Bangalore
Date: 06-05-2025

Zuari Farmhub Limited
Balance Sheet as at 31 March 2025
(Amount in Indian Rupees Lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2025	As at 31 March 2024
I ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	5,683.44	5,876.77
(b) Right-of-use assets	3	6,898.47	7,691.42
(c) Goodwill	4	1,533.53	1,533.53
(d) Other intangible assets	4	765.47	21.07
(e) Intangible assets under development	4	269.12	990.33
(f) Financial assets			
(i) Other financial assets	5	621.67	626.92
(g) Deferred tax asset (net)	18	622.74	850.78
(h) Non-current tax assets (net)		132.05	-
(i) Other non-current assets	6	155.57	155.57
Sub Total (A)		16,682.07	17,746.39
(2) Current assets			
(a) Inventories	7	18,208.99	12,493.01
(b) Financial assets			
(i) Trade receivables	8	7,920.24	5,352.77
(ii) Cash and cash equivalents	9	1,955.59	3,332.64
(iii) Bank balances other than (ii) above	10	3,732.68	-
(iv) Other financial assets	5	244.65	-
(c) Current tax asset (net)	18	-	186.54
(d) Other current assets	6	2,573.17	920.07
Sub Total (B)		34,635.32	22,285.03
Total assets (A+B)		51,317.39	40,031.42
II EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	11	8,660.26	8,660.26
(b) Other equity	12	3,716.65	997.19
Sub Total (C)		12,376.91	9,657.45
LIABILITIES			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	148.79	165.71
(ii) Lease liabilities	39	7,313.48	7,965.36
(b) Other non-current liabilities	16	-	17.06
(c) Provisions	17	512.01	885.45
Sub Total (D)		7,974.28	9,033.58
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	6,555.69	2,055.84
(ii) Lease liabilities	39	1,037.63	1,042.22
(iii) Trade payables	14	-	463.95
a) total outstanding dues to micro enterprise and small enterprises and		-	463.95
b) total outstanding dues to Creditors other than micro enterprises and small enterprises		13,935.64	12,345.65
(iv) Other financial liabilities	15	2,373.33	1,610.98
(b) Other current liabilities	16	6,995.56	3,204.64
(c) Provisions	17	68.35	617.11
Sub Total (E)		30,966.20	21,340.39
Total Equity and Liabilities (C+D+E)		51,317.39	40,031.42

Summary of material accounting policies
The accompanying notes form an integral part of the financial statements

1 and 2

In terms of our report of even date attached

For K P Rao & Co.

Chartered Accountants

ICAI Firm registration number : 003135S

Prashanth.S

Partner

Membership Number : 228407



*For and on behalf of the Board of Directors of
Zuari Farmhub Limited*

CIN: U52202GA2019PLC014150

Madan Mohan Pandey

Managing Director

DIN: 08676640

Akshay Poddar

Chairman

DIN: 00008686

Prasanna H K

Chief Financial Officer

Ranjith Kumara Shetty

Company Secretary



Place: Bengaluru
Date: 6 May 2025

Zuari Farmhub Limited
Statement of Profit and Loss for the year ended 31 March 2025
(Amount in Indian Rupees Lakhs, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2025	For the year ended 31 March 2024
I INCOME			
Revenue from operations	19	1,10,735.83	78,167.61
Other Income	20	283.18	372.05
Total Income (I)		1,11,019.01	78,539.66
II EXPENSES			
Cost of Material Consumed	21	2,203.46	9,163.23
Purchases of stock-in-trade	22	92,670.72	55,629.10
Changes in inventories of finished goods, stock-in-trade and work in progress	23	(6,354.16)	(508.71)
Employee Benefits Expense	24	6,179.71	5,998.17
Finance Costs	25	1,349.73	1,251.33
Depreciation and amortization expense	26	1,937.10	1,713.15
Other Expenses	27	9,565.01	7,115.33
Total expenses (II)		1,07,551.57	80,361.60
III Profit/(loss) before tax (I-II)		3,467.44	-1,821.95
IV Tax expense:	18		
(a) Current Tax		606.37	-
(b) Taxes in respect of earlier years		-	33.30
(c) Deferred Tax Expense/ (Credit)		246.41	(656.60)
Total Tax expense		852.78	(623.30)
V Profit/(loss) for the period (III+IV)		2,614.66	(1,198.64)
VI Other comprehensive income/ (loss) (net of tax)			
(A) (i) Items that will not be reclassified to profit or loss in subsequent periods			
Re-measurement gains/ (losses) on defined benefit plans		(72.98)	(25.85)
(ii) Income tax effect		18.37	6.51
Other comprehensive income for the period		(54.61)	(19.34)
VII Total comprehensive income for the year		2,560.05	(1,217.98)
VIII Earning per equity share (in INR)			
(1) Basic	28	3.02	(1.38)
(2) Diluted	28	3.02	-

Summary of material accounting policies

1 & 2

The accompanying notes form an integral part of the financial statements

In terms of our report of even date attached

For K P Rao & Co.
 Chartered Accountants

ICAI Firm registration number : 003135S

Prashanth.S
 Partner

Membership Number : 228407



For and on behalf of the Board of Directors of

Zuari Farmhub Limited

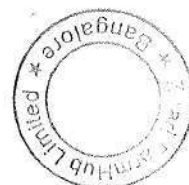
CIN: U52202GA2019PLC014150

Madan Mohan Pandey
 Managing Director
 DIN: 08676640

Akshay Poddar
 Chairman
 DIN: 00008686

Prasanna H K
 Chief Financial Officer

Ranjith Kumara Shetty
 Company Secretary

 Place: Bengaluru
 Date: 6 May 2025


Zuari Farmhub Limited

Statement of Changes In Equity for the year ended 31 March 2025

(Amount in Indian Rupees Lakhs, unless otherwise stated)

A - Equity Share Capital

Particulars	For the year ended 31 March 2025		For the year ended 31 March 2024	
	Number	Amount	Number	Amount
Balance as at beginning of the year	8,66,02,600	8,660.26	8,66,02,600	8,660.26
Changes in equity share capital during the year	-	-	-	-
Balance as at end of the year	8,66,02,600	8,660.26	8,66,02,600	8,660.26

B - Other Equity

Particulars	Reserves and Surplus		Items of other comprehensive income/ (loss)	Total
	Retained Earnings	Shares Options Outstanding Reserve	Remeasurement of defined benefit plans (net of tax).	
For the year ended 31 March 2025				
Balance as at beginning of the year	730.67	266.52	-	997.19
Profit/(loss) for the year	2,614.66	-	-	2,614.66
Remeasurement gain / (loss) on defined benefit plan (net of tax)	(54.61)	-	-	(54.61)
Other comprehensive income/(loss) for the year	-	-	-	-
Share based payments	-	159.41	-	159.41
Balance as at end of the year	3,290.72	425.93	-	3,716.65
For the year ended 31 March 2024				
Balance as at beginning of the year	1,934.24	-	14.41	1,948.65
Profit/(loss) for the year	(1,198.64)	-	-	(1,198.64)
Other comprehensive income/(loss) for the year	-	-	(19.34)	(19.34)
Share based payments	-	266.52	-	266.52
Balance as at end of the year	735.60	266.52	(4.93)	997.19

The accompanying notes form an integral part of the financial statements

For KP Rao & Co.

Chartered Accountants

ICAI Firm registration number : 003135S

Prashanth.S

Partner

Membership Number : 228409



Place: Bengaluru.

Date: 6 May 2025

For and on behalf of the Board of Directors of

Zuari Farmhub Limited

CIN: U52202GA2019PLC014150

Madan Mohan Pandey

Managing Director

DIN: 08676640

Prasanna H K

Chief Financial Officer

Akshay Poddar

Chairman

DIN: 00008686

Ranjith Kumara Shetty

Company Secretary



Statement of cash flows for the year ended 31 March 2025
(Amount in Indian Rupees Lakhs, unless otherwise stated)

A Cash flow from operating activities:

Profit before tax

Adjustments to reconcile loss before tax to net cash flows:

Depreciation of property, plant and equipment

Assets Written Off

FV measurement of Mutual Fund

(Gain)/Loss on termination on Leases

Interest on Fixed Deposit

Incentive under packing scheme incentive

ESOP Expenses

Interest expenses

Operating profit/ (loss) before working capital adjustments**Working capital adjustments :**

Decrease in provisions

Increase/ (decrease) in trade payables and other liabilities

Increase/ (decrease) in provisions

(Increase)/ decrease in trade receivables

(Increase)/ decrease in inventories

(Increase)/ decrease in other assets and financial assets

(Increase)/ decrease in loans and advances

Total**Cash Generated From Operations**

Less : Income tax paid (net of refunds)

Net cash flow from Operating Activities (A)**B Cash flow from investing activities:**

Acquisition of property, plant and equipment, including intangible assets, capital work in progress and capital advances

Interest received

Proceeds from sale of mutual fund

Net cash flow from/ (used in) investing activities (B)**C Cash flow from financing activities:**

Proceeds from short term borrowings

(Repayment to)/ proceeds from non-current borrowings

Payments made for lease obligation

Finance cost paid

Net cash flow (used in) financing activities (C)**D Net increase/ (decrease) in cash and cash equivalents (A + B + C)**

Cash and cash equivalents at the beginning of the year

Cash and cash equivalents at the year end**Particulars****Balances with banks**

- On current accounts

- On Bank Deposit

Cash and cash equivalents

	For the year ended 31 March 2025	For the year ended 31 March 2024
Profit before tax	3,467.44	(1,821.95)
Depreciation of property, plant and equipment	1,937.10	1,713.15
Assets Written Off	2.03	9.05
FV measurement of Mutual Fund	-	(0.93)
(Gain)/Loss on termination on Leases	(100.51)	(162.07)
Interest on Fixed Deposit	(158.65)	(90.29)
Incentive under packing scheme incentive	(17.06)	(17.06)
ESOP Expenses	159.40	266.52
Interest expenses	1,349.73	1,251.33
Operating profit/ (loss) before working capital adjustments	6,639.48	1,147.76
Working capital adjustments :		
Decrease in provisions		
Increase/ (decrease) in trade payables and other liabilities	5,679.31	(2,710.16)
Increase/ (decrease) in provisions	(995.18)	153.96
(Increase)/ decrease in trade receivables	(2,567.47)	1,099.99
(Increase)/ decrease in inventories	(5,715.98)	215.90
(Increase)/ decrease in other assets and financial assets	(1,653.10)	(52.13)
(Increase)/ decrease in loans and advances	(239.40)	(17.43)
Total	(5,491.83)	(1,309.87)
Cash Generated From Operations	1,147.65	(162.11)
Less : Income tax paid (net of refunds)	(551.88)	(322.56)
Net cash flow from Operating Activities (A)	595.77	(484.67)
B Cash flow from investing activities:		
Acquisition of property, plant and equipment, including intangible assets, capital work in progress and capital advances	(470.72)	(1,338.77)
Interest received	158.65	90.29
Proceeds from sale of mutual fund	-	12.04
Net cash flow from/ (used in) investing activities (B)	(312.07)	(1,236.44)
C Cash flow from financing activities:		
Proceeds from short term borrowings	4,500.00	2,000.00
(Repayment to)/ proceeds from non-current borrowings	(17.07)	180.37
Payments made for lease obligation	(1,890.20)	(1,767.49)
Finance cost paid	(520.81)	(377.55)
Net cash flow (used in) financing activities (C)	2,071.92	35.33
D Net increase/ (decrease) in cash and cash equivalents (A + B + C)	2,355.62	(1,685.78)
Cash and cash equivalents at the beginning of the year	3,332.64	5,018.43
Cash and cash equivalents at the year end	5,688.27	3,332.64
Particulars	As at 31 March 2025	As at 31 March 2024
Balances with banks		
- On current accounts	1,955.59	1,480.10
- On Bank Deposit	3,732.68	1,852.54
Cash and cash equivalents	5,688.27	3,332.64

In terms of our report of even date attached

For K P Rao & Co.

Chartered Accountants

ICAI Firm registration number : 003135S

Prashanth.S

Partner

Membership Number : 228407



Place: Bengaluru

Date: 6 May 2025

For and on behalf of the Board of Directors of

Zuari Farmhub Limited

CIN: US2202GA2019PLC014150

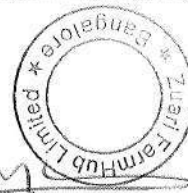
Madan Mohan Pandey

Managing Director

DIN: 08676640

Prasanna H K

Chief Financial Officer



Akshay Poddar

Chairman

DIN: 00008686

Ranjith Kumara Shetty
Company Secretary

Notes to financial statements for the year ended 31 March 2025

(Amount in Indian Rupees Lakhs, unless otherwise stated)

1 CORPORATE INFORMATION

The Company is a closely held public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at Jai Kisaan Bhawan, Zuarinagar, Goa 403726. The Company is in the business of manufacturing, trading and marketing of chemical fertilizers, water soluble fertilizers, seeds, pesticides and allied services.

These financial statements were approved for issue in accordance with a resolution of the Board of Directors of the Company in their meeting held on 6 May 2025.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.01 Basis of Preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

The financial statements have been prepared on historical cost basis, except for the following assets and liabilities, which have been measured at fair value-

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments), and
- Defined benefit plans – plan assets measured at fair value.

The financial statements of the Company are presented in Indian Rupee (INR) and all values are rounded to the nearest lakhs (INR 100,000), except when otherwise indicated.

2.02 Basis of classification of Current and Non-current

Assets and Liabilities in the balance sheet have been classified as either current or non-current based upon the requirements of Schedule III notified under the Companies Act, 2013.

An asset has been classified as current if

- a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle; or
- b) it is held primarily for the purpose of being traded; or
- c) it is expected to be realized within twelve months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets have been classified as non-current.

A liability has been classified as current when

- a) it is expected to be settled in the Company's normal operating cycle; or
- b) it is held primarily for the purpose of being traded; or
- c) it is due to be settled within twelve months after the reporting date; or
- d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities have been classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The Company has identified twelve months as its operating cycle.

2.03 Foreign Currency Translation

a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is Company's functional and presentation currency.

b) Initial recognition

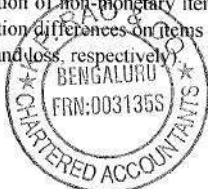
Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition.

c) Conversion

Foreign currency monetary items are translated using the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost denominated in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value denominated in a foreign currency are, translated using the exchange rates that existed when the fair value was determined.

d) Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss. 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 other comprehensive income (OCI) or profit and loss are also recognised in OCI or profit and loss, respectively).



Notes to financial statements for the year ended 31 March 2025

(Amount in Indian Rupees Lakhs, unless otherwise stated)

2.04 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability
- The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for sale in discontinued operation.

External valuers are involved for valuation of significant assets, and significant liabilities, if any.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

2.05 Property, Plant and Equipment (PPE)

PPE are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, including import duties and non-refundable purchase taxes, borrowing costs if recognition criteria are met and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase.

Subsequent expenditure related to an item of PPE is added to its book value only if it increases the future benefits from the existing PPE beyond its previously assessed standard of performance. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Items of stores and spares that meet the definition of PPE are capitalized at cost. Otherwise, such items are classified as inventories. Advances paid towards the acquisition of fixed assets, outstanding at each balance sheet date are shown under capital advances. The cost of the fixed asset not ready for its intended use on such date is disclosed under capital work-in-progress.

Gains or losses arising from de-recognition of the assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.



Notes to financial statements for the year ended 31 March 2025

(Amount in Indian Rupees Lakhs, unless otherwise stated)

2.06 Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is based on the useful life specified in schedule II of Companies Act 2013. For this purpose, a major portion of the plant has been considered as continuous process plant. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of principal asset. The Company has used the following rates to provide depreciation on its property, plant and equipment which are equal to the rates specified in Schedule II to Companies Act, 2013.

	Useful lives estimated by the management (years)
Factory buildings	30 years
Other buildings (RCC structures)	60 years
Other buildings (other than RCC structures)	30 years
Plant and equipment (Continuous process plant)	25 years
Plant and equipment (Others)	15 years
Furniture and fixtures	10 years
Roads and Culverts	3, 5 and 10 years
Office equipment	3 to 5 years
Vehicles	8 years

The management has estimated, supported by independent assessment by professionals, the useful lives of the following classes of assets:

- The useful lives of components of certain plant and equipment are estimated as 5 to 20 years. These lives are lower than those indicated in Schedule II.
- Insurance/ capital/ critical stores and spares are depreciated over the remaining useful life of related plant and equipment or useful life of insurance/capital/ critical spares, whichever is lower.
- Property, plant and equipment whose value is less than INR 5,000/- are depreciated fully in the year of purchase.

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

2.07 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets with finite lives are amortised on a straight line basis over the estimated useful economic life.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. 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 In. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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 recognized in the statement of profit and loss when the asset is derecognized.

Software

Management of the Company assessed the useful life of software as finite and cost of software is amortized over their estimated useful life of three years on straight-line basis.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

All expenses incurred on research and development activities are expensed as incurred by the Company since these do not meet the recognition criteria as listed above.

Goodwill (pursuant to the scheme of amalgamation).

Goodwill, which arose pursuant to the scheme of amalgamation of Zuari Speciality Fertilisers Limited (ZSFL) with the Zuari Agro Chemicals Limited (Holding Company), has got merged with the Zuari Agro Chemicals Limited (Holding Company).

Further, as per Business Transfer Agreement (BTA) executed on 31 March 2020 between the Company and Zuari Agro Chemicals Limited (ZACL), Speciality business has been purchased under slump sale arrangement from ZACL and Goodwill is part of such transfer.



Notes to financial statements for the year ended 31 March 2025

(Amount in Indian Rupees Lakhs, unless otherwise stated)

2.08 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount 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. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available, and if no such transactions can be identified an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's CGU's to which the individual assets are allocated. These budgets and forecast calculations are generally cover a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill are not reversed in future periods.

2.09 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the period of the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

Lease liabilities

a) At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments

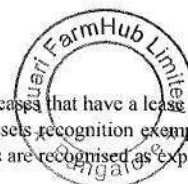
that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

b) Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in Interest-bearing loans and borrowings.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.



Notes to financial statements for the year ended 31 March 2025

(Amount in Indian Rupees Lakhs, unless otherwise stated)

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.10 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.

a) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. 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.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised 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.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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.

For recognition of impairment loss on other financial assets and risk exposure, the Company categorizes them into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When financial assets are first recognized, the Company recognizes an allowance based on 12 months ECLs. Stage 1 financial assets also include facilities where the credit risk has improved and the financial assets has been reclassified from Stage 2.

Stage 2: When a financial assets has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the financial assets has been reclassified from Stage 3.

Stage 3: Financial assets considered credit-impaired. The Company records an allowance for the LTECLs.

b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives. 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. The Company's financial liabilities include trade and other payables, loans and borrowings including derivative financial instruments.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss (FVTPL) 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.

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

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR 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 EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.



Notes to financial statements for the year ended 31 March 2025

(Amount in Indian Rupees Lakhs, unless otherwise stated)

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 in the respective carrying amounts is recognised in the statement of profit or loss.

c) Offsetting 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.

2.11 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.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits.

2.12 Inventories

Inventories are valued at the lower of Cost and Net Realisable Value.

The Cost is determined as follows:

a) Raw materials and Store and Spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Moving weighted average method.

b) Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on Moving weighted average method.

c) Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Moving weighted average method.

Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost includes the necessary cost incurred in bringing inventory to its present location and condition necessary for use.

Net Realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.13 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Borrowing costs include interest and amortization of ancillary costs incurred in connection with the arrangement of borrowing. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.14 Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services 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 or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in paragraph 2.

Sale of goods

Revenue from sale of product is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the product. The normal credit term is 15 to 120 days upon delivery.

In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, and consideration payable to the customer (if any).

a. Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability. A right of return asset and corresponding adjustment to change in inventory is also recognised for the right to recover products from a customer.



Notes to financial statements for the year ended 31 March 2025

(Amount in Indian Rupees Lakhs, unless otherwise stated)

Volume rebates

The Company provides volume rebates to certain customers once the quantity of goods purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single- volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

b. Significant financing component

Occasionally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs 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). Refer to accounting policies of financial assets in paragraph xii) Financial instruments – initial recognition and subsequent measurement.

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 are recognised as revenue when the Company performs under the contract.

Assets and liabilities arising from rights of return assets

Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

As per Ind AS 115 and the Educational Material of Ind AS 115, sales tax/ VAT is not received by the entity on its own account, it is tax collected on value added to the commodity by the seller on behalf of the Government, therefore, it is excluded from revenue. From 1 July 2017, the GST regime has been introduced, revenue is being recognised net of GST.

Insurance claims

Insurance claims and receivable on account of interest from dealers on delayed payment are accounted for to the extent the Company is reasonably certain of their ultimate collection.

Interest income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

2.15 Retirement and other employee benefits

a. Provident Fund

Retirement benefits in the form of Provident Fund is defined benefit obligation and is provided on the basis of actuarial valuation of projected unit credit method made at the end of each financial year. The difference between the actuarial valuation of the provident fund of employees at the year end and the balance of own managed fund is provided for as liability in the books in terms of the provisions under Employee Provident Fund and Miscellaneous Provisions Act, 1952. Any excess of plan assets over projected benefit obligation is ignored as such surplus is distributed to the beneficiaries of the trust.



Notes to financial statements for the year ended 31 March 2025

(Amount in Indian Rupees Lakhs, unless otherwise stated)

b. Gratuity

Retirement benefit in the form of gratuity is defined benefit obligation and is provided on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

The Company has taken insurance policy under the Group Gratuity Scheme with the Life Insurance Corporation of India (LIC) to cover the gratuity liability of the employees.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and such re-measurement gain / (loss) are not reclassified to the statement of profit and loss in the subsequent periods. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

c. Leave Encashment

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. Re measurement, comprising of actuarial gains and losses, are recognised in the period in which they occur, directly in statement of profit and loss.

The Company treats accumulated leave expected to be carried forward beyond twelve months as long term employee benefit for measurement purpose. Such long term compensated absences are provided for based on actuarial valuation using the projected unit credit method at the year end. The Company presents the leave as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

d. Pension Fund

Retirement benefit in the form of family pension fund and National Pension Scheme are defined contribution scheme. The Company has no obligation, other than the contribution payable to the pension fund. The Company recognizes contribution payable to the pension fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expense in the statement of profit and loss.

e. Voluntary Retirement Scheme

Compensation to employees under the voluntary retirement scheme of the Company is computed on the basis of number of employees exercising the retirement option under the scheme.

f. Short term employee benefits

All employee benefits payable/ available within twelve months of rendering of service are classified as short term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the statement of profit and loss in the period in which the employee renders the related service.

2.16 Taxes

Current Income Tax and Deferred Tax

Tax expense comprises current income tax and deferred tax. Current income-tax expense is measured at the amount expected to be paid to the taxation authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.



Notes to financial statements for the year ended 31 March 2025

(Amount in Indian Rupees Lakhs, unless otherwise stated)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow 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 year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. 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.

Goods and Service Tax (GST) / Sales/value added taxes paid on acquisition of assets or on incurring expenses

When GST amount incurred on purchase of assets or services is not recoverable from the taxation authority, the GST paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable. Otherwise, expenses and assets are recognized net of the amount of GST paid. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.17 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders of the Company by the weighted average number of the equity shares outstanding during the year.

For calculating diluted earnings per share, net profit or loss for the year attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares.

2.18 Government grants and subsidies

Grants from the government are recognized when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

When the grant relates to an expenses item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Where the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

2.19 Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.20 Segment Reporting Policies

Operating segments are reported in a manner consistent with the internal reporting provided to the Management. Management review the performance of the Company according to the nature of products manufactured, traded and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the locations of customers. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting financial statements of the Company as a business segments.

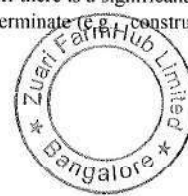
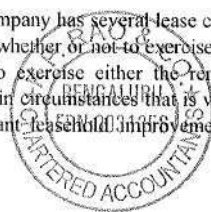
2.21 Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Determining the lease term of contracts with renewal and termination options- Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g. construction of significant leasehold improvements or significant customisation to the leased asset).



Notes to financial statements for the year ended 31 March 2025

(Amount in Indian Rupees Lakhs, unless otherwise stated)

b) Defined benefit plans

The cost of the defined benefit gratuity plan, post-employment medical benefits and other defined benefit plans and the present value of the obligation of defined benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for defined benefit plans, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on the expected future inflation rates.

c) 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 ever 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.

d) Useful life of Property, plant and equipment

The management estimates the useful life and residual value of property, plant and equipment based on technical evaluation. These assumptions are reviewed at each reporting date.

e) Impairment of non-financial assets

Impairment exists when 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 fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow (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 goodwill recognised by the Company.

f) Revenue from contracts with customers

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determining method to estimate variable consideration and assessing the constraint

Certain contracts for the sale of goods include a right of return and volume rebates that give rise to variable consideration. In estimating the variable consideration, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Company determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of goods with rights of return, given the large number of customer contracts that have similar characteristics. In estimating the variable consideration for the sale of goods with volume rebates, the Company determined that using a combination of the most likely amount method and expected value method is appropriate. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract. The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold.

Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Estimating variable consideration for returns and volume rebates

The Company estimates variable considerations to be included in the transaction price for the sale of goods with rights of return and volume rebates.

The Company developed a statistical model for forecasting sales returns. The model used the historical return data of each product to come up with expected return percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages estimated by the Company.

The Company's expected volume rebates are analysed on a per customer basis for contracts that are subject to a single volume threshold. Determining whether a customer will be likely entitled to rebate will depend on the customer's historical rebates entitlement and accumulated purchases to date.

The Company applied a statistical model for estimating expected volume rebates for contracts with more than one volume threshold. The model uses the historical purchasing patterns and rebates entitlement of customers to determine the expected rebate percentages and the expected value of the variable consideration. Any significant changes in experience as compared to historical purchasing patterns and rebate entitlements of customers will impact the expected rebate percentages estimated by the Company.

The Company updates its assessment of expected returns and volume rebates quarterly and the refund liabilities are adjusted accordingly. Estimates of expected returns and volume rebates are sensitive to changes in circumstances and the Company's past experience regarding returns and rebate entitlements may not be representative of customers' actual returns and rebate entitlements in the future.

g) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.



Notes to financial statements for the year ended 31 March 2025

(Amount in Indian Rupees Lakhs, unless otherwise stated)

h) Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.



Notes to financial statements for the year ended 31 March 2025
(Amount in Indian Rupees Lakhs, unless otherwise stated)

3 Property, plant and equipment

Particulars	Freehold land	Leasehold land	Buildings [refer note (i)]	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Total	Right-of-use assets
Gross block									
As at 31 March 2023	3,345.29	62.89	683.18	357.13	1,264.58	421.23	67.00	6,201.31	9,246.40
Additions	-	-	-	6.57	354.70	216.43	205.29	783.00	3,342.24
Disposals	-	-	-	(5.77)	(3.94)	(10.92)	-	(20.63)	(1,176.07)
As at 31 March 2024	3,345.29	62.89	683.18	357.93	1,615.34	626.74	272.29	6,963.67	11,412.57
Additions	-	36.49	52.63	4.05	61.72	70.64	48.09	273.62	853.25
Disposals	-	-	-	-	(2.22)	(17.11)	-	(19.33)	(840.65)
As at 31 March 2025	3,345.29	99.38	735.81	361.98	1,674.84	680.27	320.38	7,217.96	11,425.17
Depreciation and Amortisation									
As at 31 March 2023	-	1.96	88.33	174.71	229.91	182.48	9.49	686.88	2,891.53
Charge for the year	-	0.76	33.15	61.68	163.72	129.19	24.59	413.09	1,288.02
Disposals	-	-	-	(2.46)	(1.71)	(8.90)	-	(13.07)	(458.40)
As at 31 March 2024	-	2.73	121.48	233.92	391.92	302.77	34.08	1,086.90	3,721.15
Charge for the year	-	1.04	33.17	61.29	176.84	132.66	59.92	464.92	1,298.27
Disposals	-	-	-	-	(2.12)	(15.19)	-	(17.30)	(492.72)
As at 31 March 2025	-	3.77	154.65	295.21	566.64	420.25	94.00	1,534.52	4,526.70
Net book value 31 March 2024	3,345.29	60.17	561.70	124.01	1,223.43	323.97	238.21	5,876.77	7,691.42
Net book value 31 March 2025	3,345.29	95.62	581.16	66.77	1,108.20	260.03	226.38	5,683.44	6,898.47

3.1 Buildings includes self constructed building with net book value of Rs 581.16 lakhs (31 March 2024; Rs 561.70 lakhs) on leasehold land.



Notes to financial statements for the year ended 31 March 2025

(Amount in Indian Rupees Lakhs, unless otherwise stated)

4 Intangible assets

Particulars	Software	Technical know-how	Total	Intangible assets under development	Goodwill [refer note (i)]
Gross block (at cost)					
As at 31 March 2023	58.06	-	58.06	450.00	1,533.53
Additions	15.45	-	15.45	540.33	-
Disposals	(0.48)	-	(0.48)	-	-
As at 31 March 2024	73.02	-	73.02	990.33	1,533.53
As at 31 March 2024	73.02	-	73.02	990.33	1,533.53
Additions	18.31	900.00	918.31	178.79	-
Disposals	-	-	-	(900.00)	-
As at 31 March 2025	91.33	900.00	991.33	269.12	1,533.53
Amortisation					
As at 31 March 2023	40.33	-	40.33	-	-
Charge for the year	12.04	-	12.04	-	-
Disposals	(0.43)	-	(0.43)	-	-
As at 31 March 2024	51.95	-	51.95	-	-
As at 31 March 2024	51.95	-	51.95	-	-
Charge for the year	8.71	165.21	173.91	-	-
Disposals	-	-	-	-	-
As at 31 March 2025	60.65	165.21	225.86	-	-
Net book value					
As at 31 March 2024	21.07	-	21.07	990.33	1,533.53
As at 31 March 2025	30.68	734.79	765.47	269.12	1,533.53

4.1 Note (i): Pursuant to business transfer agreement (BTA) executed on 31 March 2020 between the company and Zuari Agro Chemicals Limited (ZACL), retail, speciality nutrients business (SPN) & allied, crop protection & care business (CPC), seeds and blended businesses has been transferred, goodwill is part of such transfer. The goodwill pertains to speciality nutrients business, which arose pursuant to the scheme of amalgamation of Zuari Speciality Fertilisers Limited (ZSFL) with Zuari Agro Chemicals Limited (Holding Company).

4.2 CWIP ageing schedule

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress					
As at 31 March 2025	178.79	90.33	-	-	269.12
As at 31 March 2024	540.00	200.33	250.00	-	990.33

4.3 CWIP Completion schedule

CWIP	To be completed					
	Less than 6 months	6 months - 1 Year	1-2 years	2-3 years	More than 3 years	Total
As at the reporting period ended						
Project I*	178.79	-	90.33	-	-	269.12

* Amount spent by the Company for building technology to promote sustainable agriculture practices in collaboration with The International Crops Research Institute for the Semi Arid Tropics (ICRISAT), United Nations Organisation.



Notes to financial statements for the year ended 31 March 2025
(Amount in Indian Rupees Lakhs, unless otherwise stated)

5 Other financial assets

Particulars	Non-current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Security deposits	530.57	534.73	-	-
Employees loan and interest accrued	-	1.08	0.70	-
Package scheme incentive grant receivables	91.10	91.10	-	-
Other receivable from related parties (refer note 34)	-	-	243.95	-
Total	621.67	626.92	244.65	-

5.1 Break up of financial assets carried at amortised cost

Particulars	Non-current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Trade receivables (Refer note 8)	-	-	7,920.24	5,352.77
Cash and cash equivalent (Refer note 9)	-	-	1,955.59	3,332.64
Bank balances other than cash and cash equivalent (Refer note 10)	-	-	3,732.68	-
Other financial assets (Refer note 5)	621.67	626.92	244.65	-
Total financial assets carried at amortised cost	621.67	626.92	13,853.16	8,685.41

Note : The fair value of security deposits approximates the carrying value and hence, the valuation techniques and inputs have not been given

6 Other assets

Particulars	Non-current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Unsecured, considered good, except where otherwise stated				
Capital advances				
- to related parties (Refer note 31)	155.57	155.57	-	-
Advances (other than capital advances):				
- to related parties (Refer note 31)	-	-	2.40	-
- Other, considered good	-	-	1,825.34	489.78
- Other, considered doubtful	-	-	-	-
Less: Provision for doubtful advances	-	-	1,827.74	489.78
	-	-	1,827.74	489.78
Advance to employees	-	-	-	0.66
Balances with statutory authorities	-	-	681.61	403.58
Prepaid expenses	-	-	56.42	26.06
Balance with gratuity trust (Refer note 32)	-	-	7.40	-
Total	155.57	155.57	2,573.17	920.07

7 Inventories

Particular	As at 31 March 2025	As at 31 March 2024
<i>(Valued at lower of cost and net realisable value, unless otherwise stated)</i>		
Raw materials	1,414.26	837.01
Packing materials	234.77	-
Finished goods	658.23	292.91
Stock-in-trade	15,885.76	11,349.99
Stores and spares	15.97	13.10
Total	18,208.99	12,493.01



8 Trade receivables

Particulars	As at 31 March 2025	As at 31 March 2024
Trade receivables - related parties (Refer note 31)	2,074.69	-
Trade receivables - others	5,845.55	5,352.77
Total Trade Receivables	7,920.24	5,352.77

8.1 Break-up for security details:

Particulars	As at 31 March 2025	As at 31 March 2024
From related parties (Refer note 31)		
Unsecured, considered good	2,074.69	-
From others		
Secured, considered good	-	-
Unsecured, considered good	6,026.82	5,352.77
Trade receivables which have significant increase in credit risk	-	181.27
Trade receivables- credit impaired	-	-
Total	8,101.51	5,534.04
Less: Allowance for receivables considered good	(181.27)	(181.27)
Total	7,920.24	5,352.77

8.2 Trade receivables ageing schedule

As at 31 March 2025

Trade receivable ageing schedule:	Receivable but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	6,187.59	1,754.72	66.63	62.23	30.34	-	8,101.51
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-

As at 31 March 2024

Trade receivable ageing schedule:	Receivable but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	-	5,083.21	269.56	-	-	-	5,352.77
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	45.11	87.16	25.07	23.93	-	181.27

8.3 No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

8.4 Trade receivables are non-interest bearing and are generally on terms of 60 to 90 days.

9 Cash and cash equivalent

Particulars	As at 31 March 2025	As at 31 March 2024
Balances with bank:		
-On current accounts	1,955.59	1,480.10
-On Deposits with Banks	-	1,852.54
TOTAL	1,955.59	3,332.64

The Company has not pledged any part of its short-term deposits to fulfil collateral requirements.

10 Bank balances other than cash and cash equivalent

Particulars	As at 31 March 2025	As at 31 March 2024
Deposits with Banks (Maturity more than three months and upto twelve months)	3,732.68	-
TOTAL	3,732.68	-



Notes to financial statements for the year ended 31 March 2025

(Amount in Indian Rupees Lakhs, unless otherwise stated)

11 Share Capital

	As at 31 March 2025	As at 31 March 2024
Authorised share capital		
8,00,00,00,000 (31 March 2024: 8,00,00,00,000) Equity share of Rs 10 each	80,000.00	80,000.00
Issued, subscribed and fully paid-up		
8,66,02,600 (31 March 2024: 8,66,02,600) Equity Shares of Rs 10 each	8,660.26	8,660.26
	8,660.26	8,660.26

11.01 Reconciliation of shares outstanding at the beginning and end of their reporting year

Equity Shares	As at 31 March 2025		As at 31 March 2024	
	In numbers	Amount	In numbers	Amount
At the beginning of the year	8,66,02,600	8,660.26	8,66,02,600	8,660.26
Outstanding at the end of the year	8,66,02,600	8,660.26	8,66,02,600	8,660.26

11.02 Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of INR 10 per share. Each share holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by Board of Directors is subject to the approval of shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

11.03 Details of shares reserved for issue under employee stock options (ESOP)

For details of shares reserved for issue under employee stock option plan (ESOP), Refer note 31.

11.04 Details of Shares held by Holding Company

Name of the shareholder	As at 31 March 2025		As at 31 March 2024	
	In numbers	Amount	In numbers	Amount
Zuari Agro Chemicals Limited	8,62,02,593	8,620.26	8,62,02,593	8,620.26

11.05 Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31 March 2025		As at 31 March 2024	
	In numbers	% Holding	In numbers	% Holding
Zuari Agro Chemicals Limited	8,62,02,593	99.54%	8,62,02,593	99.54%

11.06 Shareholding of Promoters

Name of the Promoters	As at 31 March 2025			As at 31 March 2024		
	In numbers	% Holding	% Change during the period	In numbers	% Holding	% Change during the period
Zuari Agro Chemicals Limited	8,62,02,593	99.54%	-	8,62,02,593	99.54%	-

11.07 During the year ended 31 March 2023, 7,85,560 (Seven Lakhs Eighty-Five Thousand Five Hundred and Sixty) Compulsorily Convertible Debentures (CCDs) of face value INR 10,000 each were converted into 78,55,60,000 (Seventy Eight Crores Fifty-Five Lakhs and Sixty Thousand) equity shares of face value INR 10 each at a conversion ratio of 1,000 equity shares per CCD. The shares were allotted as fully paid up pursuant to contractual terms without any consideration being received in cash.

Subsequently, Hon'ble National Company Law Tribunal, Mumbai, vide order dated 04 May 2023, had approved the Scheme of Reduction under section 66 of the Companies Act 2013 and effective from the appointed date i.e, July 1, 2022. Pursuant to the said order 69,89,67,400 fully paid up equity shares of Rs 10 each of the company as held by Zuari Agro Chemicals limited had been cancelled and extinguished.

12 Other Equity

	As at 31 March 2025	As at 31 March 2024
a) Shares Options Outstanding Reserve		
Balance at the beginning of the reporting period	266.52	-
Movement during the year	159.41	266.52
Balance at the end of reporting period	425.93	266.52
b) Surplus/ (deficit) in the statement of profit and loss		
Balance at the beginning of the reporting period	730.67	1,948.65
Profit /(loss) for the period	2,560.05	(1,217.98)
Balance at the end of reporting period	3,290.72	730.67
Total other equity	3,716.65	997.19



Notes to financial statements for the year ended 31 March 2025

(Amount in Indian Rupees Lakhs, unless otherwise stated)

12.1 Nature and purpose of reserve

Shares Options Outstanding Reserve

Shares options outstanding reserve represents amount of fair value, as on the date of grant, of unvested options and vested options not exercised till date, that have been recognised as expense in the Statement of profit and loss till date.

Surplus/ (deficit) in the statement of profit and loss

Surplus / (deficit) in the statement of profit and loss represents the profits / (losses) generated by the Company that are not distributed to the shareholder and are re-invested in the Company.

13 Borrowings

Particulars	Non Current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Secured				
Term loans from banks:	148.79	165.71	55.69	55.84
Loans from banks - working capital borrowings	-	-	6,500.00	2,000.00
Total	148.79	165.71	6,555.69	2,055.84

13.1 Terms and conditions including nature of securities and terms of repayment of each loan and interest rate:

Particulars	Effective Interest rate	Outstanding	Payment terms and security
Vehicle Loan	7.4% to 9.3%	204.48	Payable monthly instalment (EMI) for the period 4-5 years, secured by hypothecation of vehicles
Working capital term loan (WCTL) (secured)	1-MCLR 1Y +0.40% p.a	3,000.00	Payable in 5 equal monthly instalments (i.e., Rs 600.00 lakhs) commenced from October 2025, secured by hypothecation by way of first charge over current assets and movable fixed assets of the Company.
Working capital demand loan (WCDL) (secured)	1-MCLR 6M +1.75% p.a	3,500.00	Payable within 90 days, secured by exclusive charge on immovable properties located at Solapur, Maharashtra, and hypothecation of charge on current assets and movable fixed assets of the Company.

14 Trade payables

Particulars	As at 31 March 2025	As at 31 March 2024
Trade Payables		
- total outstanding dues to micro enterprise and small enterprises and	-	463.95
- total outstanding dues to Creditors other than micro enterprises and small enterprises		
Due to related party (Refer note 31)	6,946.43	6,960.27
Other Trade Payables	6,989.21	5,385.38
Total	13,935.64	12,809.60

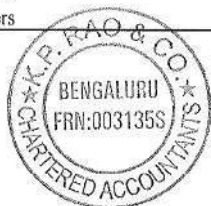
14.1 Trade payable ageing schedule

As at 31 March 2025

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	13,083.22	168.93	683.49	-	-	13,935.64

As at 31 March 2024

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	463.95	-	-	-	-	463.95
(ii) Others	12,345.65	-	-	-	-	12,345.65



Notes to financial statements for the year ended 31 March 2025

(Amount in Indian Rupees Lakhs, unless otherwise stated)

15 Other financial liabilities

Particulars	Non Current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Other financial liabilities at amortised cost				
Trade deposits- dealers and others	-	-	1,634.24	1,500.88
Payable to employees	-	-	739.09	69.99
Interest payable on MSME dues	-	-	-	40.11
Total other financial liabilities	-	-	2,373.33	1,610.98

15.1 Break up of financial liabilities carried at amortised cost

	Non-current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Borrowings (Refer note 13)	148.79	165.71	6,555.69	2,055.84
Lease liabilities (Refer note 33)	7,313.48	7,965.36	1,037.63	1,042.22
Trade payables (Refer note 14)	-	-	13,935.64	12,809.60
Other financial liabilities (Refer note 15)	-	-	2,373.33	1,610.98
Total financial liabilities carried at amortised cost	7,462.27	8,131.06	23,902.29	17,518.64

16 Other liabilities

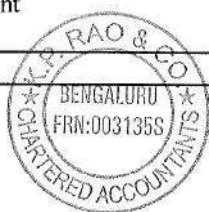
Particulars	Non Current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Advance from customers and others	-	-	2,919.40	742.70
Deferred Income on government grants	-	17.06	-	-
Statutory liabilities	-	-	168.15	152.15
Rebate to customers and others	-	-	3,908.01	2,019.94
Other payable	-	-	-	289.85
Total	-	17.06	6,995.56	3,204.64

16.1 Deferred Income

	As at 31 March 2025	As at 31 March 2024
Opening	17.06	34.12
Released to the statement of Profit and Loss	(17.06)	(17.06)
Closing	-	17.06

17 Provisions

Particulars	Non Current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Provision for employee benefits				
Gratuity (Refer note 32)	-	291.34	-	69.61
Leave encashment	512.01	594.11	68.35	-
Others	-	-	-	547.50
Total	512.01	885.45	68.35	617.11



18 Income tax

18.1 Current tax liability (net)

Particulars	As at 31 March 2025	As at 31 March 2024
Non-current tax liabilities (net of tax assets)	-	-
Non-current tax assets (net of tax provision)	132.05	186.54

The major components of income tax expense for the period ended 31 March 2025 and 31 March 2024 are:

18.2 Profit or loss section

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Current income tax:		
Current income tax charge	606.37	-
Adjustments of tax relating to earlier years	-	33.30
	606.37	33.30
Deferred tax:		
Relating to origination and reversal of temporary differences	246.41	(656.60)
	246.41	(656.60)
Income tax (income)/expense reported in the statement of profit or loss	852.78	(623.30)

OCI section

Deferred tax related to items recognised in OCI during the year:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
(Gain)/loss on remeasurement of net defined benefit plans	18.37	6.51

18.3 Reconciliation of tax expense/ (income) and the accounting profit multiplied by domestic tax rate for

	For the year ended 31 March 2025	For the year ended 31 March 2024
Accounting (loss) before Income tax	3,467.44	(1,821.95)
Income tax rate	25.168%	25.168%
At statutory income tax rate	872.69	(458.55)
Adjustment in respect of tax related to earlier years	-	33.30
Corporate social responsibility expenditure	(6.92)	(5.25)
Expenses not deductible for tax purposes	(31.35)	(199.31)
Income tax expenses reported in the statement of profit and loss	834.42	(629.81)

18.4 Significant components of deferred tax assets and liabilities for the year

Particulars	As at 31 March 2023	Provided during the period	As at 31 March 2024	Provided during the period	As at 31 March 2025
Deferred tax liability:					
Property, plant and equipment and Intangible assets	61.98	(24.78)	37.19	2.70	39.89
Current investments	0.09	(0.09)	-	-	-
Total deferred tax liability (A)	62.07	(24.87)	37.19	2.70	39.89
Deferred tax assets:					
Impact of Right-of-use Asset and Lease Liabilities	178.86	152.39	331.25	34.36	365.61
Provision for employee benefits	41.53	204.91	246.44	(102.24)	144.20
Deferred Income	(12.88)	(5.76)	(18.63)	18.63	-
Provision for doubtful debts	42.23	3.39	45.62	-	45.62
MSME Dues	-	11.54	11.54	(11.54)	-
Employees Stock Options Scheme	-	-	-	107.20	107.20
Carried forward tax loss and unabsorbed depreciation,	-	271.75	271.75	(271.75)	-
Total deferred tax assets (B)	249.74	638.23	887.97	-225.34	662.63
Deferred tax (B - A)	187.67	663.10	850.78	(228.04)	622.74

18.4 The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.



Notes to financial statements for the year ended 31 March 2025

(Amount in Indian Rupees Lakhs, unless otherwise stated)

19 Revenue from operations

Sale of finished products
Sale of traded products

Other operating revenue

Scrap sale
Miscellaneous income / receipts

Total

For the year ended 31 March 2025	For the year ended 31 March 2024
3,802.34	2,834.00
1,06,869.18	75,304.26
1,10,671.52	78,138.26
-	-
10.90	1.92
53.41	27.43
64.31	29.35
1,10,735.83	78,167.61

19.01 Performance obligation

The Company recognises revenue from sale of goods at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established, the Company does not give significant credit period resulting in no significant financing component. The credit period on an average ranges from 7 days to 120 days.

19.02 Reconciliation of revenue recognised from Contract liability:

Closing Contract liability-Advances from Customers

As at 31 March 2025	As at 31 March 2024
2,919.40	742.70

The Contract liabilities outstanding at the beginning of the year has been recognised as revenue during the year ended 31 March 2025. Contract liabilities of current year will be recognised as revenue in coming twelve months.

19.03 Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

Revenue as per Contract price
Less: Discounts and incentives
Revenue as per statement of profit and loss

For the year ended 31 March 2025	For the year ended 31 March 2024
1,19,015.16	84,958.04
(8,343.64)	(6,819.78)
1,10,671.52	78,138.26

19.04 The Company operates in India and therefore caters to the needs of the domestic market. Therefore, there is only one geographical segment.

20 Other Income

Incentive under PSI
Interest income on financial assets
Interest Income on income tax refund
Profit on sale of current investments, net
Net gain on termination on leases
Liabilities no longer required written back
Others
Total

For the year ended 31 March 2025	For the year ended 31 March 2024
17.06	17.06
158.65	90.29
6.73	-
-	0.93
100.51	162.07
-	83.98
0.23	17.72
283.18	372.05



Notes to financial statements for the year ended 31 March 2025

(Amount in Indian Rupees Lakhs, unless otherwise stated)

21 Cost of materials consumed

	For the year ended 31 March 2025	For the year ended 31 March 2024
Inventory at the beginning of the year	837.01	1,200.39
Add: Purchases	2,780.71	8,799.85
	3,617.72	10,000.24
Less: Inventory at the end of the year	1,414.26	837.01
Cost of materials consumed	2,203.46	9,163.23

22 Purchases of Stock in trade

	For the year ended 31 March 2025	For the year ended 31 March 2024
Purchases	92,670.72	55,629.10
Total	92,670.72	55,629.10

23 Changes in inventories of finished goods, Stock-in-Trade and work-in- progress

	For the year ended 31 March 2025	For the year ended 31 March 2024
<u>Inventories at the end of the year</u>		
Stock-in-trade	16,794.73	10,512.98
Finished goods	658.23	292.91
Total	17,452.96	10,805.89
<u>Inventories at the beginning of the year</u>		
Stock-in-trade	10,805.89	10,297.18
Finished goods	292.91	-
Total	11,098.80	10,297.18
Net change in inventories	(6,354.16)	(508.71)

24 Employee Benefits Expense

	For the year ended 31 March 2025	For the year ended 31 March 2024
Salaries, wages and bonus	5,510.84	5,059.31
Contribution to provident and other funds	327.80	480.63
Gratuity expenses	86.64	82.17
Expenses on Employees Stock Options Scheme	159.40	266.52
Staff welfare expenses	95.03	109.54
Total	6,179.71	5,998.17

25 Finance Costs

	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest on		
- Lease liabilities	828.92	874.52
- Borrowings (at amortised cost)	391.88	226.05
Interest charged on MSME	-	40.11
Other borrowing cost (Finance Charges)	128.93	110.65
Total	1,349.73	1,251.33



26 Depreciation and amortization expense

Depreciation of property, plant and equipment (Refer note 3)
Depreciation on Right of Use Assets (ROU) (Refer note 3)
Amortisation of intangible assets

For the year ended 31 March 2025	For the year ended 31 March 2024
464.92	413.09
1,298.27	1,288.02
173.91	12.04
1,937.10	1,713.15

27 Other expenses

Stores and spares consumed
Power, fuel and water
Repairs and maintenance
 Buildings
 Others
Loss on sale of property, plant and equipment
Payment to auditors (Refer note 27.1)
Allowance for credit losses/provision for advances
Corporate social responsibility (CSR) expenditure (Refer note 30)
Communication expenses
Inventories written off
Loss on foreign exchange fluctuation
Insurance
Labour charges
Rates and taxes
IT and admin expense
Advertisement
Freight & Hire Charge
Legal and professional charges
Travelling and conveyance expenses
Sales promotion expenses
Handling and Transportation
CNF and Handling Charges
Outsourced Emp Salary
Miscellaneous expenses
Total

For the year ended 31 March 2025	For the year ended 31 March 2024
11.84	11.67
91.21	88.43
0.75	1.79
53.54	16.44
2.03	9.05
9.50	9.50
-	35.91
27.50	20.86
43.16	37.01
14.09	41.23
160.80	63.29
113.87	71.39
133.06	82.34
108.24	149.18
173.10	157.92
147.87	187.98
256.83	207.25
163.16	224.80
847.13	901.70
2,241.84	1,062.12
835.10	1,090.56
2,233.80	1,145.42
1,522.25	1,186.21
374.34	313.28
9,565.01	7,115.33

27.1 Payment to auditors

As auditor:
Audit fees
Audit of interim financial statements
Tax audit fees

For the year ended 31 March 2025	For the year ended 31 March 2024
6.00	6.00
2.50	2.50
1.00	1.00
9.50	9.50



Notes to financial statements for the year ended 31 March 2025
(Amount in Indian Rupees Lakhs, unless otherwise stated)
28 Earnings per share (EPS)

Basic and diluted EPS amounts are calculated by dividing the profit / (loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Profit/(loss) attributable to equity holders of the Company:		
Profit/(Loss) after Taxation as per Statement of Profit and loss (INR in Lakhs)	2,614.66	(1,198.64)
Weighted average number of shares used in computing earnings per share	8,66,02,600	8,66,02,600
Basic and diluted earnings /(loss) per equity share (INR in lakhs)		
Basic earnings /(loss) per equity share (in INR) *	3.02	(1.38)
Diluted earnings /(loss) per equity share (in INR) **	3.02	(1.38)
Face value per share (in INR)	10.00	10.00

*Note: The retrospective adjustment as per IND AS 33 is provided due to Capital Reduction pursuant NCLT order dated May 04, 2023, effective from July 01, 2023.

** As ESOP shares will be issued at the fair market value, hence no dilution of earning per share

29 Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)

The Company has certain dues to suppliers registered under MSMED Act. The disclosures pursuant to the said MSMED Act is as follows:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each		
- Principal amount due to micro and small enterprises	-	911.81
- Interest due on above	-	27.19
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	27.19
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

The information given above is to the extent such parties have been identified by the Company on the basis of information disclosed by the suppliers.

30 Corporate Social responsibility

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
(a) Gross amount required to be spent by the Company during the year	27.41	20.86
(b) Amount spent during the year on purpose other than construction/acquisition of any asset is as below		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	27.50	20.86
(c) Shortfall at the end of the year		
(d) Total of previous years shortfall	-	-
(e) Reason for shortfall	Not Applicable	Not Applicable
(f) Related party transactions in relation to Corporate Social Responsibility	-	-
(g) Nature of CSR activities undertaken by the Company		
- Conducting health camps in villages for farmers and cattle health camps		
- Improve facilities in Government Schools in Villages		
- Provide essential equipment for forest staff		
(h) There is no unspent amount at the end of the year to be deposited in specified fund of Schedule VII under section 135(5) of the Companies Act, 2013.		
(i) Details of excess amount spent	0.09	-



Notes to financial statements for the year ended 31 March 2025
(Amount in Indian Rupees Lakhs, unless otherwise stated)
31 Employee stock option plan

The members of the Company at its Extraordinary General Meeting held on 31 January 2023 had approved the issue of Stock Options to eligible employees/directors of the Company. Accordingly, the Board at their meeting held on 31 January 2023 approved the "Zuari Farmhub Employee Stock Option Plan 2023" ("ESOP 2023"/"Plan") Scheme. A Compensation Committee was formed to govern the ESOP 2023 Scheme which has approved Details are as follows:

Particulars	Year 1	Year 2	Year 3	Year 4
Grant Date	31-01-2023	31-01-2023	31-01-2023	31-01-2023
Vesting date	31-01-2024	31-01-2025	31-01-2026	31-01-2027
Option Granted	1,71,535	3,43,069	5,14,604	6,86,138
Exercise price(Amount in Rs.)	70.59	70.59	70.59	70.59

Fair value of share options granted during the year

The fair value of options granted is estimated using the Black Scholes Option Pricing Model after applying the key assumption which are tabulated below. The expected volatility has been calculated using the daily stock returns on NSE, based on expected life options of each vest. The expected life of share option is based on historical data and current expectation and not necessarily indicative of exercise pattern that may occur.

Inputs in the pricing model

Particulars	Year 1	Year 2	Year 3	Year 4
Weighted average fair Value of options	31.85	33.68	35.27	36.93
Exercise price(Amount in Rs.)	70.59	70.59	70.59	70.59
Expected Volatility	51.85%	50.99%	50.01%	49.58%
Options Life(Number of Years)	3.5	4	4.5	5
Dividend Yield	-	-	-	-
Risk Free Rate	7.35%	7.35%	7.35%	7.35%

Movement in stock options

Particulars	For the year ended 31 March 2025		For the year ended 31 March 2024	
	Average exercise price per share option (INR)	No of options	Average exercise price per share option (INR)	No of options
Options outstanding	70.59	17,15,346	70.59	17,15,346
Options exercised during the year	-	-	-	-
Lapsed/ forfeited during the year	-	(50,622)	-	-
Options outstanding	70.59	16,64,724	70.59	17,15,346
Options exercisable	-	-	-	-

No Option expired during the year covered in the above tables



Notes to financial statements for the year ended 31 March 2025

(Amount in Indian Rupees Lakhs, unless otherwise stated)

32 Employee Benefits**(A) Defined Benefit Plans:**

Gratuity is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement/termination/resignation. The Gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement/termination/resignation. The gratuity plan is funded plan and the Company makes contributions to recognised funds in India. The Gratuity plan for the Company is a defined benefit scheme where annual contributions as demanded by the insurer are deposited to a Gratuity Trust Fund established to provide gratuity benefits. The Trust has taken an insurance policy, whereby these contributions are transferred to the insurer. The Company makes provision of such gratuity asset/liability in the books of account on the basis of actuarial valuation carried out by an

(B) Defined Contribution Plan

The Company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs 284.39 lakhs (31 March 2024: Rs 287.64 lakhs).

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

32.01 Change in defined benefit obligation

Particulars	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	542.18	457.03
Current Service Cost	60.67	60.51
Interest expense or Cost	39.01	34.12
Re-measurement (or Actuarial) (gain) / loss arising from:		
- Change in demographic assumptions	(18.05)	-
- Change in financial assumptions	115.59	13.34
- Experience variance	(6.18)	14.39
Benefits Paid	(136.86)	(57.49)
Transfer in/(out)	-	20.28
Balance at the end of the year	596.36	542.18

32.02 Change in fair value of assets

Particulars	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	181.23	166.89
Expected Return on Plan Assets	13.04	12.46
Re measurements due to:		
- Actual Return on Plan Assets less interest on Plan Assets	18.38	1.88
Contribution by the employer	391.11	-
Benefits Paid	-	-
Balance at the end of the year	603.76	181.23



Notes to financial statements for the year ended 31 March 2025

(Amount in Indian Rupees Lakhs, unless otherwise stated)

32.03 Net asset / (liability) recognized in the Balance Sheet

Particulars	As at 31 March 2025	As at 31 March 2024
Present value of defined benefit obligation	(596.36)	(542.18)
Fair Value of Plan Assets	603.76	181.23
Net asset / (liability) in the Balance sheet	7.40	(360.95)

32.04 Expenses recognized in the Statement of Profit and Loss

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Current service cost	60.67	60.51
Interest cost	39.01	34.12
Expected return on plan assets	(13.04)	(12.46)
Amount charged to the Statement of Profit and Loss	86.64	82.17

32.05 Re-measurements recognised in Other Comprehensive Income (OCI):

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Actuarial (gain)/ loss		
- Change in demographic assumptions	(18.05)	-
- Change in financial assumptions	115.59	13.34
- Experience variance	(6.18)	14.39
Return on plan assets (excluding amounts included in net interest)	(18.38)	(1.88)
Loss / (Gain) recognised in Other Comprehensive Income (OCI):	72.98	25.85

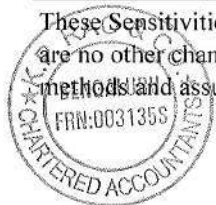
32.06 Maturity profile of defined benefit obligation:

Particulars	As at 31 March 2025	As at 31 March 2024
Within the next 12 months	66.38	69.61
Between 2 to 5 years	141.82	159.89
Between 6 and 10 years	249.57	205.27
Beyond 10 years	993.38	986.32

32.07 Sensitivity analysis for significant assumptions:

Particulars	As at 31 March 2025	As at 31 March 2024
Increase/(Decrease) in present value of defined benefits obligation at the end of the year		
1% increase in discount rate	(538.93)	(491.84)
1% decrease in discount rate	664.49	602.28
1% increase in salary escalation rate	654.74	596.40
1% decrease in salary escalation rate	(544.19)	(495.58)
50% increase in employee turnover rate	(584.53)	(540.69)
50% decrease in employee turnover rate	611.50	543.42

These Sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.



Notes to financial statements for the year ended 31 March 2025

(Amount in Indian Rupees Lakhs, unless otherwise stated)

32.08 The major categories of plan assets as a percentage of total plan

Particulars	As at 31 March 2025	As at 31 March 2024
Funds managed by Insurer	100%	100%

32.09 Actuarial Assumptions:

Particulars	As at 31 March 2025	As at 31 March 2024
Discount rate (in %)	6.75%	7.20%
Salary Escalation (in %)	8%	8% for first two years and 6.5% thereafter
Mortality Rate (in %)(Upto Normal Retirement Age)	100% of IALM 2012-14	100% of IALM 2012-14
Withdrawal rate (per annum)	3% - 5%	1% - 3%
Retirement age	60 years	60 years

32.10 Discount Rate:

The discount rate is based on the prevailing market rates of Indian government securities for the estimated term of obligations.

32.11 Salary Escalation Rate:

The estimates of future salary increases are considered taking into account inflation, seniority, promotion and other relevant

32.12 Asset Liability matching strategy:

The money contributed by the Company to the Gratuity fund to finance the liabilities of the plan has to be invested.

The trustees of the plan have outsourced the investment management of the fund to an insurance Company. The insurance Company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset liability matching strategy.

32.13 The Company's expected contribution during next year is Rs 79.58 lakhs (31 March 2024: Rs 429.14 lakhs)

33 Commitments and contingencies

33.01 Contingent liabilities:

Claims against the Company not acknowledged as debts

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Demands / Claims from Government Authorities		
Income Tax Act 1961, appeal pending before Commissioner of Income-tax (Appeals)		
For the AY 2022-23	96.31	96.31
For the AY 2023-24	14.61	-
Total	110.92	96.31

Future cash flows in respect of above, if any, is determinable only on receipt of judgement/ decisions pending with relevant authorities



Zuari Farmhub Limited**Notes to financial statements for the year ended 31 March 2025***(Amount in Indian Rupees Lakhs, unless otherwise stated)***34 Related party transactions**

In accordance with the requirements of Ind AS - 24 'Related Party Disclosures', names of the related parties, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods are:

34.01 Enterprises having control over the Company:

- (a) Zuari Agro Chemicals Limited, Holding Company

34.02 Parties having significant influence (with whom transactions have taken place during the current or previous year/ balances outstanding):

- (a) Indian Furniture Products Limited (IFPL) - (Subsidiary of Zuari Global Limited)
(b) Zuari Management Services Limited - (Subsidiary of Zuari Agro Chemicals Limited)
(c) Mangalore Chemicals and Fertilisers Limited (Subsidiary of Zuari Agro Chemicals Limited)
(d) Paradeep Phosphates Limited - (Subsidiary of Zuari Maroc Phosphates Private Limited)
(e) Lionel India Limited

34.03 Key Management Personnel

- (a) Mr. Akshay Poddar, Chairman
(b) Mr. Madan Mohan Pandey, Managing Director
(c) Mr Suresh Krishnan-Director (with effect from 10 May 2023)
(d) Mr. Amandeep-Independent Director
(e) Ms.Sonal Shah-Independent Director
(f) Mr. Prasanna HK - Chief Financial Officer
(g) Mr. Ranjith Kumara Shetty-Company Secretary

34.04 Other entities where significant influence exist

- (a) Zuari Farmhub Limited Employees Gratuity Cash Accumulation Scheme

34.05 Terms and conditions of transactions with related parties

The transactions of sale and purchases with related parties are made on terms equivalent to those prevailing in arm's length transactions. The outstanding balances at the year end of trading activities are generally unsecured. The net outstanding balances are settled generally in cash. There have been no guarantees provided or received for any related party receivables or payables.

34.06 Balance Outstanding as on:

Sl. No	Particulars	As at 31 March 2025		As at 31 March 2024	
		Holding Company	Enterprises having Significant Influence	Holding	Enterprises having Significant Influence
1	Trade payables/ Other Payable :	-	-	-	-
	- Mangalore Chemicals and Fertilizers Limited	-	446.83	-	385.52
	- Paradeep Phosphates Limited	-	6,215.00	-	6,387.69
	- Zuari Management Services Limited	-	133.91	-	79.87
	- Zuari Agro Chemicals Limited	150.69	-	94.44	-
	- Lionel India Ltd	-	-	-	12.74
2	Trade receivable/ Other receivable :	-	-	-	-
	- Mangalore Chemicals and Fertilizers Limited	-	-	-	0.01
	- Paradeep Phosphates Limited	-	2,074.69	-	-
	- Zuari Agro Chemicals Limited	243.95	-	-	-
	- Lionel India Ltd	-	2.40	-	-
3	Capital advance :	-	-	-	-
	- Indian Furniture Products Limited	-	155.57	-	155.57



Zuari Farmhub Limited
Notes to financial statements for the year ended 31 March 2025
(Amount in Indian Rupees Lakhs, unless otherwise stated)
34.07 Following transactions were carried out with related parties in the ordinary course of business for the year ended :-

S. No	Transaction details	For the year ended 31 March 2025			For the year ended 31 March 2024		
		Holding	Enterprises having Significant Influence	Others	Holding	Enterprises having Significant Influence	Others
1	Purchases of Stock in trade - Zuari Agro Chemicals Limited - Paradeep Phosphates Limited - Mangalore Chemicals and Fertilizers Limited	91.01 - -	- 23,191.83 4,940.42	- - -	169.05 - -	- 20,620.04 6,200.90	- - -
2	Sale of traded products - Mangalore Chemicals and Fertilizers Limited - Paradeep Phosphates Limited	- -	54.66 5,905.85	- -	- -	101.73 -	- -
3	Services Charge - Zuari Management Services Limited	-	1,373.23	-	-	1,578.27	-
4	Travelling Expenses - Lionel India Ltd	-	179.40	-	-	114.33	-
5	Sales promotion expenses - Paradeep Phosphates Limited	-	1,583.96	-	-	-	-
6	Reimbursement towards rendering of services/expenses - Zuari Agro Chemicals Limited - Paradeep Phosphates Limited	226.88 -	- 27.74	- -	- -	- -	- -
7	Miscellaneous - Paradeep Phosphates Limited	-	18.52	-	-	-	-
8	Rent paid Adventz Finance Private Limited	-	-	-	-	10.70	-
9	Contribution to trust funds: Zuari Farmhub Limited Employees Gratuity Cash Accumulation Scheme	-	-	391.12	-	-	-

Note: During the year ended 31 March 2023, 69,89,67,400 number of equity shares held by Zuari Agro Chemicals Limited has been Cancelled via NCLT order dated 04/05/2023, effective from 01 July 2022.

34.08 Compensation of key management personnel of the Company*

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Short-term employee benefits	377.92	339.79
Retirement benefits	-	72.18
Director Sitting Fee and commission	12.16	6.00
Total compensation paid to key management personnel	390.08	417.97

*The amount disclosed above are the amounts recognised during the reporting period related to key management personnel. As the liabilities for the gratuity & compensated absence is provide on an actuarial basis for the Company as a whole, the amount pertaining to the key management personnel is not ascertainable & therefore not included above.



Notes to financial statements for the year ended 31 March 2025
(Amount in Indian Rupees Lakhs, unless otherwise stated)
35 Operating Segments

Segments are identified in line with Indian Accounting Standard (Ind AS) 108 "Operating Segments", taking into consideration the internal organization and business activities in which it engages and the economic environments in which it operates and separate financial information availability.

Geographical segments

The Company operates in India and therefore caters to the needs of the domestic market. Therefore, there is only one geographical segment and hence, geographical segment information is not required to be disclosed.

Business segments

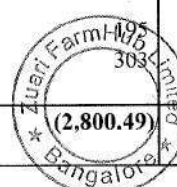
Company has identified three business segments viz Crop protection and care business (CPC), Speciality nutrients business and allied (SPN) and Jai Kisaan Junction (JKJ) during the year. Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of associated revenue.

As at 31 March 2025

Particulars	Crop protection and care business	Speciality nutrients business	Jai Kisaan Junction	Total Reportable Segment	Unallocable	Total
Segment Revenue	15,852.79	46,215.39	48,229.77	1,10,297.95	437.88	1,10,735.83
Profit/(loss) from segments before exceptional items, finance costs and taxes	2,431.66	5,248.37	(863.97)	6,816.06	(2,355.05)	4,461.01
Interest income	-	-	-	-	283.18	283.18
Finance cost	-	-	-	-	(1,349.73)	(1,349.73)
Profit before tax	2,431.66	5,248.37	(863.97)	6,816.06	(3,421.60)	3,394.46
Tax expenses	-	-	-	-	(834.41)	(834.41)
Profit after tax	-	-	-	-	-	2,560.05
Segment assets	1,801.68	15,033.89	10,397.15	27,232.72	24,084.67	51,317.39
Segment liabilities	4,086.51	13,330.81	14,164.80	31,582.12	7,358.36	38,940.48
Capital expenditure during the year	-	95.14	279.75	374.89	95.83	470.72
Depreciation and amortization	-	88.58	1,042.56	1,131.14	805.96	1,937.10

As at March 31, 2024
Rs in Lakhs

Particulars	Crop protection and care business	Speciality nutrients business	Jai Kisaan Junction	Unallocable	Total
Traded products	14,402.37	34,857.42	35,694.85	2.61	84,957.24
Less: Discount on Traded Sales	(2,640.66)	(4,155.52)	(23.60)	(0.01)	(6,819.78)
Miscellaneous income	(0.53)	1.92	194.81	188.97	385.17
Incentive under PSI	-	17.06	-	-	17.06
Total Income	11,761.18	30,720.87	35,866.05	191.57	78,539.68
Purchases of Traded Pesticides	9,044.00	23,706.22	31,531.80	0.59	64,282.62
CNF and Handling Charges	399.13	1,834.94	0.49	1.42	2,235.98
Total COGS	9,443.13	25,541.16	31,532.29	2.01	66,518.60
Other Expense	827	3,197	4,489	2,492	11,005.06
EBITDA	1,491	1,982	(155)	(2,303)	1,016
Interest expense	-	-	956	-	1,151.00
Depreciation of tangible assets	-	88	1,322	-	1,712.87
EBT	1,491	1,894	(2,432.78)	(2,800.49)	(1,847.84)



Notes to financial statements for the year ended 31 March 2025

(Amount in Indian Rupees Lakhs, unless otherwise stated)

36 Fair Value Measurements

As at 31 March 2025				Fair value hierarchy		
Particulars	FVTPL	FVOCI	Amortised cost*	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets						
(i) Trade receivables	-	-	7,920.24	-	-	-
(ii) Cash and cash equivalents	-	-	1,955.59	-	-	-
(iii) Bank balances other than (ii) above	-	-	3,732.68	-	-	-
(iv) Other financial assets	-	-	866.32	-	-	-
Total	-	-	14,474.83			
Financial Liabilities						
(i) Borrowings	-	-	6,704.48	-	-	-
(ii) Lease liabilities	-	-	8,351.11	-	-	-
(iii) Trade payables	-	-	13,935.64	-	-	-
(iv) Other financial liabilities	-	-	2,373.33	-	-	-
Total	-	-	31,364.56			

As at 31 March 2024				Fair value hierarchy		
Particulars	FVTPL	FVOCI	Amortised cost*	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets						
(i) Trade receivables	-	-	5,352.77	-	-	-
(ii) Cash and cash equivalents	-	-	3,332.64	-	-	-
(iii) Bank balances other than (ii) above	-	-	-	-	-	-
(iv) Other financial assets	-	-	626.92	-	-	-
Total	-	-	9,312.33	-	-	-
Financial Liabilities						
(i) Borrowings	-	-	2,221.55	-	-	-
(ii) Lease liabilities	-	-	9,007.58	-	-	-
(iii) Trade payables	-	-	12,809.60	-	-	-
(iv) Other financial liabilities	-	-	1,610.98	-	-	-
Total	-	-	25,649.71	-	-	-

* The carrying amounts of these financial instruments are a reasonable approximation of their fair value

The carrying amounts of trade receivables, Cash and cash equivalents, bank balances other than cash and cash equivalents, deposit from customers, trade payables, borrowings and other financial assets and liabilities approximate their fair values largely due to the short-term maturities of these instruments

There are no transfers of fair value measurement between level 1, level 2 and level 3 during the year.

37 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds investments. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks.

The Company's risk management is carried out by a treasury department under policies approved by the Board of directors. The treasury department identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board of directors provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and financial instruments, and investment of



Notes to financial statements for the year ended 31 March 2025

(Amount in Indian Rupees Lakhs, unless otherwise stated)

37.01 Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, foreign currency payables and borrowings.

(A) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's current borrowing with floating interest rates. The Company is not significantly exposed to interest rate risk for non-current borrowings which are fixed rate interest bearing instruments. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost. The Company has not used any interest rate derivatives.

Further, the Company's interest earning financial assets are primarily term deposits with banks which are fixed rate interest bearing instruments and accordingly the Company is not significantly exposed to interest rate risk.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	As at 31 March 2025		As at 31 March 2024	
	Increase/ decrease in basis points	Effect on profit before tax	Increase/ decrease in basis points	Effect on profit before tax
INR Borrowings	+50	32.50	+50	10.00
INR Borrowings	-50	(32.50)	-50	(10.00)

Interest rate sensitivity has been calculated assuming the borrowings outstanding at reporting date have been outstanding for the entire reporting period

(B) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to foreign currencies, with the exception of the USD and GBP, where the net exposure amounts to Rs 852.96 lakhs. The Company keeps a regular track of all the changes in foreign currency rates to monitor and manage this foreign currency risk.

(C) Commodity price risk

The Company deals in purchase of imported raw material, which are imported by the Company and sold in the domestic market. The import prices of these goods are governed by international prices. There is a price and material availability risk, which may not be in line to meet the domestic market requirement. The risk is also with domestic manufacturers whose costing is based on majorly imported raw materials and small value-add. However, a dynamic alignment of procurement to sales and constant review of market conditions and competitors costing help in mitigating the impact.

37.02 Credit Risk Management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks/ financial institutions and other financial instruments. The Company has no significant concentration of credit risk with any counterparty.

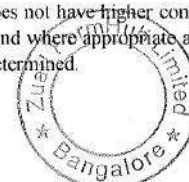
Impairment losses on financial assets

None of the Company's cash equivalents, including time deposits with banks, are past due or impaired. The Company has used simplified model for trade receivables and other financial assets to assess impairment loss or reversal thereof. A summary of movement in allowances for expected credit losses from the beginning to end of the year is provided as under:

Particulars	Trade receivable	Other financial assets	Total
Provision as on 1 April 2023:	167.80	-	167.80
Add: Provision made during the period	13.47	-	13.47
Less: Provision utilized during the period	-	-	-
Provision as on 31 March 2024:	181.27	-	181.27
Add: Provision made during the period	-	-	-
Less: Provision utilized during the period	-	-	-
Provision as on 31 March 2025 :	181.27	-	181.27

Over and above, the above determined expected credit loss, the company also assesses recoverability of its customer balances on a case by case basis, where there are any indicators of credit impairment, and accordingly provides for such impairment.

Trade receivables consist of a large number of various types of customers, spread across geographical areas. The Company does not have higher concentration of credit risks to a single customer. Ongoing credit evaluation is performed on the financial condition of these trade receivables and where appropriate allowance for losses are provided. Further the Company, the trade receivables depending on type of customers and accordingly credit risk is determined.



Notes to financial statements for the year ended 31 March 2025

(Amount in Indian Rupees Lakhs, unless otherwise stated)

37.03 Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, working capital loans etc. Company monitor their risk of shortage of funds using cash flow forecasting models. These models consider the maturity of their financial investments, committed funding and projected cash flows from operations. The Company's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner. A balance between continuity of funding and flexibility is maintained through the use of bank borrowings. The Company also monitors compliance with its debt covenants. The maturity profile of the Company's financial liabilities based on contractual undiscounted payments is given in the table below:

Particulars	Less than 1 Year	1-3 Years	3-5 years	> 5 years	Total
As at 31 March 2025					
Borrowings	6,572.00	120.07	49.26	-	6,741.33
Lease Obligation	1,865.74	3,594.75	2,718.65	3,141.44	11,320.58
Trade and other payables	13,935.64	-	-	-	13,935.64
Other financial liabilities	2,373.33	-	-	-	2,373.33
	24,746.71	3,714.82	2,767.91	3,141.44	34,370.88

Particulars	Less than 1 Year	1-3 Years	3-5 years	> 5 years	Total
As at 31 March 2024					
Borrowings	2,055.84	165.71	-	-	2,221.55
Lease Obligation	1,840.69	3,601.44	3,180.74	3,888.99	12,511.86
Trade and other payables	12,809.60	-	-	-	12,809.60
Other financial liabilities	1,610.98	-	-	-	1,610.98
	18,317.11	3,767.15	3,180.74	3,888.99	29,153.99

38 Capital Management

The capital management of the Company is to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Company's capital management, capital includes issued equity share capital, share premium and all other equity. The Company monitors capital using debt-equity ratio, which is total debt less liquid investments and bank deposits divided by total equity.

Particulars	As at	As at
	31 March 2025	31 March 2024
Total Debt (Bank and other Borrowings)	6,704.48	2,221.55
Liquid Investments and bank deposits	5,688.27	3,332.64
Equity	12,376.91	9,657.45
Debt to Equity (Net)	0.08	-0.12

In addition, the Company has financial covenants relating to the borrowing facilities that it has taken from the lenders to manage ratio which is maintained by the Company.

39 Leases

The Company has lease contracts for godown, stores and furnished office building. The leases for godown, stores and furnished office building have lease terms upto 10 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and sub-leasing the leased assets. There are several lease contracts that include extension and termination options.

Refer note 3 for details of carrying amounts of right-of-use assets recognised and the movements during the year. Set out below are the carrying amounts of lease liabilities and the movements during the year:



Notes to financial statements for the year ended 31 March 2025

(Amount in Indian Rupees Lakhs, unless otherwise stated)

39.01 Movement in Lease Liabilities:

	As at 31 March 2025	As at 31 March 2024
Opening Lease Liabilities	9,007.58	7,438.19
Addition during the year	853.25	3,342.24
Leases terminated	(448.44)	(879.87)
Interest accrued during the year	828.92	874.52
Payments	(1,890.20)	(1,767.49)
At the end of the year	8,351.11	9,007.58
Current	1,037.63	1,042.22
Non-current	7,313.48	7,965.36

39.02 Lease expenses recognized in Statement of Profit and Loss,

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Depreciation expense of right-of-use assets	1,298.27	1,288.02
Interest expense on lease liabilities	828.92	874.52
	2,127.19	2,162.53

The average effective interest rate contracted approximates is 9.31% per annum, with maturity between 2025-2036

39.03 Maturity analysis of lease liabilities— contractual undiscounted cash flows:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Less than one year	1,865.74	1,890.41
One to five years	6,313.40	6,937.69
More than five years	3,141.44	4,382.89
Total undiscounted lease liabilities	11,320.58	13,210.99

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

40 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 lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

41 Other Statutory Information

- The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- The Company has not entered into any transaction with the struck off companies under section 248 of Companies Act, 2013 during the year.
- The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- The Company doesn't have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as search or survey.



Notes to financial statements for the year ended 31 March 2025

(Amount in Indian Rupees Lakhs, unless otherwise stated)

42 Key financial ratios

Particulars	Numerator Description	Denominator Description	For the year ended 31 March 2025	For the year ended 31 March 2024	Variance	Reason if the variance is more than 25%
Current Ratio (in times)	Current assets	Current liabilities	1.12	1.04	7%	
Debt-Equity Ratio (in times)	Total debt	Shareholder's Equity	0.54	0.23	135%	Note (a)
Debt Service Coverage Ratio (in times)	Profit for the year+ Finance Costs + Depreciation and Amortisation Expense + Loss/ (Gain) on sale of property, plant and equipment	Gross Interest + Lease Payment + Repayment of non-current borrowings	2.07	0.41	411%	Note (a)
Return on Equity Ratio (in %)	Profit for the year	Average Net worth	23.73%	-11.83%	301%	Note (b)
Inventory turnover ratio (in times)	Cost of goods sold or Sales	Average Inventory	5.77	5.10	13%	
Trade receivables turnover Ratio (in times)	Revenue from operations	Average Trade Receivables	16.69	13.24	26%	Note (c)
Trade payables turnover ratio (in times)	Net Purchases of raw material, packing material and stock-in-trade	Average Accounts Payable	6.62	4.58	45%	Note (d)
Net Capital turnover ratio (in times)	Revenue from operations	Average Working Capital	48.00	38.99	23%	Note (c)
Net profit ratio (in %)	Profit for the year	Revenue from operations	2.36%	-1.53%	254%	Note (b)
Return on Capital employed (in times)	Profit for the year + tax +finance costs	Networth + Current and Non-current borrowings	0.25	-0.05	626%	Note (b)
Return on Investment (in %)	Treasury income	Weighted treasury investment	5.68%	3.50%	62%	Note (e)

(a) Ratio has changed on account of increase in short term borrowings as compared to previous year.

(b) Ratio has changed on account of increase in profit for the year as compared to previous year

(c) Ratio has changed on account of increase in revenue from operations as compared to previous year

(d) Ratio has changed on account of increase in net purchases of raw material, packing material and stock-in-trade as compared to previous year

(e) Ratio has improved on account of better treasury yields and change in investment mix

43 For the financial year ended 31 March 2025, the Company's accounting software has an audit trail functionality. This feature remained operational throughout the year, capturing a chronological record of all relevant transactions processed within the software. The audit trail has not been tampered with during the year. The audit trail logs have been preserved as per the statutory requirements for record retention.

The accompanying notes form an integral part of the financial statements

For K P Rao & Co.

Chartered Accountants

ICAI Firm registration number : 0031358

Prashanth.S

Partner

Membership Number : 228407

Place: Bengaluru

Date: 6 May 2025

For and on behalf of the Board of Directors of

Zuari Farmhub Limited

CIN: U52202GA2019PLC014150

Madan Mohan Pandey

Managing Director

DIN: 08676640

Prasanna H K

Chief Financial Officer

Akshay Poddar

Chairman

DIN: 00008686

Ranjith Kumara Shetty

Company Secretary