1st September, 2025

BSE Limited
Floor 25, P.J. Towers,
Dalal Street,
Mumbai - 400 001
BSE scrip Code: 534742

National Stock Exchange of India Ltd,
Exchange Plaza, 5th floor,
Bandra-Kurla Complex,
Bandra (E).
Mumbai - 400 051
NSE Symbol: ZUARI

Dear Sirs,

Sub: Notice of 16th (Sixteenth) Annual General Meeting and Annual Report for the FY 2024-25

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith:

(a) Notice of the 16th (Sixteenth) Annual General Meeting of the Company scheduled on Tuesday, 23rd September, 2025 at 2.30 P.M. (IST) through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM").

(b) Annual Report of the Company for the Financial Year 2024-25.

The said Notice and Annual Report are also being uploaded on the Company's website at www.zuari.in and are being emailed to all the eligible shareholders of the Company whose email IDs are registered with the Company/Depositories/RTA.

We request you to kindly take the above on record.

Thanking you,

Yours Faithfully,
For Zuari Agro Chemicals Limited

ASHEEBA PEREIRA
Digitally signed by ASHEEBA PEREIRA
Date: 2025.09.01 16:06:16 +05'30'

Asheeba Pereira
Company Secretary

Encl : As above.

adventz

ZUARI AGRO CHEMICALS

Zuari Agro Chemicals Limited

16th
Annual Report
2024-25

CORPORATE INFORMATION

Board of Directors

Saroj Kumar Poddar
Chairman & Non-Executive Director
DIN: 00008654

Akshay Poddar
Non–Executive Director
DIN: 00008686

Nitin M. Kantak
Executive Director
DIN: 08029847

Athar Shahab
Non–Executive Director
DIN: 01824891

Dipankar Chatterji
Independent Director
DIN: 00031256

Amandeep
Independent Director
DIN: 00226905

Reena Suraiya
Independent Director
DIN: 01824778

Sanjeev Lall
Independent Director
DIN: 08740906

Chief Financial Officer

Manish Malik

Company Secretary

Manoj Dere upto 30-09-2024
Membership No. FCS 7652
Asheeba Pereira w.e.f.01-10-2024
Membership No. ACS 48097

Statutory Auditors

M/s. K. P. Rao & Co.
Chartered Accountants,
Poornima, 2nd Floor,
25, State Bank Road,
Bengaluru – 560 001
Karnataka, India.

Bankers

1. State Bank of India
2. Union Bank of India
3. Canara Bank
4. HDFC Bank Ltd.
5. ICICI Bank Ltd.

Legal Advisors

Khaitan & Co.

The Address of Share Transfer Agent

MUFG Intime India Private Limited
(formerly Link Intime India Private Limited)
C-101, 247 Park, LBS Marg,
Vikhroli West,
Mumbai - 400 083
Tel: 022-49186000
Fax: 022-49186060
Email: rnt.helpdesk@in.mpms.mufg.com
Website: www.in.mpms.mufg.com

Listing & Stock Code:

- National Stock Exchange of India Limited: ZUARI
- BSE Limited: 534742

Registered Office

Zuari Agro Chemicals Limited
Jai Kisaan Bhawan, Zuarinagar,
Goa - 403 726
Tel: 91-832-2592180 / 81
website: www.zuari.in
CIN: L65910GA2009PLC006177

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ZUARI AGRO CHEMICALS LIMITED

CIN: L65910GA2009PLC006177
Registered Office: Jai Kisaan Bhawan, Zuarinagar, Goa 403 726
Tel: 91-0832-2592180, E-mail: shares@adventz.com, Website: www.zuari.in

NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Members of Zuari Agro Chemicals Limited ("the Company") will be held on **Tuesday, 23rd September, 2025 at 2.30 P.M.(IST),** through Video Conference ("VC")/Other Audio Visual Means ("OAVM") ("hereinafter referred to as "electronic mode") to transact the following business:

Ordinary Business:

1. **To receive, consider and adopt the Audited Standalone Financial Statements and Audited Consolidated Financial Statements for the financial year ended 31st March 2025 and the reports of Board of Directors and Auditors thereon:**

   To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution;**

   "RESOLVED THAT the Standalone Audited Balance Sheet of the Company as at 31st March, 2025, the Statement of Profit and Loss together with the schedules and notes thereon for the financial year ended on that date, the Standalone Cash Flow Statement for the year ended 31st March, 2025 together with the Reports of Board of Directors and Auditors, be and are hereby approved and adopted.

   RESOLVED FURTHER THAT the Consolidated Audited Balance Sheet of the Company as at 31st March, 2025, the Consolidated Statement of Profit and Loss together with the schedules and notes thereon for the financial year ended on that date, the Consolidated Cash Flow Statement for the year ended 31st March, 2025 together with the Reports of the Auditors, be and are hereby approved and adopted."

2. **To re-appoint Mr. Athar Shahab (DIN: 01824891), who retires by rotation and being eligible, offers himself for re-appointment:**

   To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**;

   "RESOLVED THAT Mr. Athar Shahab (DIN: 01824891), Non-Executive Director, who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company".

Special Business:

3. **To ratify the payment of Remuneration payable to M/s. S. S. Sonthalia & Co, Cost Auditor:**

   To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**;

   "RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to M/s S. S. Sonthalia & Co., Cost Accountant Firm as Cost Auditor, having Firm Registration No. 00167, appointed by the Board of Directors of the Company as Cost Auditor to conduct the audit of the Cost Accounts of the Company for the financial year 2025-26, being ₹ 55,000/- (Rupees Fifty Five Thousand Only) plus applicable taxes and out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed."

4. **To consider and approve appointment of Mr. Shivaram Bhat as Secretarial Auditor for a term of five consecutive financial years from 1st April, 2025 to 31st March, 2030:**

   To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**;

   "RESOLVED THAT pursuant to Section 204 of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel), Rules, 2014, and pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and based on the recommendation of the Audit Committee and the approval of the Board of Directors of the Company, Mr. Shivaram Bhat, Practicing Company Secretary (C.P. 7853, PR 1775/2022) be and is hereby appointed as Secretarial Auditor of the Company, to conduct Secretarial Audit for a term of five consecutive financial years from 1st April, 2025 to 31st March, 2030.

   RESOLVED FURTHER THAT Board of Directors be and are hereby authorized to fix remuneration of the Secretarial Auditor as may be mutually agreed between the Company and the Secretarial Auditor.

RESOLVED FURTHER THAT any one Director or Chief Financial Officer or Company Secretary be and are hereby severally authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable for giving effect to this resolution.''

5. **To consider and approve Enhancement in the Limits of investments/Loans and Guarantees under section 186 of the Companies Act, 2013:**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**;

"RESOLVED THAT pursuant to Section 186 and other applicable provisions of the Companies Act, 2013, the consent of the Company be and is hereby accorded to the Board of Directors of the Company including Committee of Directors subject to such other approvals, consent, sanctions as may be necessary including from banks and financial institutions, if any, any such other statutory approvals, if any, and other applicable Rules, Regulations, Guidelines (including any statutory modifications or re-enactment thereof for the time being in force) and such conditions as may be prescribed by any of the concerned authorities for;

a) acquiring whether by way of subscription, purchase or otherwise, the securities of any other body corporate,

b) giving any loan to any person or other body corporate,

c) giving any guarantee or providing security in connection with a loan to any other body corporate or person

upto an amount, the aggregate of which should not exceed at any given time ₹ 2000 crores which shall be over and above the limits as specified in section 186(2) of the Companies Act, 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board/Committee be and is hereby authorized to agree, make, accept and finalize all such terms, condition(s), modification(s) and alteration(s) as it may deem fit including determining the specific terms and conditions within the above limits upto which such investments in securities/loans/guarantees, that may be given or made, as may be determined by the Board or the Committee thereof, including with the power to transfer/ dispose of the investments so made, from time to time, and to resolve and settle all questions, difficulties or doubts that may arise in regard to such investments, loans, guarantees and security and to finalize and execute all agreements, documents and writings and to do all acts, deeds and things as may be deemed necessary, proper or expedient for the purpose of giving effect to the above resolution, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have been given approval thereto expressly by the authority of this resolution".

6. **To consider and approve Slump sale of the Company's granulated single super phosphate plant and certain associated business to Mangalore Chemicals & Fertilizers Limited under Section 188 of the Companies Act, 2013 :**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**;

"RESOLVED THAT pursuant to the provisions of section188 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and applicable provisions of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of the Memorandum of Association and Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions as may be required, and based on the approval and recommendation of the Audit Committee of the Company and the Board, the consent and approval of the Shareholders be and is hereby accorded for the sale, transfer, assignment and delivery of the single super phosphate fertilisers' business of the Company ("**Undertaking**") including the granulated single super phosphate plant situated at Mahad, Maharashtra along with all related assets and liabilities including but not limited to employees, contracts (including lease deeds), intellectual property, licenses, permits, consents, approvals ("**Proposed Transaction**"), as a going concern on a slump sale basis to Mangalore Chemicals and Fertilizers Limited ("**MCFL**"), a subsidiary of the Company (a Related Party) for a lump sum consideration of INR 72,75,00,000/- (Indian Rupees Seventy Two Crores and Seventy Five Lakhs) with effect from such date and on such terms and conditions, and with such modifications, as the Board may deem fit and necessary in the interest of the Company and as set out in the Business Transfer Agreement proposed to be executed/executed between the Company and MCFL ("BTA").

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, Mr. Nitin M Kantak, Executive Director, Mr. Manish Malik Chief Financial Officer and Mrs. Asheeba Pereira, Company Secretary of the Company be and are hereby severally authorized to perform all such acts, deeds, matters and things as may be deemed proper, necessary or expedient including effecting any change, modification, negotiating, and finalising the BTA, as they may consider necessary, expedient or desirable for giving effect to the above transaction and this resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects.

RESOLVED FURTHER THAT a copy of the above resolution certified by any of the directors of the Company or the Company Secretary of the Company be submitted with all the parties as may be required from time to time."

7. **To consider and approve Slump sale of the Company's granulated single super phosphate plant and certain associated business to Mangalore Chemicals & Fertilizers Limited under Section 180(1)(a) of the Companies Act, 2013 and Regulation 37A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and business transfer agreement with Mangalore Chemicals and Fertilizers Limited:**

   To consider and if thought fit, to pass the following resolution as a **Special Resolution**;

   "RESOLVED THAT pursuant to the provisions of sections 180 (1)(a)and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Regulation 37A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the provisions of the Memorandum of Association and Articles of Association of the Company, subject to such approvals, consents, permissions and sanctions as may be required, and based on the approval and recommendation of the Audit Committee of the Company and the Board, the consent and approval of the Shareholders be and is hereby accorded for the sale, transfer, assignment and delivery of the single super phosphate fertilisers' business of the Company ("**Undertaking**") including the granulated single super phosphate plant situated at Mahad, Maharashtra along with all related assets and liabilities including but not limited to employees, contracts (including lease deeds), intellectual property, licenses, permits, consents, approvals ("**Proposed Transaction**"), as a going concern on a slump sale basis to Mangalore Chemicals and Fertilizers Limited ("**MCFL**"), a subsidiary of the Company, for a lump sum consideration of INR 72,75,00,000/- (Indian Rupees Seventy Two Crores and Seventy Five Lakhs) with effect from such date and on such terms and conditions, and with such modifications, as the Board may deem fit and necessary in the interest of the Company and as set out in the Business Transfer Agreement proposed to be executed/executed between the Company and MCFL ("BTA"),.

   RESOLVED FURTHER THAT the Shareholders hereby approve the draft of the BTA, as proposed to be executed/executed between the Company and MCFL in relation to the Proposed Transaction.

   RESOLVED FURTHER THAT Mr. Nitin M Kantak, Executive Director, Mr. Manish Malik Chief Financial Officer and Mrs. Asheeba Pereira, Company Secretary, be and are hereby severally authorised, on behalf of the Company, to do all such acts, deeds, matters and things, as they may consider necessary, expedient or desirable for giving effect to the above transaction and this resolution, including (i) finalizing and varying the terms and conditions for the sale and transfer of the Undertaking, the methods and modes in respect thereof, (ii) negotiating, finalizing, modifying and executing necessary documents, including the BTA, contracts, agreements, deeds of assignment/ conveyance and other transaction documents, and modifications to the foregoing (iii) file applications and make representations to seek approvals in respect thereof from relevant authorities and third parties, and (iv) deal with any matters, take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution, and to settle any questions, difficulties or doubts that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the members to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution. and that all actions taken by the Directors of the Company in connection with any matter(s) referred to contemplated in any of the foregoing resolution(s).

   RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects.

   RESOLVED FURTHER THAT a copy of the above resolution certified by any of the directors of the Company or the Company Secretary of the Company be submitted with all the parties as may be required from time to time."

By Order of the Board
For Zuari Agro Chemicals Limited

Asheeba Pereira
Company Secretary &
Compliance Officer
Membership No. ACS: 48097

Regd. Office:
Jai Kisaan Bhawan,
Zuarinagar,
Goa - 403 726

Date: 8th August, 2025

NOTES:

1. The related Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item No. 3 , 4, 5, 6 & 7 of the Notice, is annexed hereto. Details under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Director seeking re-appointment at the Annual General Meeting (AGM) under item No. 2 is also annexed hereto.

2. The Ministry of Corporate Affairs (MCA) vide its General Circular No. 14/2020 dated 8th April, 2020, Circular No.17/2020 dated 13th April, 2020, Circular No. 20/2020 dated 5th May, 2020,Circular No. 02/2021 dated 13th January, 2021, Circular No. 19/2021 dated 8th December, 2021, Circular No. 21/2021 dated 14th December, 2021 and Circular No. 02/2022 dated 5th May, 2022, Circular No.10/2022 dated 28th December, 2022, Circular No. 09/2023 dated 25th September, 2023 and Circular No. 09/2024 dated 19th September, 2024 (hereinafter collectively referred to as "MCA Circulars") has permitted the holding of Annual General Meeting through video conferencing (VC) or other audio visual means (OAVM). In compliance with the provisions of the Companies Act, 2013 ("the Act") and MCA Circulars, the 16th Annual General Meeting ("Meeting" or "AGM") of the Company is being held through VC / OAVM. Hence, Members can attend and participate in the ensuing AGM through VC/ OAVM.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

5. Pursuant to MCA Circulars, SEBI Circular dated 3rd October, 2024 and Reg 44(4) of SEBI LODR the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

6. The Notice of the 16th Annual General Meeting along with the Annual Report for the financial year 2024-25 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/RTA/Depositories in accordance with the aforesaid MCA Circulars and SEBI Circulars. The Notice calling the AGM and Annual Report for the financial year 2024-25 has been uploaded on the website of the Company at http://www.zuari.in/investor/annual_reports. The Notice and Annual Report for the financial year 2024-25 can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com. A Letter providing the weblink for accessing the Annual Report for the Financial Year 2024-25 will be sent to those shareholders who have not registered their email address with the Company/Depositories/ RTAs.

7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars. Since the AGM will be held through VC/OAVM, the route map and attendance slip are not annexed to this Notice.

8. The Company's Registrar & Share Transfer Agents (RTA) are :

   MUFG Intime India Private Limited
   C-101, 247 Park, L B S Marg,
   Vikhroli (W), Mumbai 400 083
   Tel : 022-49186000
   Fax: 022-49186060
   E-mail: rnt.helpdesk@in.mpms.mufg.com
   Website: www.in.mpms.mufg.com

9. Pursuant to the provisions of Section 124(5) and 125 of the Companies Act, 2013, the dividend amount remaining unpaid/ unclaimed for a period of seven years from the due date of payment have been transferred by the Company to the Investor Education and Protection Fund (IEPF) established by Central Government. Pursuant to the provisions of Section 124(6) and Section 125 of the Companies Act, 2013 read with Rule 6 of the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more has been transferred by the Company to the IEPF.

   The members whose unclaimed dividend and shares have been transferred to IEPF may claim the same from the IEPF Authority by submitting an online application in web Form No. IEPF-5 which is available on the website of IEPF Authority at www.iepf.gov.in and by sending a physical copy of the same, duly signed by them to the Company, along with requisite documents enumerated in the Form IEPF-5.

10. There is no unpaid and unclaimed amount lying with the Company as on the date.

11. Members are advised to avail the facility for receipt of future dividends through National Electronic Clearing Services (NECS). The ECS facility is available at specified locations. Shareholders holding shares in electronic form are requested to contact their respective Depository Participant for availing NECS facility.

12. **Mandatory update of PAN, KYC and Nomination details:**

As per Master Circular for Registrar to an Issue and Share Transfer Agents dated 23rd June, 2025 issued by SEBI, it is mandatory for all holders of physical shares in the Company to furnish PAN, Nomination, Contact details (Postal Address with PIN and Mobile Number), Bank account details and specimen signatures for their corresponding folio numbers of physical securities.

The concerned members holding shares of the Company in physical form, are required to submit following forms duly completed in all respects to the Company's Registrar & Share Transfer Agent ("RTA"), for registration/updation of below details which are available on the website of the Company at https://www.zuari.in/investor/kyc_compliance or from the website of our RTA at https://web.in.mpms.mufg.com/KYC-downloads.html

Description	Forms
Registration/updation of PAN, Contact Details (Postal Address, Mobile Number & Email) and Bank Details	Form No. ISR-1
Registration/Updation of signature(s) of shareholder(s) (As applicable)	Form No. ISR-1 Form No. ISR-2
Registration of Nomination	Form No. SH-13
Cancellation or Variation of Nomination	Form No. SH-14
Declaration to opt out Nomination	Form No. ISR-3

In case any of the aforesaid documents / details are not available in the records of the Company / RTA, the member shall not be eligible to lodge grievance or avail any service request from the RTA until they furnish KYC details / documents. Further, w.e.f 1st April, 2024, any payment including dividend shall only be made in electronic mode to members.

Members holding shares in demat mode may register/ update their email address and/ or bank account details through their depository participant.

In compliance with the above stated Circular, the Company has sent individual communication to its shareholders holding shares in the physical form requesting them to update their PAN, KYC details and Nomination.

13. In accordance with the SEBI Circular no. SEBI/HO/MIRSD/MIRSD- PoD/P/CIR/2025/97 dated 2nd July, 2025, a special window is opened only for re-lodgement of transfer deeds, which were lodged prior to the deadline of 1st April, 2019 and rejected/returned/not attended to due to deficiency in the documents/process/or otherwise, for a period of six months from 7th July, 2025 till 6th January, 2026. During this period, the securities that are re-lodged for transfer (including those requests that are pending with the Company / RTA, as on date) shall be issued only in demat mode. Eligible Shareholders are requested to re-lodge earlier pending transfer requests complete in all respect, if any, and complete the transfer procedure within the timelines as allowed by SEBI.

14. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available electronically for inspection by the Members on the website of the Company at http://www.zuari.in/investor/notice_general_meeting during the time of AGM. The relevant documents referred in the Notice will be available for inspection electronically upto the date of AGM at the abovementioned link.

14. To support the 'Green Initiative' in the Corporate Governance taken by the Ministry of Corporate Affairs, to contribute towards the Greener Environment and to receive all documents, Notices, including Annual Reports and other communications of the Company, investors should register their e-mail addresses with RTA if shares are held in physical mode or with the Depository Participant, if the shares are held in electronic mode.

15. **Dematerialisation of physical shares**: Regulation 40 of the SEBI Listing Regulations 2015 mandates that transfer, transmission and transposition of securities of listed companies held in physical form shall be effected only in dematerialised mode. Further, SEBI, vide its Circular dated 25 January 2022, has w.e.f. 24th January, 2022 mandated the listed companies, to issue the securities only in dematerialised mode while processing investor service requests pertaining to issue of duplicate securities certificate, claim from unclaimed suspense account, renewal/ exchange of securities certificate, endorsement, sub- division/ splitting of securities certificate, consolidation of securities certificates/folios, transmission, transposition etc. In view of this, Members holding shares in physical form are requested to consider converting their holdings to dematerialized mode. Shareholders who are desirous of dematerializing their securities may write to the Registrar and Share Transfer Agent at rnt.helpdesk@in.mpms.mufg.com

16. SEBI vide its Circular dated July 31, 2023 issued guidelines for members to resolve their grievances by way of Online Dispute Resolution ('ODR') through a common ODR portal. Members are requested to first take up their grievance, if any, with Company's RTA. If the grievance is not redressed satisfactorily, the member may escalate the same through: i) SCORES Portal in accordance with the SCORES guidelines, and ii) if the member is not satisfied with the outcome, dispute resolution can be initiated through the ODR Portal at https://smartodr.in/login

18. **Voting Process:** Process and manner for members opting to vote through electronic means:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended) the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

EVSN : 250821011

THE INTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

(i) **The remote e-voting period begins on Friday, 19th September, 2025 at 10.00 A.M. (IST) and ends on Monday, 22nd September, 2025 at 5.00 P.M.(IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date being Tuesday, 16th September, 2025 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.**

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iv) In terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular**,** Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with **CDSL Depository**	1) Users who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsl website www.cdslindia.com and click on login icon & My Easi New (Token) Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at cdsl website www.cdslindia.com and click on login & My Easi New (Token) Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with **NSDL Depository**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
	2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4) For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants (DP)**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or call on toll free no 1800 21 09911
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000

(v) **Login method for e-Voting and joining virtual meeting for physical shareholders and shareholders other than individual shareholders holding shares in DEMAT form.**

1) The shareholders should log on to the e-voting website www.evotingindia.com.
2) Click on "Shareholders" module.
3) Now enter your User ID
    a. For CDSL: 16 digits beneficiary ID,
    b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4) Next enter the Image Verification as displayed and Click on Login.
5) If you are holding shares in demat form and had logged on to www.evotingindia.com. and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

	For physical shareholders and shareholders other than individual shareholders holding shares in Demat
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (3).

(vi) After entering these details appropriately, click on "SUBMIT" tab.

Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

Click on the EVSN of ZACL : 250821011 to vote.

(iii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(iv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(v) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(vi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(vii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(viii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(ix) There is also an optional provision to upload Board Resolution/POA ,if any, which will be made available to scrutinizer for verification.

(x) **Facility for Non – Individual Shareholders and Custodians –Remote Voting**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delinked in case of any wrong mapping.
- It is mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatorily to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at shubhangi.baichwal@gmail.com and to the Company at shares@adventz.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting with regard to the financial statements or any other matter to be placed at the AGM may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at shares@adventz.com .
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending upon the availability of time.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES:

1. **For shareholders holding shares in physical mode** - A signed copy of request letter in Form ISR-1 mentioning details like Folio No., Name of shareholder, Mobile No., email id, that is to be registered along with scanned copy of the share certificate (front and back), copy of PAN (self attested), copy of AADHAR (self attested) may be sent by email to the Company at shares@adventz.com **/**RTA at rnt.helpdesk@in.mpms.mufg.com. Members may download the prescribed form from the Company's website at http://www.zuari.in/investor/kyc_compliance.
2. **For Demat shareholders** - Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or call on toll free no. 1800 21 09911

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911

GENERAL INSTRUCTION/INFORMATION FOR MEMBERS FOR VOTING ON THE RESOLUTIONS:

a) The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company, subject to the provisions of the Section 108 of the Companies Act, 2013 and Rules made thereunder, as amended, as on the cutoff date, being Tuesday, 16th September, 2025. The person who is not a member as on cut-off date should treat this notice for information purpose only. Any person, who acquires shares of the Company & becomes member of the Company after the dispatch of the Notice of AGM and holding shares as on the cut-off date i.e. 16th September, 2025, may please refer the voting instructions in the AGM Notice for remote evoting/ e-voting.

b) Ms. Shubhangi Venkatesh Baichwal, Practicing Company Secretary (Membership No. 30181 CP 11016 PR 6530/2025) has been appointed by the Board of Directors of the Company as the Scrutinizer for scrutinizing the remote e-voting process as well as voting through poll papers at the Meeting, in a fair and transparent manner.

c) The Scrutinizer shall immediately after conclusion of the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company.

d) The Scrutinizer will submit, within 2 working days of conclusion of the AGM, a consolidated scrutinizer's report, of the total votes cast in favour or against, if any, to the Chairman of AGM or any other Director or Company Secretary authorized by the Chairman of the AGM in writing who will countersign the same and declare the result of the voting forthwith, which shall be displayed on the Notice Board of the Company at its Registered Office. The result will also be displayed on the website of the Company at *www.zuari.in* , besides being communicated to Stock Exchanges.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Item No. 3: To ratify the payment of Remuneration payable to M/s S. S. Sonthalia & Co., Cost Auditor:

The Board on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. S. S. Sonthalia & Co., Cost Accountant to conduct the audit of the Cost Accounts of operations of the Company's plant situated at Mahad for the financial year 2025-26 at a remuneration of ₹ 55,000/- (Rupees Fifty Five Thousand only) plus applicable taxes and out of pocket expenses incurred by him in connection with the aforesaid audit.

In terms of provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company.

Hence, the Board recommends the resolution as set out in Item No.3 of the Notice for shareholders' approval as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMP are concerned or interested in this resolution set out at Item No. 3.

Item No. 4 : To consider and approve appointment of Mr. Shivaram Bhat as Secretarial Auditor for a term of five consecutive financial years from 1st April, 2025 to 31st March, 2030:

Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the appointment of the Secretarial auditor shall be for one term of five consecutive years, subject to the approval of the shareholders.

Based on the recommendation of the Audit Committee, the Board at its meeting held on 14th May, 2025, has approved the appointment of Mr. Shivaram Bhat, Practising Company Secretary as Secretarial Auditor, to conduct Secretarial Audit for a term of 5 years, from the financial year 2025-26 to 2029-2030, subject to the approval of the shareholders.

Mr. Shivaram Bhat has given his consent to act as Secretarial Auditor of the Company and confirmed that his appointment, if approved would be within the prescribed limits and that he is not disqualified to be appointed as Secretarial Auditor in terms of provisions of the Act and Rules made thereunder and LODR Regulations. Furthermore, in terms of the amended Regulations, Mr. Shivaram Bhat has provided a confirmation that he has subjected himself to the peer review process of the Institute of Company Secretaries of India and hold a valid peer review certificate.

Disclosure pursuant to Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as follows:

Proposed fees payable to Secretarial Auditor	The Board of Directors are authorized to fix remuneration of the Secretarial Auditor as may be mutually agreed between the Company and the Secretarial Auditor.
Terms of Appointment	Appointment for a term of 5 years w.e.f. April 01, 2025
Any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change	Not applicable
Basis of Recommendation of Appointment	The Audit Committee and Board of Directors have considered various criteria with respect to qualification, experience, exposure, skillset & governance and recommended appointment of Mr. Shivaram Bhat to the Shareholders of the Company.
Details in relation to and credentials of the Secretarial Auditor	Mr. Shivaram Bhat is Company Secretary in Whole Time Practice (since May 2008) based in Panaji, Goa. He has been a Member of the Institute of Company Secretaries of India since May 1995. His academic qualification include graduation in Economics, Law and postgraduate degree in Business Administration. He holds Peer Review Certificate bearing No. 1775/2022 and leads a team of members having experience and exposure in Corporate Laws and FEMA. He has been providing Secretarial Audit Services to listed and non-listed entities engaged in manufacturing, shipping, fertilizers, automobile, trading in electronic goods and NBFC.

Considering his vast experience, the Board recommends the resolution as set out in Item No.4 of the Notice for shareholders' approval as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMP are concerned or interested in this resolution set out at Item No. 4.

Item No. 5: To consider and approve enhancement in the Limits of investments/Loans and Guarantees under section 186 of the Companies Act, 2013:

Pursuant to the provisions of of Section 186 of the Companies Act, 2013 the Board of Directors of a Company are authorized to give loan, guarantee or provide any security to any person or body corporate or acquire by way of subscription, purchase or otherwise, the securities of any body corporate, upto an amount of which shall not exceed the prescribed ceiling of sixty percent of the aggregate of the paid up capital and free reserves, securities premium account or hundred percent of its free reserves and securities premium account, whichever is more.

The Board at its meeting held on 15th May, 2019 had passed an enabling resolution and shareholder's approval was obtained through Postal Ballot on 26th June, 2019 authorising the Board to make any loan(s) to and/or to give any guarantee(s)/provide any security, in connection with loan(s) taken by, subsidiaries/bodies corporate and/or to acquire by way of subscription, purchase or otherwise the securities of subsidiaries/bodies corporate in India or outside upto a maximum of ₹ 1000 crores.

Since the Company is approaching the current limit of ₹ 1000 crores, the Board at its meeting held on 31st July, 2025 has unanimously approved the enhancement of Limit of making investments/ giving Loans and Guarantees to any bodies corporate and persons upto a maximum of ₹ 2000 crores, subject to the approval of the shareholders.

The proposed Special Resolution as set out in Notice is enabling in nature for any further loan/investment/guarantee/security, to be made or given to any bodies corporate or any other person as per the provisions of the Companies Act, 2013. The Board recommends the resolution as set out in Item No.5 of the Notice for shareholders' approval as a Special Resolution.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMP are concerned or interested in this resolution set out at Item No. 5.

Item No. 6 & 7: To consider and approve Slump sale of the Company's granulated single super phosphate plant and certain associated business to Mangalore Chemicals & Fertilizers Limited.

As the shareholders are aware, the Company has significant debt and going through liquidity constraints. To effectively restructure and improve the operations thereby reducing debt, the Company, in the past, has made various efforts such as monetization of unused assets, sale of shares held in other companies and disposal of underperforming units. However, the efforts of the company have not been completely fruitful and it is still saddled with high debt. Accordingly, it was contemplated to explore other options such as sale /lease of granulated single super phosphate plant situated at Mahad. Monetizing this underperforming asset unlocks immediate value for shareholders.

Based on the recommendation of the Audit Committee, the Board of Directors at its meeting held on 31st July, 2025 have granted in-principle approval, for exploring the potential slump sale of Company's granulated single super phosphate plant and certain associated business and identifying a prospective buyer.

Mr. Umesh Poddar, Registered Valuer, (Securities or Financial Assets), Regn. No. IBBI/RV/06/2020/12885, was appointed as Valuer to conduct valuation of Mahad Plant. As per valuation report dated 29th July, 2025, the valuation of Mahad Plant was arrived at ₹ 72 Crore. The fairness opinion report was obtained from Indcap Advisors Private Limited, SEBI registered Category I Merchant Banker in connection with the valuation of Mahad plant of Zuari Agro Chemicals Limited conducted by Mr. Umesh Poddar.

The Audit Committee and the Board at their respective meetings held on 8th August, 2025 approved the sale of Company's granulated single super phosphate plant situated at Mahad, Maharashtra and certain associated business to Mangalore Chemicals & Fertilizers Limited ("MCFL"), a subsidiary (related party) of the Company, on a slump sale basis and also approved entering into the business transfer agreement with MCFL. The Draft copy of the Business Transfer Agreement was placed before the Board. MCFL offered the highest purchase consideration for the purchase of the Company's single super phosphate fertilisers' business. The Company had negotiated the proposed slump sale of Company's granulated single super phosphate plant and certain associated business with MCFL for a price of ₹ 72.75 Crore.

Accordingly, a Business Transfer Agreement will be entered with MCFL.

The salient features of BTA are as under:

a) Consideration: The consideration for the proposed slump sale is ₹ 72.75 Crore. No debt or liabilities of the Company will be assumed by MCFL other than the working capital relating to the plant.

b) Condition Precedents:

   i) Seller shall obtain all corporate authorizations, all necessary third party consents, other govt. authorizations & licenses for sale.

   ii) Purchaser obtaining all corporate authorizations, providing to the Transferred Employees Appointment Letter for transferring their employment to the Purchaser.

c) Long Stop date for Closing: 31 December 2025 or such other date as may be mutually agreed in writing between the Parties when all statutory & contractual approvals are obtained.

Strategic Rationale:

1) Asset Transfer to Subsidiary:

The proposed sale to Mangalore Chemicals & Fertilizers Ltd. (MCFL), a subsidiary of the Company within the same promoter group will allow the group to streamline its operations and will leverage MCFL's stronger distribution and manufacturing capabilities. In relation to the Company's single super phosphate fertilisers' business, the Company currently owns only the granulated single super phosphate plant at Mahad, Maharashtra, which is relatively small. The Company has limitations in sourcing raw materials and marketing its products in relation to the plant. The Company has resource constraints for strengthening its market network or scaling up its single super phosphate fertilisers' operations. MCFL has its own urea and phosphatic fertilizers business and with independent strong/established marketing network. Hence, it is deemed appropriate to sell the unit.

2) **Financial Optimization**: The purchase consideration for proposed sale is ₹ 72.75 crore will be primarily utilized to reduce debt, thereby lowering finance costs and improving cash flows. This de-leveraging will help the Company to unlock its substantial capital that could be used to strengthen its balance sheet and create headroom for future growth/restructuring. Given that the sale of the plant will be to a subsidiary whose financial results will be consolidated into that of the Company, the Company will continue to benefit from the operations of the plant through its subsidiary.

3) **Internal Synergy**: The Company lacks resources to realize the full potential of the plant. Since MCFL is already engaged in manufacturing and trading of fertilizers, selling the Mahad plant would enhance operational synergy, reduce duplication, and improve cost efficiency across the group.

4) **Sourcing Raw Materials:** The Company imports raw materials for its single super phosphate fertilisers' business and sourcing the same individually or independently is no longer commercially viable for the Company. Sourcing of raw material made commercial sense for the Company earlier when the Company also owned a larger fertiliser plant in Goa, however, it is no longer commercially viable for the Company in light of the size of the granulated single super phosphate plant at Mahad, Maharashtra, being sold to MCFL. Further, the Company has resource constraints for strengthening its market network or scaling up its operations. MCFL is in better financial position and has its own urea and phosphatic fertilizers business, for which MCFL is sourcing raw material in large scale. MCFL also has independent strong/established marketing network. Hence the sale of the plant is in the interest of all stakeholders of the Company.

5) **Revenue Impact**:

The Mahad SSP plant has an installed capacity of 200,000 TPA but generated turnover of only ₹ 47.80 crore for FY25 due to lower capacity utilization. This underperformance, influenced by financial and market conditions, made the asset less viable for ZACL to continue operating directly.

6) **Internal Restructuring**: Proposed slump sale to MCFL, a subsidiary of the Company will help the Company to streamline its business under a more focused entity. Employees, contracts, and licenses will seamlessly transfer, minimizing disruption.

7) **Strategic Realignment**: This will help the Company to further optimize asset utilization, reduce overhead, or pivot towards more profitable ventures.

***Approvals sought*:**

In accordance with the provisions of Section 180 (1)(a) of the Companies Act 2013 and Regulation 37A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the Shareholders is required by way of a Special Resolution for sale of the Company's granulated single super phosphate plant plant at Mahad, Maharashtra to Mangalore Chemicals & Fertilizers Limited.

Below is the Disclosure as required under regulation 37A(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SR NO	PARTICULARS	DETAILS
1.	Object and commercial rationale of Slump Sale	Kindly refer the strategic rationale as mentioned above.
2.	Use of proceeds arising from Slump sale.	The sale proceeds will be used for discharging liabilities of the Company and liquidating advances /loans/trade payables, in part or full.

Further, as per Section 188 of the Companies Act 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 ("Rules") any transaction with a related party for sale or disposal of property of any kind, where the transaction value exceeds the prescribed threshold limits mentioned in the Rules is required to be approved by the members of the Company, by way of an Ordinary Resolution. Further, as per Section 188 of the Companies Act 2013 it is clarified that no member who is a related party shall vote to approve a resolution involving transaction with a related party. Hence, the approval of the relevant members by way of an Ordinary Resolution is sought for sale of the granulated single super phosphate plant and other associated business of the Company on a slump sale basis to MCFL as per details given below:

SR NO	PARTICULARS	DETAILS
1.	Name of the related party	Mangalore Chemicals & Fertilizers Limited (MCFL).
2.	Name of the director or Key managerial personnel who is related, if any	Mr. Saroj Kumar Poddar, Chairperson and Member of Promoter Group of ZACL, Mr. Nitin M. Kantak, Executive Director, Mr. Akshay Poddar, Non-Executive Director and Member of Promoter Group and Mr. Athar Shahab, Non-Executive Director.

SR NO	PARTICULARS	DETAILS
3.	Nature of Relationship	MCFL is a subsidiary of the Company and the Company holds 54.03 % of its share capital.
4.	Nature, material terms, monetary value and particulars of the contract and arrangements	Sale of the Company's granulated single super phosphate situated at Mahad, Maharashtra and certain associated business to MCFL for an amount of ₹ 72.25 Crore, on a slump sale basis.
5.	Any other information relevant or important for the members to take a decision on the proposed resolution	Mr. Umesh Poddar, Registered Valuer, (Securities or Financial Assets), Regn. No. IBBI/RV/06/2020/12885, have issued valuation report dated 29th July, 2025 for the valuation of Mahad Plant which was arrived at ₹ 72 Crore. The fairness opinion report was issued by Indcap Advisors Private Limited, SEBI registered Category I Merchant Banker. Members desirous of inspecting the valuation report and / or the fairness opinion may send their request to the Company at shares@adventz.com mentioning their name, demat account number/folio number. The valuation report and the fairness opinion will be available for reference and inspection at the Company's registered office during working hours from Monday to Friday. Members may also inspect the documents electronically by sending their request to the Company at shares@adventz.com mentioning their name and demat account number/ folio number.

Except, Mr. Saroj Kumar Poddar, Chairperson, Member of Promoter Group of ZACL, Mr. Nitin M. Kantak, Executive Director and Mr. Akshay Poddar, Non-Executive Director and Member of Promoter Group and Mr. Athar Shahab, Non-Executive Director none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise in this matter.

The Board accordingly recommends the Ordinary Resolution set out at Item No. 6 and Special Resolution set out as Item no.7 of the Notice for approval of the members.

By Order of the Board
For Zuari Agro Chemicals Limited

Asheeba Pereira
Company Secretary &
Compliance Officer
Membership No. ACS: 48097

Regd. Office:
Jai Kisaan Bhawan,
Zuarinagar,
Goa - 403 726

Date : 8th August, 2025

Details of Director seeking re-appointment at the forthcoming Annual General Meeting	
Name of the Director	Mr. Athar Shahab
DIN	01824891
Date of Birth	12-08-1968
Age (in years)	56
Relationship between directors inter-se	Not Applicable
Date of First Appointment	05-11-2022
Qualification	Post Graduate Diploma in Business Management from XLRI, Jamshedpur with specialisation in Finance and Marketing and Bachelor's Degree in Civil Engineering from VSS University of Technology, Burla (VSSUT)
Nature of expertise in Functional areas & Experience including brief resume.	He has more than 33 years of rich experience across project finance, advisory, investment, project management and general management. He has a demonstrated track record of building businesses, developing appropriate strategies, plans, systems and processes and running operations. He possesses a deep understanding of the regulatory landscape and business risks. He has worked with L&T, Vedanta Group, IDFC, AES Corp., Shamil Bank and ICICI Limited. Presently, Mr. Shahab is the Managing Director of Zuari Industries Limited(Formerly known as Zuari Global Limited). Mr. Athar Shahab has been bestowed with Maxi Gold Medal for excellence in Marketing.Mr. Shahab has made significant contribution to development of credible policy frameworks for private sector participation in infrastructure in India and has also assisted PM's Taskforce on Infrastructure. He has played important policy advocacy role at CII and FICCI as a Member of their respective National Committees on Infrastructure including chairing the CII Committee on Highways for several years. He is also a member of CII National Committee on Power.
Terms and Conditions of appointment/re-appointment	Re-appointment on retirement by rotation
Directorship held in other companies including listed companies (excluding foreign companies & Section 8 companies) as on 31st March, 2025	1. Zuari Industries Limited 2. Texmaco Infrastructure & Holdings Limited 3. Zuari Infraworld India Limited 4. Zuari Finserv Limited 5. Zuari Insurance Brokers Limited 6. Simon India Limited 7. Zuari Management Services Limited 8. Zuari Envien Bioenergy Private Limited
Listed entities from which the person has resigned in the past three years	NIL
Membership/Chairmanship of Committees of Public Companies (includes only Audit Committee and Stakeholders RelationshipCommittee) as on 31st March, 2025	1. Zuari Industries Limited. – Member of Audit Committee and Shareholders Relationship Committee. 2. Texmaco Infrastructure & Holdings Limited - Member of Audit Committee 3. Zuari Agro Chemicals Limited- Member of Audit Committee and Chairman of Shareholders Relationship Committee.
Shareholding in the Company, including shareholding as a beneficial owner	NIL
Remuneration proposed to be paid	Sitting fees

*Listed Company

**For other details such as number of meetings of Board of Directors attended during the year and remuneration last drawn i.e. as on 31st March, 2025, please refer to the Corporate Governance Report (Annexure A of the Board's Report).

BOARD'S REPORT 2024-25

To the Members,

1. Your Directors place before you the Sixteenth Annual Report of the Company together with Statement of Accounts for the financial year ended 31st March, 2025.

2. Financial Highlights: **(₹ In Lakhs)**

Particulars	Standalone		Consolidated	
	2024-25	2023-24	2024-25	2023-24
Profit/ (Loss) for the year before depreciation, exceptional item and taxation	(6,862.89)	2,464.52	25,430.02	32,234.81
Less:Depreciation for the year	316.17	324.47	10,150.08	9,481.44
Exceptional Expenses	-	-	-	-
Share of Profit / (Loss) of an associate and a joint venture	-	-	15,032.96	2,303.78
Profit/(loss) before tax	(7,179.06)	2,140.05	30,312.90	25,057.15
Less : Provision for taxation – Current Tax	-	-	6,278.37	4,310.00
Income Tax Credit of earlier years	131.1	-	131.1	33.3
Deferred Tax Charges (Credit)	-	-	807.83	3,618.90
Profit /(Loss) after tax	(7,310.16)	2,140.05	23,095.60	17,094.95
Other Comprehensive Income(Loss)	579.11	1,146.74	330.6	1,002.83
Total Comprehensive Income/ (Loss)	(6,731.05)	3,286.79	23,426.20	18,097.78
Proposed Dividend : ₹ NIL (PY ₹ NIL) (in case of a subsidiary ₹ 1.50 (PY ₹ 1.50)	-	-	1,777.73	1,777.73
Tax on dividend (Including Surcharge)	-	-	-	-
Earnings per equity shares (EPS) (In ₹)				
Basic and diluted from continuing and discontinued operations	(17.38)	5.09	39.18	23.74

A. Review of Operations:

The revenue from operations (Standalone) for the year ended 31st March, 2025 was ₹ 4,779.74 Lakhs as compared to ₹ 8,300.26 Lakhs for the previous year.

The profit before tax for the year ended 31st March 2025 was ₹ (7,179.06) Lakhs as compared to ₹ 2,140.05 Lakhs for the previous year. The profit after Tax stood at ₹ (7,310.16) Lakhs for the year ended 31st March, 2025 as compared to ₹ 2,140.05 Lakhs for the previous year.

The revenue from operations (Consolidated) for the year ended 31st March, 2025 was ₹ 4,43,608.70 Lakhs as compared to ₹ 4,59,545.85 Lakhs for the previous year.

The consolidated profit before tax for the year ended 31st March 2025 was ₹ 30,312.90 Lakhs as compared to ₹ 25,057.15 Lakhs for the previous year. The profit after tax stood at ₹ 23,095.60 Lakhs for the year ended 31st March, 2025 as compared to ₹ 17,094.95 Lakhs for the previous year.

B. Reserves:

The net deficit in the statement of Profit and Loss and General Reserves as on 31st March, 2025 was ₹ 61,758.33 Lakhs, as against ₹ 54,459.92 Lakhs net deficit in the statement of profit and loss as on 31st March, 2024.

C. Material changes and commitments affecting financial position between the end of the financial year and date of the report:

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year to which the financial statements relates and date of the approval of the Board's Report.

3. Dividend:

The Directors do not recommend any dividend in view of loss during the year under review.

The Dividend Distribution Policy of the Company is displayed on the Company's website. The weblink for the same is:

http://www.zuari.in/assets/files/corporate-governance/Dividend-Distribution-Policy_ZACL-14aug2021n.pdf

4. Conservation of Energy/Technology Absorption/Foreign Exchange Earnings and Outgo:

A. Conservation of Energy:

(i) The steps taken or impact on conservation of energy – Not Applicable

(ii) The steps taken by the Company for utilizing alternate sources of energy – Not Applicable

(iii) The capital investment on energy conservation equipment – Not Applicable

No energy savings / conservation schemes implemented during the year 2024-25.

B. Technology Absorption:

(i) The efforts made towards technology absorption - Not Applicable

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution – Not Applicable

(iii) Imported technology (imported during the last 3 years reckoned from the beginning of the financial year) - Not Applicable

(iv) The expenditure incurred on Research and Development - Not Applicable

No new technology was absorbed during the year 2024-25.

C. Foreign Exchange earnings and Outgo:

The expenditure in foreign currency for the year ended 31st March, 2025 was ₹ Nil as compared to ₹ NIL during the previous year. The foreign exchange earnings for the year ended 31st March, 2025 was ₹ NIL as compared to ₹ NIL during the previous year.

5. Environment, Health and Safety:

The Company remains committed to its environment and safety initiatives. Our Fertilizer Plant operates as a 'Zero Effluent Discharge Plant and adheres to all statutory requirements as specified in the consent to operate.

In the past year, our Quality Control Laboratory, received NABL Accreditation Certificate from the Quality Council of India NABL-Board, Gurugram, Haryana for two years effective from 06/09/ 2024.

Last year, the Company obtained a New Consent on 29/11/2024 for the utilization of hazardous waste in accordance with Rule 9 of the Hazardous and Other Wastes (Management and Transboundary movement) Rules, 2016, for Utilization of spent sulphuric acid (SSA) [generated from Linear Alkyl Benzene Sulphonic Acid (LABSA) process] in the production of Single Super Phosphate.

Additionally, the Company was granted Registration Certificate for Brand Owner on 25th January, 2025. This Registration issued under the PWM Rules, 2016 from Central Pollution Control Board (Ministry Of Environment, Forest and Climate Change, Govt. of India) Parivesh Bhawan, East Arjun Nagar Delhi authorises us for the disposal of Plastic waste generated due to plastic packaging introduced by us in the market.

As part of our green initiatives, the Company plan to conduct approximately 200 plantings during the FY-2025-26 monsoon season around the factory compound's periphery.

The Company continuously conducts safety training and refresher programs for its employees and workers. Notably, there were no fatal incidents reported at the factory over the past year. The Company has also organized numerous activities related to Safety, Health & Environment during National Safety Week, National Road Safety Month, World Environment Day, National Fire Service Day and Chemical Disaster Prevention Day.

6. Industrial Relations:

The Industrial Relations scenario in the Plant was normal.

7. Annual Return:

Annual Return referred to in Section 92(3) of the Companies Act, 2013 is available on the website of the Company at

http://www.zuari.in/investor/annual_return

8. Related Party Transactions:

All related party transactions that were entered into during the financial year, were on an arm's length basis. All related party transactions are approved by the Audit Committee and the Board of Directors. The details of related party transactions in Form AOC-2 are enclosed as **Annexure- 'K'.**

9. Particulars of Loans, Guarantees or Investments:

The details of Loans given, Corporate Guarantees provided and Investments made by the Company under the provisions of Section 186 of the Companies Act, 2013 are given in Note No. 42 of the financial statements.

10. Nomination & Remuneration Policy and Disclosures on Remuneration:

The Board on the recommendation of the Nomination & Remuneration Committee has framed a policy for selection, appointment and remuneration of Directors, Key Managerial Personnel and employees in the Senior Management including the criteria for determining qualification, positive attributes, independence of director and other matters as required under Section 178(3) of the Companies Act, 2013. More details of the same including the composition of the Committee are given in the Report on Corporate Governance enclosed as **Annexure 'A'** to this report.

The nomination and remuneration policy is displayed on the Company's website. The weblink for the same is:

http://www.zuari.in/assets/files/corporate-governance/NominationandRemunerationPolicy-02022022.pdf

The disclosure related to the employees under Section 197(12) read with Rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure 'I'** to this Report.

The information required pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is enclosed as **Annexure 'J'**.

11. Vigil Mechanism/Whistle Blower Policy:

The Company in accordance with the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has established a vigil mechanism for directors and employees to report genuine concerns to the management viz. instances of unethical behavior, actual or suspected, fraud or violation of the Company's Code of Conduct or Ethics Policy. The Company has also formulated a Whistle Blower Policy ("Policy") which provides for adequate safeguard against victimization of persons and has a provision for direct access to the Chairperson of the Audit Committee. The Company has not denied any person from having access to the Chairman of the Audit Committee.

Weblink for the policy:

http://www.zuari.in/assets/files/corporate-governance/Whistle-Blower-Policy-08.02.2019n.pdf

12. Corporate Social Responsibility ('CSR'):

The Board of Directors has constituted a CSR Committee and also approved the CSR Policy. CSR Committee comprised of Executive Director, one Independent Director and one Non-Executive Director as on 31st March, 2025. The Board has designated Mrs. Asheeba Pereira, Company Secretary as Secretary of the Committee. During the year under review, 1 meeting of the Committee was held on 24th May, 2024.

The Composition of Committee & their attendance at the meetings are as follows:

Names of Members	Status	Nature of Directorships	No of meetings attended
Mr. Amandeep	Chairman	Independent Director	1
Mr. Akshay Poddar	Member	Non-Executive Director	1
Mr. Nitin M. Kantak	Member	Executive Director	1

The policy is displayed on the Company's website. The weblink for the same is: http://www.zuari.in/assets/files/corporate-governance/CSR-Policy-13feb2021.pdf

The CSR Committee formulates and recommends to the Board a CSR Policy which shall indicate the activities to be undertaken by the Company, as specified in Schedule VII of the Companies Act, 2013. The Committee also recommends the amount of expenditure to be incurred on the CSR activities and monitors the CSR Policy of the Company from time to time.

The detailed report on CSR activities as required under The Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as **Annexure 'H'** to this report.

13. Directors and Key Managerial Personnel:

The Board comprises of three Non-Executive Directors, one Executive Director and four Independent Directors. All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (LODR) Regulations, 2015.

In accordance with the provisions of Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company organizes familiarization programme for the Independent Directors as and when required.

Mr. Athar Shahab retires by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment. A brief profile and details of other directorships of Mr. Athar Shahab are given in the Report on Corporate Governance attached as **Annexure 'A'** to this report.

Mrs. Reena Suraiya was re-appointed as a Non-Executive and Independent Director of the Company for a second term of 3 years w.e.f. 24th June, 2024 to 23rd June, 2027. Approval of the shareholders by way of postal ballot was obtained on 9th July, 2024 for her re-appointment and continuation of her directorship pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Amandeep was re-appointed as a Non-Executive and Independent Director of the Company for a second term of 3 years w.e.f. 29th May, 2025 to 28th May, 2028 and the approval of the shareholders was obtained through Postal Ballot on 29th April, 2025 for his re-appointment.

Mr. Manoj Dere, ceased to be a Company Secretary & Compliance Officer and Key Managerial Personnel of the Company w.e.f. 30th September, 2024.

Mrs. Asheeba Pereira, was appointed as Company Secretary & Compliance Officer and Key Managerial Personnel of the Company w.e.f. 1st October, 2024.

A statement regarding opinion of the Board, with regard to integrity, expertise and experience (including proficiency) of the Independent Directors appointed during the year is given in Corporate Governance Report annexed as **Annexure 'A'**.

Mr. Nitin M. Kantak, Executive Director, Mrs. Asheeba Pereira, Company Secretary and Mr. Manish Malik, Chief Financial Officer have been designated as Key Managerial Personnel in accordance with provisions of Section 203 (1) of the Companies Act, 2013.

14. Performance Evaluation:

Pursuant to the Provisions of Section 134, 178 and Schedule IV of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the following performance evaluations were carried out;

a. Performance evaluation of the Board, Chairman and Non-Independent Directors by the Independent Directors;

b. Performance evaluation of the Board, its committees and Independent Directors by the Board of Directors; and

c. Performance evaluation of every director by the Nomination and Remuneration Committee.

The details of Annual Performance evaluation carried out are given in the Corporate Governance Report attached as **Annexure 'A'** to this report.

15. a. Board Meetings:

During the year, six Board Meetings were held on 25th May, 2024, 3rd August, 2024, 1st October, 2024, 6th November, 2024, 25th November, 2024 and 6th February, 2025. The details of the composition of the Board and attendance of the Directors at the Board Meetings, are provided in the Corporate Governance Report.

b. Audit Committee:

During the year under review, five Audit Committee Meetings were held and all the recommendations of the Audit Committee were accepted by the Board. The details of the composition of the Audit Committee and details of committee meetings are given in the Corporate Governance Report.

16. Fixed Deposits:

The Company has not accepted fixed deposits during the year under review.

17. Details of significant and material orders passed by the Regulators or Courts:

There are no significant material orders passed by the Courts/ Regulators or Tribunals impacting the going concern status and Company's operations in future. The details pertaining to various demand notices from various statutory authorities are disclosed in Note No. 34 of financial statements under the heading – Contingent Liabilities.

18. Adequacy of internal financial controls with reference to financial statements:

The Company has adequate systems of internal control in place, which is commensurate with its size and the nature of its operations. The Company has designed and put in place adequate Standard Operating Procedures and Limits of Authority Manuals for conduct of its business, including adherence to Company's policies, safeguarding its assets, prevention and detection of fraud and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information.

These documents are reviewed and updated on an ongoing basis to improve the internal control systems and operational efficiency. The Company uses a state-of-the-art ERP (SAP HANA) system to record data for accounting and managing information with adequate security procedure and controls.

19. Disclosure Requirement:

Your Company has complied with all the mandatory requirements of Schedule V of SEBI (LODR) Regulations, 2015. The Report on Corporate Governance is enclosed as **Annexure 'A'** to this report. A Certificate on compliance of Corporate Governance by a Practicing Company Secretary is enclosed as **Annexure 'B'**. Declaration by the Executive Director is enclosed as **Annexure 'C'**, the Management Discussion and Analysis is enclosed as **Annexure 'E'** and Secretarial Audit Report is enclosed as **Annexure 'F'** to this report.

20. Statutory Auditors:

As per Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder and pursuant to the recommendations of the Audit Committee, M/s. K.P. Rao & Co., Chartered Accountants, (FRN 003135S), were appointed as Statutory Auditors of the Company at the 12th Annual General Meeting, to hold office from the conclusion of 12th Annual General Meeting until the conclusion of the 17th Annual General Meeting.

The Auditors Report on Standalone & Consolidated Financial Statements contained no qualifications.

During the year under review, there were no frauds reported by the Auditors to the Audit Committee or the Board under Section 143 (12) of the Companies Act, 2013.

21. Cost Records & Cost Audit:

The Company is required to maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013, and accordingly such accounts are made and records are maintained. The Cost Audit Report for the year ended 31st March, 2024 was filed by the Company with the Ministry of Corporate Affairs on 9th August, 2024.

22. Secretarial Audit Report:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Shivaram Bhat, Practicing Company Secretary as Secretarial Auditor, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year 2024-25 is enclosed as **Annexure 'F'** to this Board's Report. The Secretarial Audit Report does not contain any qualification.

Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Secretarial Audit Report of the Material Unlisted Subsidiary Zuari Farmhub Limited for the financial year 2024-25 is enclosed as **Annexure 'G'**.

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the LODR Regulations, upon the recommendation of the Audit Committee, the Board of Directors approved and recommended for shareholders' approval, the appointment of Mr. Shivaram Bhat, Company Secretary in Practice (ACS No. 10454, Certificate of Practice No. 7853, PR 1775/2022) for a term of 5 (five) years beginning from FY 2025-26, to carry out the Secretarial Audit of the Company.

23. Disclosure as per Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Your Company has complied with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There were no complaints/cases filed/ pending under the Act with the Company during the financial year.

24. Employees' Stock Option Scheme:

Though the Employees Stock Option Scheme (ESOPS) was approved by the shareholders in the Annual General Meeting held on 7th August, 2012, no options were issued pursuant to the same.

25. Non-Convertible Debentures (NCDs):

As per the terms of NCDs, the Company has made early redemption of 500 senior, secured, unrated, unlisted, redeemable, non-convertible debentures, Debentures of ₹ 10 Lakh each, aggregating to ₹ 50 Crore on 15th April, 2025.

26. The details of application made or any proceeding pending under the insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year alongwith their status as at the end of the financial year:

No application was received or any proceedings filed under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year 2024-25.

27. Details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof:

Not Applicable

28. Consolidated Financial Statements under Section 129 of the Companies Act, 2013:

The Consolidated Financial Statements of the Group has been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) (Amendment) Rules, 2016 which forms part of this Annual Report.

The Company shall place the financial statements of subsidiaries on its website in pursuance of Section 136 of the Companies Act, 2013. The Annual Accounts of the Subsidiary Companies shall be made available to the shareholders for inspection at the Registered Office of the Company.

29. Subsidiaries:

A brief review of the subsidiaries of the Company is given below:-

(a) Mangalore Chemicals & Fertilizers Limited:

Mangalore Chemicals & Fertilizers Limited (MCFL) is a subsidiary of the Company and the Company holds 54.03% total voting rights in MCFL.

MCFL has only one major business segment, viz. Fertilizers. It manufactures both Nitrogenous and Phosphatic fertilizers and is the only manufacturer of fertilizers in the State of Karnataka. About 72% of the Company's products are sold in the State of Karnataka, which meets about 11% of the needs of the farmers in the State. MCFL maintains a good share of the market in Kerala and a modest share in the neighbouring States of Tamil Nadu, Andhra Pradesh, Telangana and Maharashtra.

The revenue from operations for the year ended 31st March, 2025 was ₹ 3,33,189.59 Lakhs as compared to ₹ 3,79,544.16 Lakhs for the year ended 31st March, 2024.

The profit before tax for the year ended 31st March, 2025 was ₹ 20,604.69 Lakhs as compared to ₹ 24,067.02 Lakhs for the year ended 31st March, 2024. Total Comprehensive Income stood at ₹ 14,277.55 Lakhs for the year ended 31st March, 2025 compared to ₹ 15,427.33 Lakhs for the previous year.

(b) Zuari Farmhub Limited :

"Zuari Farmhub Limited'' (ZFL) continues to be a subsidiary of the Zuari Agro Chemicals Limited.

The following are the businesses carried out by ZFL:

The Specialty Nutritients Business:

In order to support the market & farmers need with timely supply of quality products, ZFL manufactures, source & promotes high quality Water Soluble Fertilizers, Micronutrients, Organic Products, Soil Conditioners & Agri. fluids to offer complete plant nutrient solution to farmers. The Specialty Fertilizer Division facility in Baramati manufacturing highest quality Water Soluble Fertilizer mixtures has greatly helped in growth of the business.

Plant Protection Chemicals

ZFL offer services to farmers by offering such protection measures, wide range of agri. Crop protection chemicals are marketed by ZFL under their own brands sourced from reputed manufacturers. ZFL also adopted a collaborative approach for marketing the products of reputed pesticide companies in their brands through their channel partner network.

Agri Retail Business - Jai Kisaan Junction

ZFL has conceptualized and operate a targeted platform which is company owned company operated retail multi brand store chain - **Jaikisaan Junctions ,** to deliver quality farm inputs and services at reasonable prices to the farmers. Under the motto of One-Stop-Solution, highest quality products / brands are sourced right from manufacturer itself for Jaikissan Junctions to offer an entire range of Agri. products and services to the farmers.

Analytical and Advisory Service

ZFL promotes the concept of Integrated Nutrient Management. Six Agricultural Development Labs (ADLs) established at different locations strive to provide solution to the pressing needs of the farmers in 14 out of 15 agro climatic zones in India. Through this facility, analysis of samples pertaining to our customers is done and appropriate recommendations for soil health and crop management are given.

The Agri Services and R&D is involved in imparting training to internal customers and channel partners. Adventz Agri Innovation Centre at Solapur is a platform where agricultural technologies are screened based on adaptation and assessing their relative advantage, compatibility, complexity and replicability.

The revenue from operations for the year ended 31st March, 2025 was ₹ 1,10,735.83 Lakhs as compared to ₹ 78,167.61 Lakhs for the year ended 31st March, 2024.

The profit before tax for the year ended 31st March, 2025 was ₹ 3,467.44 Lakhs as compared to loss of ₹ 1,821.95 Lakhs for the year ended 31st March, 2024. Total Comprehensive Income stood at ₹ 2,560.05 Lakhs for the year ended 31st March, 2025 compared to loss ₹ 1217.98 Lakhs for the previous year.

30. Joint Venture:

A brief review of the joint venture of the Company is given here below:

Zuari Maroc Phosphates Private Limited:

Zuari Maroc Phosphates Private Limited (ZMPPL), a 50:50 joint venture with OCP S.A., was established as a Special Purpose Vehicle (SPV) for acquisition of stake in Paradeep Phosphates Limited (PPL). At present, ZMPPL is holding 56.05% of the equity stake in PPL.

ZMPPL's total revenue from operations for the year ended 31st March, 2025 was ₹ 6884.06 Lakhs as against ₹ 2949.70 Lakhs during the previous year.

The profit before exceptional Items and tax for the year ended 31st March, 2025 was ₹ 2678.23 Lakhs as against profit before exceptional Items and tax of ₹ 2595.66 Lakhs during the previous year. Profit after tax for the year was ₹ 1996.89 Lakhs as compared to profit after tax of ₹ 1935.73 Lakhs in the previous year.

31. Risk Management:

The details pertaining to Risk Management are included in the Corporate Governance Report enclosed as **Annexure 'A'.**

32. Business Responsibility and Sustainability Report :

Pursuant to Regulation 34 (2) (f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015, the Business Responsibility and Sustainability Report for the financial year 2024-25 is not applicable to the Company.

33. Directors' Responsibility Statement :

To the best of our knowledge and belief and according to the information and explanation obtained by us, your Directors make the following statements in terms of provisions of Section 134 (5) of the Companies Act, 2013, and hereby confirm that:

(a) in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation material departures;

(b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and the loss of the company for that period;

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

(d) the Directors have prepared the annual accounts on a going concern basis;

(e) the Directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

(f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

34. Compliance of Secretarial Standards:

The Company has complied with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

35. Acknowledgements:

Your Directors wish to place on record their appreciation for the dedication, commitment and contribution of all stakeholders and employees of your Company.

For and on behalf of the Board

Nitin M. Kantak	**Athar Shahab**
Executive Director	Non-Executive Director
DIN: 08029847	DIN: 01824891

Date: 14th May, 2025

ANNEXURE ‘A’ TO THE BOARD’S REPORT

REPORT ON CORPORATE GOVERNANCE

1. Company’s Philosophy on Code of Corporate Governance:

Corporate Philosophy of the Company is to strengthen India’s industrial and agricultural base, increasing shareholder value, providing quality fertilisers and other agri inputs, preserving and protecting the environment and ensuring a healthy neighbourhood.

The Company’s Philosophy on Corporate Governance envisages an attainment of the highest level of transparency and accountability. It is aimed at safeguarding and adding value to the interests of various stakeholders. The Company is committed to the best Corporate Governance and continues with its initiatives towards the best Corporate Governance practices.

2. Board of Directors:

The Board of Directors of the Company comprised of eight members including, one Executive Director and seven Non-Executive Directors as on 31st March, 2025. Half of the Board comprised of Independent Directors and Non-Executive Directors.

During the financial year, six Board meetings were held on 25th May, 2024, 3rd August, 2024, 1st October, 2024, 6th November, 2024, 25th November, 2024 and 6th February, 2025.

Attendance of each Director at the Board of Directors’ meetings and at the last Annual General Meeting (AGM) along with the directorships in other Companies and number of Committees where the Director is a Chairman / Member is given hereunder:

Name of Director	Category of Directorship#	No. of Directorships in other Companies** as on 31-3-2025	No. of Board Meetings Attended	No. of shares held in the Company	Attendance at last AGM	No. of Board Committees of other Companies* as on 31-03-2025	
						Chairman	Member
Mr. Saroj Kumar Poddar	Promoter Group, Chairman & NED	10	6	1,79,406@	Yes	-	-
Mr. Akshay Poddar ^	Promoter Group & NED	17	6	1,50,585	Yes	1	2
Mr. Nitin M. Kantak	ED	5	6	NIL	Yes	-	1
Mr. Athar Shahab	NED	8	5	NIL	Yes	-	3
Mr. Dipankar Chatterji	ID	8	6	NIL	Yes	3	3
Mr. Amandeep$	ID	5	5	NIL	Yes	2	0
Mrs. Reena Suraiya+	ID	1	6	NIL	Yes	-	-
Mr. Sanjeev Lall++	ID	5	6	NIL	Yes	-	1

\# ED-Executive Director, ID –Independent Director, NED-Non -Executive Director

* Includes Audit Committee and Stakeholders’ Relationship Committee in Public Companies

** Includes Directorship in other public and private companies

^ Mr. Akshay Poddar is the son of Mr. Saroj Kumar Poddar

@ Shares include held in individual capacity and as a trustee

\+ Re-appointed as Independent Director for a second term of 3 years w.e.f. 24th June,2024.

$ Re-appointed as Independent Director for a second term of 3 years w.e.f. 29th May, 2025.

++ Re-appointed as Independent Director for a second term of 3 years w.e.f. 1st September, 2025

Names of the Listed entities where the Director of the Company is Director on the Board of Listed Entities:

Name of the Director	Name of the listed Entities where the Director of the Company is Director as on 31.03.2025	Category of Directorship of the listed Entities where the Director of the Company is Director as on 31.03.2025
Mr. Saroj Kumar Poddar	Chambal Fertilisers And Chemicals Limited	Non-Executive Chairman
	Texmaco Rail & Engineering Limited	Executive Chairman
	Zuari Industries Limited	Non - Executive Chairman
	Paradeep Phosphates Limited	Non- Executive Chairman
Mr. Akshay Poddar	Mangalore Chemicals & Fertilizers Limited	Non-Executive Chairman
	Texmaco Rail & Engineering Limited	Non-Executive Director
	Texmaco Infrastructure & Holdings Limited	Non-Executive Chairman
	Adventz Securities Enterprises Limited	Non-Executive Director
Mr. Nitin M. Kantak	Mangalore Chemicals and Fertilisers Limited	Whole Time Director
Mr. Athar Shahab	Zuari Industries Limited	Managing Director
	Texmaco Infrastructure & Holdings Limited	Non-Executive Director
Mr. Dipankar Chatterji	Nicco Parks & Resorts Ltd	Independent Director
	Paradeep Phosphates Limited	Independent Director
Mr. Amandeep	-	-
Mrs. Reena Suraiya	-	-
Mr. Sanjeev Lall	-	-

3. Retirement of Directors by rotation and re-appointment:

Mr. Athar Shahab retires by rotation and is eligible for re-appointment.

As per Section 152(6) of the Companies Act, 2013, a brief profile and information about Mr. Athar Shahab is given below:

Mr. Athar Shahab holds a Post Graduate Diploma in Business Management from XLRI, Jamshedpur with specialisation in Finance and Marketing and a Bachelor's Degree in Civil Engineering from VSS University of Technology, Burla (VSSUT).

He has more than 33 years of rich experience across project finance, advisory, investment, project management and general management.

Names of the Companies in which Mr. Athar Shahab is a Director as on 31st March, 2025:

Name of the Companies/firms			
Sr.No	**Public Limited Companies**	**Sr.No**	**Private Limited Companies**
1	Zuari Industries Limited	1	Zuari Envien Bioenergy Private Limited
2	Zuari Agro Chemicals Limited		
3	Texmaco Infrastructure & Holdings Limited		
4	Zuari Infraworld India Limited		
5	Zuari Finserv Limited		
6	Zuari Insurance Brokers Limited		
7	Simon India Limited		
8	Zuari Management Services Limited		

4. **The list of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board :**

Sr. No.	Name of Director	Expertise in Specific Functional Areas
1	Mr. Saroj Kumar Poddar	Business Management.
2	Mr. Akshay Poddar	Accounting and Finance, Leadership & Strategy.
3	Mr. Nitin M. Kantak	Plant Operations, Project Management & Commissioning, Process Engineering, Procurement & General Management.
4	Mr. Athar Shahab	Business Management, Project Finance, Advisory Investment, Project Management, General Management etc.
5	Mr. Dipankar Chatterji	Chartered Accountant by profession and is an expert in the field of Finance, Taxation, Accounts and Laws.
6	Mr. Amandeep	Risk Management, Finance Skills, Business Management, Leadership Skills.
7	Mrs. Reena Suraiya	Risk Management and administrative skills, manages the investments in the Indian Financial Markets.
8	Mr. Sanjeev Lall	Entrepreneurial strategic leader and organization builder, Investment Banking, Corporate / Mid-market / SME Banking and Advisory Services, Commercial Banking, Corporate Credit Risk, Profit & Loss Management, Business Leadership and Strategic Planning.

5. **Confirmation as regards Independence of Independent Directors:**

In the opinion of the Board, the Independent Directors fulfil the conditions of independence specified under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and are independent of the management. During the year under review, there were no resignations of the Independent Directors before the expiry of their term.

The Independent Directors have also confirmed that they have complied with the Code for Independent Directors prescribed under Schedule IV of the Companies Act, 2013.

6. **Board Agenda:**

The Board meetings are scheduled well in advance and the Board members are given at least 7 days' notice prior to the meeting date. All major items are backed by in-depth background information and analysis, wherever possible, to enable the Board members to take informed decisions.

7. **Formal letter of appointment to Independent Directors:**

The Company issued a formal letter of appointment to all Independent Directors at the time of appointment in accordance with the provisions of the Companies Act, 2013 and Listing Regulations. The terms and conditions of appointment of Independent Directors is uploaded on the Company's website.

8. **Annual Performance evaluation:**

Pursuant to the provisions contained in Companies Act, 2013 and Schedule IV (Section 149(8)) of the Companies Act, 2013, the Annual performance evaluation has been carried out of all the Directors, the Board, Chairman of the Board and the working of all the Committees.

The performance evaluation of the Board of Directors was carried out based on the detailed questionnaire containing criteria such as duties and responsibilities of the Board, information flow to the Board, time devoted to the meetings, etc. Similarly, the evaluation of Directors was carried out on the basis of questionnaire containing criteria such as level of participation by individual directors, independent judgement by the director, understanding of the Company's business, etc.

The performance evaluation of the Board and the Committees was done by all the Directors. The performance evaluation of the Independent Directors was carried out by the Board excluding the Director being evaluated. The performance evaluation of the Chairman, Executive Director, and Non-Executive Directors was carried out by all the Independent Directors. The Directors expressed their satisfaction over the entire evaluation process.

9. **Independent Directors' Familiarization Programme:**

The Company in compliance with Regulation 25(7) of SEBI (LODR) Regulations, 2015 formulates programs to familiarize new Independent Directors with the Company, their roles, and responsibilities. The Independent Directors are given detailed presentation on the operations of the Company on the need basis at the meetings of the Board/Committees. The details of the familiarization programme has been disclosed on the Company's website. The weblink for accessing the familiarization programme is
http://www.zuari.in/investor/inv_familiarization_programme

10. **Board Diversity Policy:**

The Company in compliance with Regulation 19(4) of SEBI (LODR) Regulations, 2015 has formulated a policy on Board Diversity which sets out the framework to promote diversity on Company's Board of Directors. The Policy was recommended by Nomination and Remuneration Committee and approved by the Board.

11. Independent Directors' Meeting:

In compliance with Schedule IV to the Companies Act, 2013 and Regulation 25(3) of the SEBI Listing Regulations, 2015, during the year the Meeting of the Independent Directors was held on 5th February, 2025, without the attendance of Non-Independent Directors and members of the Management, inter alia, to discuss the following:

- Review the performance of Non-Independent Directors and the Board as a whole;
- Review the performance of the Chairman of the Company, taking into account the views of the Executive Director and Non-Executive Directors; and
- Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

12. Board Committees

The Committees of the Board are as follows:

a) Audit Committee

The Audit Committee comprises three Independent Directors and one Non -Executive Director as on 31st March, 2025. The permanent invitees include Executive Director and Chief Financial Officer. The Company Secretary is the Secretary of the Committee. During the year, 5 meetings were held on 25th May, 2024, 3rd August, 2024, 6th November, 2024, 25th November, 2024 and 6th February, 2025.

Terms of Reference

As per Regulation 18(3) of SEBI (LODR) Regulations, 2015 and Schedule II the terms of reference and role of the Audit Committee includes among other things, review of the Company's financial reporting process and its financial statements, review of the accounting and financial policies and practices, the internal control and internal audit systems (including review and approval of Internal Audit plan, appointment of Internal Auditors and review of internal audit reports), risk management policies and practices, review the functioning of the Whistle Blower mechanism, etc. The role also includes making recommendations to the Board, re-appointment of Statutory Auditors and fixation of audit fees.

Besides above, the additional terms of reference of Audit Committee as per the Companies Act, 2013 includes reviewing and monitoring auditor's independence and performance and effectiveness of audit process, examination of the financial statement and the auditor's report thereon, approval or any subsequent modification of transactions of the company with related parties, scrutiny of inter-corporate loans and investments, valuation of undertakings or assets of the company, wherever it is necessary.

The Composition of Committee & their attendance at the meetings are as follows:

Names of the members	Status	Nature of Directorship	No. of meetings attended
Mr. Dipankar Chatterji	Chairman	Independent Director	5
Mr. Athar Shahab	Member	Non- Executive Director	4
Mr. Amandeep	Member	Independent Director	5
Mrs. Reena Suraiya	Member	Independent Director	5

b) Nomination and Remuneration Committee:

The Nomination and Remuneration Committee comprised three Non-Executive Directors out of which two are Independent Directors as on 31st March, 2025. The Board has designated Mrs. Asheeba Pereira, Company Secretary as Secretary of the Committee. The Committee met 4 times i.e. 24th May, 2024, 2nd August, 2024, 1st October, 2024 and 5th February, 2025 during the financial year ended 31st March, 2025.

Terms of Reference:

The Board has constituted the Nomination & Remuneration Committee, as required under the Companies Act, 2013 and as per Regulation 19 of SEBI (LODR) Regulations, 2015. The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees. The Nomination & Remuneration Committee shall also formulate criteria for evaluation of Independent Directors and the Board and devise a policy on Board diversity. It shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and for removal.

The Composition of Committee & their attendance at the meetings are as follows:

Names of the members	Status	Nature of Directorship	No. of meetings attended
Mr. Dipankar Chatterji	Chairman	Independent Director	4
Mr. Akshay Poddar	Member	Non - Executive Director	4
Mr. Amandeep	Member	Independent Director	3

Details of Remuneration to all the Directors for the year:

The Company does not pay any remuneration/sitting fees to the Executive Director. The Company do not have pecuniary relationship or transactions with any Non-Executive Directors during the financial year 2024-25.

The Non-Executive Directors of the Company were paid remuneration by way of sitting fees.

The details of sitting fees paid to the Non-Executive Directors for attending the meetings of the Board and the Committees and remuneration paid to Executive Director during the financial year ended 31st March, 2025 are given below:

Terms of Reference:

The Board has constituted Stakeholders' Relationship Committee as required under Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015, which oversees the performance of the share transfer work and recommends measures to improve the level of investor services. In addition, the Committee looks into investors' grievances such as non-receipt of dividend, Annual Reports and other complaints related to share transfers etc.

(₹ in Lacs)

Names of Director	Salary including bonus	Perquisites	Sitting Fees	Retirement benefits – (Leave encashment)
Mr. Saroj Kumar Poddar	NIL	NIL	3.15	NIL
Mr. Akshay Poddar	NIL	NIL	4.05	NIL
Mr. Nitin M. Kantak	NIL	NIL	NIL	NIL
Mr. Athar Shahab	NIL	NIL	3.80	NIL
Mr. Dipankar Chatterji	NIL	NIL	5.15	NIL
Mr. Amandeep	NIL	NIL	4.35	NIL
Mrs. Reena Suraiya	NIL	NIL	4.40	NIL
Mr. Sanjeev Lall	NIL	NIL	3.00	NIL

No commission/sitting fees was paid Mr. Nitin M. Kantak during the financial year.

The term of re-appointment of Executive Director is 3 years w.e.f. 3rd September, 2023.

Notice period for termination of appointment is six months on either side. No severance pay is payable on termination of the appointment of Executive Director.

Pecuniary relationship of Directors:

During the financial year, none of the Directors of the Company had any material pecuniary relationship(s) or transaction(s) with the Company, its Promoters, its Senior management, its Subsidiaries or Associate Company, apart from the following:

i) Sitting Fees paid to the Non – Executive Directors;

ii) Reimbursement of expenses incurred by the Directors in discharging their duties;

iii) Mr. Saroj Kumar Poddar and Mr. Akshay Poddar are holding equity shares of the Company, details of which are given in this Report.

c) Stakeholders' Relationship Committee:

Stakeholders' Relationship Committee comprised of one Independent Director, one Non- Executive Director and one Executive Director as on 31st March, 2025. The Board has designated Mrs. Asheeba Pereira, Company Secretary as the Secretary of the Committee. The Committee met once i.e. on 5th February, 2025 during the financial year ended 31st March, 2025.

There were no complaints received from the shareholders during the year. There were no outstanding complaints as on 31st March, 2025.

The attendance of the members at the meeting is as follows:-

Names of the members	Status	Nature of Directorship	No. of meetings attended
Mr. Athar Shahab	Chairman	Non- Executive Director	1
Mr. Nitin M. Kantak	Member	Executive Director	1
Mrs. Reena Suraiya	Member	Independent Director	1

d) Corporate Social Responsibility (CSR) Committee:

The Board of Directors has constituted a CSR Committee and also approved the CSR Policy. CSR Committee comprised of Executive Director, one Independent Director and one Non-Executive Director as on 31st March, 2025. The Board has designated Mrs. Asheeba Pereira, Company Secretary as Secretary of the Committee.

Terms of reference:

i. The Corporate Social Responsibility Committee shall meet at least once in a financial year.

ii. The quorum for the meetings shall be at least 2 members.

iii. The Committee shall recommend the amount of expenditure to be incurred on the CSR activities on an annual basis.

iv. The Committee shall monitor & recommend to the Board changes to the Corporate Social Responsibility Policy from time to time.

v. The Company Secretary shall act as the secretary to the Corporate Social Responsibility Committee.

During the year under review, 1 meeting of the Committee was held on 24^{th} May, 2024. The Composition of Committee & their attendance at the meetings are as follows:

Names of the members	Status	Nature of Directorship	No. of meetings attended
Mr. Amandeep	Chairman	Independent Director	1
Mr. Akshay Poddar	Member	Non-Executive Director	1
Mr. Nitin M. Kantak	Member	Executive Director	1

e) Risk Management Committee:

The Company has constituted a Risk Management Committee with the objective to monitor and review the risk management plan for the Company including identification therein of elements of risks, if any, which may threaten the existence of the Company and such other functions.

The role of Risk Management Committee is to formulate a detailed risk management policy, to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company; to monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems, to periodically review the risk management policy, at least once in two years, to keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken. During the year under review, 2 meetings of the Committee were held on 2^{nd} August, 2024 and 15^{th} February, 2025.

The Risk Management Committee consists of the following members:

Names of the members	Status	Nature of Directorship	No. of meetings attended
Mr. Nitin M. Kantak	Chairman	Executive Director	2
Mr. Akshay Poddar	Member	Non-Executive Director	2
Mr. Athar Shahab	Member	Non-Executive Director	-
Mr. Dipankar Chatterji	Member	Independent Director	2

The Company was in top 2000 from the last three consecutive years i.e. as on 31st March, 2022, 31st March, 2023 and 31st March, 2024 and also as per average market capitalization list from 1st July, 2024 to 31st December, 2024. Pursuant to Regulation 3 (2B) of LODR, listed entities which remained outside the applicable threshold of top 1000 Companies based on market capitalization for a period of consecutive 3 years in terms of Reg. 2A, the provisions that apply basis the market capitalization would cease to apply at the end of the financial year following 31st December of third consecutive year. Hence, Risk Management Committee was dissolved w.e.f 14th May, 2025.

f) Other Committees:

Apart from the above stated Board Committees, the Board has also constituted the Committee of Directors for Banking and Finance. The Committee meetings are held as and when the need arises and at such intervals as may be expedient.

13. Means of communication

a. **Quarterly Results:**

Quarterly results are published in one English National Daily and Local Daily, published in the language of the region where the registered office of the company is located.

b. **Website on which the results are displayed:** *www.zuari.in*

c. The Company has disclosed official news-releases on its website.

d. During the year, the Company has not made any Presentations to institutional investors and analysts.

14. Code of Conduct for Directors and Senior Executives:

The Company has adopted a Code of Conduct for the Directors and Senior Executives of the Company. The code promotes conducting business in an ethical, efficient and transparent manner so as to meet its obligations to its shareholders and all other stakeholders. The code has set out a broad policy for one's conduct in dealing with the Company, fellow Directors and employees and the external environment in which the Company operates.

The declaration given by the Executive Director of the Company with respect to the affirmation of compliance of the code by the Board of Directors and Senior Executives of the Company is enclosed as **Annexure 'C'** to this report.

15. Code of Conduct for prevention of Insider Trading:

The Company has adopted a Code of Conduct for Prevention of Insider Trading in securities of the Company, pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015. The Board has designated Company Secretary, as the Compliance Officer to monitor compliance of aforesaid Regulations.

16. Annual General Meetings:

a) **Details of the Special Resolutions passed through Postal Ballot during the financial year 2024-25:**

Brief procedure for postal Ballot	Postal Ballot conducted as per section 110 of the Companies Act, 2013 and Companies (Management and Administration) rules, 2014.
Type of meeting	Postal Ballot
Date of Postal Ballot Notice	25th May, 2024
Item of Special Resolution passed through the Postal Ballot	Special Resolution for Re-appointment of Mrs. Reena Suraiya (DIN: 01824778) as a Non-Executive and Independent Director of the Company and for continuation of her directorship after attaining the age of 75 years
Details of voting pattern	Votes in favour: 2,75,67,751 (99.97%) Votes against: 8,028 (0.03%) Invalid votes : 0
Name of Scrutinizer for conducting Postal Ballot	Mr. Shivaram Bhat, Practicing Company Secretary
Date of declaration of result and date of approval	10th July, 2024 and 9th July, 2024

b) **Details of the Special Resolution passed through Postal Ballot for the financial year 2025-26:**

Shareholders' approval by way of Postal ballot was obtained on 29th April, 2025 the results of which were declared on 30th April, 2025 for re-appointment of Mr. Amandeep as an Independent Director of the Company for a second term for a period of 3 years w.e.f 29th May, 2025 to 28th May, 2028.

c) **Details of the Special Resolution proposed to be conducted through Postal Ballot :**

The Board at its meeting held on 14th May, 2025 has accorded its approval to seek consent of the shareholders for re-appointment of Mr. Sanjeev Lall (DIN: 08740906), as a Non-Executive and Independent Director of the Company to hold office for a second term of 3 years from 1st September, 2025 to 31st August, 2028.

d) **Details of the previous three Annual General Meetings (AGM) are as follows:**

Year	Location	Date	Time	Particulars of Special Resolution passed
2023-24	Through VC	27-09-2024	2.00 P.M.	-
2022-23	Through VC	27-09-2023	3.00 P.M.	1. Waiver of recovery of excess remuneration paid to Mr. Sunil Sethy, then Managing Director for Financial Year 2019-20. 2. Shifting of the Registered Office of the Company from the State of Goa to the State of Haryana and consequent alteration of Clause II of Memorandum of Association of the Company.
2021-22	Through VC	12-09-2022	3.00 P.M.	1. Appointment of Mr. Sanjeev Lall (DIN: 08740906) as an Independent Director of the Company.

17. General Shareholders Information:

a) **Annual General Meeting:**

The Annual General Meeting of the Company will be held on Tuesday, 23rd September, 2025 at 2.30 P.M. (IST) through Video Conferencing mode.

b) **Financial Year:** 1st April to 31st March

c) **Financial calendar (Tentative):**

Financial Period	Declaration of Financial Results
Results for the quarter ended 30th June, 2025	Within 45 days of the end of the quarter or such prescribed period
Results for the half-year ended 30th September, 2025	Within 45 days of the end of the quarter or such prescribed period
Results for the quarter ended 31st December, 2025	Within 45 days of the end of the quarter or such prescribed period
Audited Annual Results 2025-26	Within 60 days of the end of the quarter/ financial year or such prescribed period

d) **Date of book closure:** N.A

e) **Dividend payment date:** No dividend is proposed for the financial year 2024-25.

f) **Management Discussion and Analysis forms part of this Report as Annexure 'E'**

g) **Listing on Stock Exchanges:** Company's shares are presently listed on:

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, MUMBAI – 400 001

The National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E), MUMBAI – 400 051

The Company has paid the annual listing fees to the stock Exchanges for the Financial Year 2024-25.

International Standard Identification Number (ISIN) of the Company is INE840M01016

h) Shareholding as on 31st March, 2025:

a) The distribution of shareholding as on 31st March, 2025 :

No. of shares	No. of share-holders	No. of equity shares	% of Total share-holders
Upto 500	43,426	38,41,337	92.11
501 – 1000	1,923	15,34,750	4.08
1001- 2000	906	13,78,876	1.92
2001 – 3000	295	7,58,112	0.63
3001 – 4000	145	5,26,148	0.31
4001 – 5000	124	5,84,635	0.26
5001 – 10000	166	12,63,015	0.35
10001 and above	160	3,21,71,133	0.34
	47,145	**4,20,58,006**	**100.00**

b) Shareholding Pattern as on 31st March, 2025:

Category	No. of shares held	% shareholding
Promoters/Promoters Group	2,74,24,960	65.21
Banks/Financial Institutions/Insurance Companies/Non Nationalised banks	37,925	0.09
Foreign Portfolio Investors	5,62,052	1.34
NRIs	3,14,956	0.75
Bodies Corporate	11,11,311	2.64
Investor Education Protection Fund	1,71,515	0.41
Central Govt.	300	0.00
Others	1,24,34,987	29.57
TOTAL	**4,20,58,006**	**100.00**

i) The securities of the Company were not suspended from trading during the year.

j) The Company has not issued GDRs/ADRs/Warrants or convertible instruments during the financial year.

k) Commodity price risk or foreign exchange risk and hedging activities:

As the Company is not engaged in business of commodities which are traded in recognized commodity exchanges, commodity risk is not applicable. Foreign Currency Exchange risk is hedged in accordance with the Policy formulated by the Company for that purpose and periodical update is given to the Board on a quarterly basis.

l) Dematerialization of shares and liquidity:

4,19,31,819 equity shares (99.70%) have been dematerialized as on 31st March, 2025.

m) Share Transfer System:

Pursuant to the provisions of Regulation 40 of the SEBI Listing Regulations, 2015, securities can be transferred only in dematerialized form. Members are requested to convert their physical holdings into demat form and may write to the Company's RTA at rnt.helpdesk@in.mpms.mufg.com Shareholders' requests for issue of letter of confirmation for transmission / issue of duplicate certificates and other related matters are handled by RTA and are effected within the stipulated timelines, if all the documents are valid and in order.

n) The Address for correspondence is :

Registrar and Share Transfer Agent:

MUFG Intime India Private Limited (formerly Link Intime India Private Limited)
C-101, 247 Park,
LBS Marg, Vikhroli West
Mumbai 400 083
Tel: 022 – 49186000
Fax: 022 – 49186060
Email: rnt.helpdesk@in.mpms.mufg.com
Website: www.in.mpms.mufg.com

Company's Address:

Zuari Agro Chemicals Limited
Jai Kisaan Bhawan,
Zuarinagar, Goa- 403 726.
Tel: 91-0832-2592180
E- mail: shares@ adventz.com and/or investor.relations@adventz.com
Website: www.zuari.in

The Company maintains an exclusive email id: investor.relations@adventz.com to redress the Investor's Grievances as required under Regulation 13 of SEBI (LODR) Regulations, 2015. The correspondence received under this e-mail id is monitored and addressed on a daily basis.

o) Plant Location:

SSP Fertiliser plant, K-2/5 & K-2/6. MIDC, Mahad, Raigad-402302.

p) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor M/s. K P Rao & Co., for FY 2024-25 and all entities in the network firm/network entity of which the statutory auditor is a part:

Fees paid by the Company to M/s. K.P. Rao & Co.

Particulars	Fee (₹ In Lakhs)
As statutory auditors	
Audit Fees	14.50
Tax Audit Fees	4.50
Limited Review fees	4.75
In other capacity	
Certification fees etc.	1.75
Other including reimbursement of expenses	0.50
Total	**26.00**

Fees paid by Zuari Farmhub Limited to M/s. K. P. Rao & Co.

Particulars	Fee (₹ In Lakhs)
Statutory audit fee	6.00
Tax Audit Fees	1.00
Audit of Interim Financial Statements	2.50
Total	**9.50**

q) **Disclosure as per Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

Your Company has complied with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There were no complaints/cases filed/pending under the Act with the Company during the financial year.

r) **A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority is enclosed as Annexure 'D'.**

s) **The Board has accepted all recommendations of various committees of the Board during the relevant financial year.**

t) **Details of utilization of funds raised through preferential allotment or qualified institutions placement under Regulation 32(7A) of SEBI(LODR)Regulations, 2015:**

The Company has not raised any funds through preferential allotment or qualified institutions placements.

u) **Loans and advances given by the Company and its subsidiaries in the nature of loans to firms/companies in which directors are interested by name and amount:**

NIL during the year ended 31st March, 2025.

v) **Credit Rating:**

During the financial year, the Company has not obtained Credit Rating.

w) **Details of material subsidiary of listed entity including date and place of incorporation and name & date of appointment of statutory auditor of such subsidiary:**

Name of the material subsidiary	Zuari Farmhub Limited (ZFL)	Mangalore Chemicals & Fertilisers Limited (MCFL)
Date and place of incorporation	11th November, 2019, Goa	18th July, 1966, Bengaluru
Name of the statutory auditor and date of appointment	M/s. K. P. Rao & Co FRN 003135S were appointed at the 1st Annual General Meeting (AGM) of the ZFL held on 29th September, 2020 to hold office from the conclusion of the 1st AGM till conclusion of 6th AGM.	M/s. PKF Sridhar & Santhanam LLP, Chartered Accountants (FRN: 003990S/ S200018) were appointed at the 55th AGM of MCFL held on 13th September, 2022 to hold office from the conclusion of the 55th AGM till conclusion of 60th AGM.

x) **Disclosures w.r.t. Demat Suspense Account:**

Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year – 316 shareholders holding 14311 equity shares

Number of shareholders who approached listed entity for transfer of shares from demat suspense account during the year – 2 shareholders holding 159 equity shares each

Number of shareholders to whom shares were transferred from suspense account during the year – 225 shareholders holding 8991 equity shares each

Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year- 91 shareholders holding 5320 equity shares

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares – YES

y) **Particulars of senior management including the changes therein since the close of the previous financial year:**

Mr. Nitin M Kantak, Executive Director, Mr. Manish Malik, Chief Financial Officer and Mrs. Asheeba Pereira, Company Secretary are in the Senior Management as per Reg.16(d) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Mr. Manoj Dere, ceased to be a Company Secretary & Compliance Officer and Key Managerial Personnel of the Company w.e.f. 30th September, 2024 and Mrs. Asheeba Pereira, was appointed as Company Secretary & Compliance Officer and Key Managerial Personnel of the Company w.e.f. 1st October, 2024.

z) Disclosure of certain types of agreements binding listed entities as per clause 5A of paragraph A of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Not Applicable

aa) Other Disclosures:

No transaction of material nature has been entered into by the Company with its Promoters, Directors or the Management, their subsidiaries or relatives, etc., that may have potential conflict with the interests of the Company. All transactions entered by the Company with its related parties during the Financial Year 2024-25 were on an arm's length basis. The disclosure of material related party transactions u/s 188 of the Companies Act, 2013 in Form AOC-2 is enclosed as '**Annexure-K'** of the Board's Report and notes to financial statements. The Board has approved a policy for related party transactions which can be accessed at the Company's website.:

https://www.zuari.in/assets/files/corporate-governance/Related-Party-Transactions-Policy-02022022n.pdf

i. The Company has complied with the requirements of the Stock Exchanges/ SEBI and Statutory Authorities on all matters related to the capital markets during the last three years. No penalty or strictures were imposed on the Company by these Authorities except as mentioned below:

- The Company along with other Noticees, had received a Show Cause Notice (SCN) dated 14th January, 2025 from the Securities and Exchange Board of India ("SEBI") under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and Regulations issued by SEBI thereunder. The Company has filed a joint settlement application on behalf of all the noticees named in the SCN, including the Company, for settlement under the SEBI (Settlement Proceedings) Regulation, 2018, without admitting or denying the finding of fact and conclusions of law. The response from SEBI is pending.
- The Company has filed an application under Section 454 read with Section 441 of the Companies Act, 2013 for adjudication of penalties/ compounding of offence under Section 197 of the Companies Act, 2013. Vide Order of Adjudication of Penalty dated 16th August, 2024, a penalty of Rs 5 Lakh was imposed on the Company which the Company has paid on 10th October, 2024.

ii. The Company has complied with the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.Company has also adopted Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

iii. The Company has also formulated a Whistle Blower Policy ("Policy") which provides for adequate safeguard against victimisation of persons and has a provision for direct access to the Chairperson of the Audit Committee. The Company has not denied any person from having access to the Chairman of the Audit Committee. Weblink for the policy:

https://www.zuari.in/assets/files/corporate-governance/Whistle-Blower-Policy-08.02.2019n.pdf

iv. The Company has a policy for determining 'material' subsidiary and is disclosed on the website. The weblink for the same is:

https://www.zuari.in/assets/files/corporate-governance/Subsidiary-Policy-02022022n.pdf

v. The Company has Related Party Transaction Policy which is available on the website of the Company. The weblink for the same is:

https://www.zuari.in/assets/files/corporate-governance/Related-Party-Transactions-Policy-02022022n.pdf

ab) Non mandatory Requirement:

The Company has complied with the mandatory requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and also following non mandatory requirements viz. Internal Auditor reports directly to the Audit Committee.

ANNEXURE 'B' TO THE BOARD'S REPORT

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE REQUIRED UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 BY ZUARI AGRO CHEMICALS LIMITED

To the members of **ZUARI AGRO CHEMICALS LIMITED**

I have examined the compliance with conditions of Corporate Governance by ZUARI AGRO CHEMICALS LIMITED (the Company) under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("LODR Regulations") for the year ended 31st March 2025.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the LODR Regulations. This Certificate is issued pursuant to the requirements of Schedule V (E) of the LODR Regulations.

The compliance with conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to procedures adopted and implementation thereof, by the Company for ensuring compliance with the condition of Corporate Governance under LODR Regulations. The examination is neither an audit nor an expression of opinion on the financial statements of the Company.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

Shivaram Bhat
Practicing Company Secretary
ACS 10454, CP 7853, PR 1775/2022
UDIN: A010454G000337869

Place: Panaji, Goa
Date : 14th May, 2025

ANNEXURE 'C' TO THE BOARD'S REPORT

DECLARATION BY THE EXECUTIVE DIRECTOR

Pursuant to Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Nitin M. Kantak, Executive Director of Zuari Agro Chemicals Limited, declare that all Board Members and Senior Executives of the Company have affirmed their compliance with the Code of Conduct and Ethics during the year 2024-25.

Nitin M. Kantak
Executive Director
DIN: 08029847

Date : 14th May, 2025

ANNEXURE 'D' TO THE BOARD'S REPORT

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Zuari Agro Chemicals Limited
Jai Kisaan Bhawan, Zuarinagar, Goa

I have examined the relevant registers, records, forms, returns and disclosures received from Directors of **Zuari Agro Chemicals Limited** having CIN L65910GA2009PLC006177and having registered office at Jai Kisaan Bhawan, Zuarinagar, Goa (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1	Mr. Saroj Kumar Poddar	00008654	20/05/2011
2	Mr. Akshay Poddar	00008686	14/11/2011
3	Mr. Nitin M. Kantak	08029847	03/09/2020
4	Mr. Athar Shahab	01824891	05/11/2022
5	Mr. Dipankar Chatterji	00031256	14/02/2020
6	Mr. Amandeep	00226905	29/05/2022
7	Mrs. Reena Suraiya	01824778	24/06/2021
8	Mr. Sanjeev Lall	08740906	01/09/2022

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Shivaram Bhat
Practising Company Secretary
ACS10454 CP7853 PR1775/2022
UDIN: A010454G000337836

Place: Panaji, Goa
Date : 14th May, 2025

ANNEXURE 'E' TO THE BOARD'S REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

The Board of Directors is pleased to present the business analysis and outlook of Zuari Agro Chemicals Limited (ZACL) based on the current government policies and market conditions.

ZACL, currently is in business of manufacturing and marketing of Single Super Phosphate (SSP) fertilizers from its manufacturing facility of 200,000 MT Granulated SSP at MIDC, Mahad, in the State of Maharashtra. The Company caters to the demand of the farmers, through its "Jai Kisaan" brand of Fertilizers.

India SSP Market: Overview

The Single Superphosphate (SSP) market is anticipated to exhibit fluctuating growth patterns in the near term, largely influenced by persistent factors contributing to sluggish growth in 2024. However, improvements in the economy and alleviation of supply chain concerns are projected to facilitate a rebound in demand for the Single Superphosphate (SSP) market, particularly in the latter half of 2025.

In anticipation of an economic downturn, the Single Superphosphate (SSP) industry faces several key challenges to address during the short- and medium-term forecast. These include shifting consumer preferences, the need for industrial policy amendments to align with growing environmental concerns, significant fluctuations in raw material costs due to geopolitical tensions, and expected subdued economic growth. Avalibility of TSP by all companies may include shifting consumer preferences.

Effective collaboration within the chemical industry and across the value chain is imperative for establishing a robust regulatory framework and achieving consensus on initiatives supporting a balanced approach considering supply, demand, and financial factors.

Despite the anticipated challenges in 2025, the Single Superphosphate (SSP) industry can leverage valuable opportunities by prioritizing resilience and innovation. This entails maintaining investment discipline, actively engaging in business ecosystems, and demonstrating a strong commitment to sustainability, thereby underscoring the chemicals industry's pivotal role in driving sustainable solutions.

Furthermore, the Global Single Superphosphate (SSP) Market Analysis Report offers a comprehensive assessment with detailed qualitative and quantitative research, evaluating the current scenario and providing future market potential for different product segments across various applications and end-uses until 2031.

Fertilizer Subsidy

Fertiliser subsidy: Expenditure on fertilizer subsidy is estimated at ₹ 3,17,000 crore in 2025-26. This year (2025) fertilizer subsidy is ₹ 7263 Per MT against last year (2024) subsidy of ₹ 6640 per MT Fertilizer subsidy increased due to a sharp increase in the international prices of raw materials used in the manufacturing of SSP fertilizers.

Opportunities and Threat

Government of India's initiative of "Make in India" is expected to help SSP industries to prosper in near future as this is expected to be a more receptive policy. We have a strong brand of Jaikisaan Super 16 in our core marketing area of Maharashtra and Northern Karnataka along with wide market network to develop this business.

Large number of small players in unorganized sector leads to pricing pressure and lower quality product from such players. Moreover, Government has announced that from April 2025 onwards, manufacturers producing SSP of 0.5 lakh ton and above would be eligible for product subsidy. Also, certain other measures planned like production of fortified new grades & automation in raw material mixing for better product quality & low-cost sourcing of raw material is further expected to lead to better prospects for ZACL.

Segment wise or product wise performance

The product wise & state wise sales for 2024-25 are as below.

SSP-Granular: 21823 MT, SSP-Powdered: 4519 MT.

SSP-Granular (Zincated & Boronated): 6748 MT Total: 33090 MT.

Maharashtra: 27391 MT, Karnataka: 5699 MT.

SSP sales in our target states of Maharashtra & Karnataka have grown by 8% as against 46% reduction for ZACL.

REGION	2024-25			2023-24			GOLY	
	Industry	ZACL	%	Industry	ZACL	%	Industry	ZACL
Maharashtra	803447	27391	3	749158	51878	7	7	-47
Karnataka	33585	5699	17	26709	9081	34	26	-37
Total	837032	33090	4	775867	60959	8	8	-46

Increase in Industry consumption is primarily due to good rains in states of Maharashtra & Karnataka while our ZACL sale reduction is due to non availability of Product in third & fourth Quarter

Outlook

The sales plan for 2025-26 is 0.69 lakh MT. (43050 MT Granular, 7350 MT Powdered & 18450 MT Zincated & Boronated). The product will be sold in Maharashtra & northern Karnataka.

Risk and concern

Delay in receipt of subsidy payments from Government leads to pressure on working capital management. Possibility of increase in rock prices & delay / disruptions in supply due to unrest in the Middle East & Red Sea Zones. Our rock phosphate is primarily imported from Egypt & Jordan via Red Sea route. Also high increase in price of Zinc & Boron

Internal control system and their adequacy

The Company has adequate systems of internal control in place, which are commensurate with its size and the nature of its operations. These are designed to provide reasonable assurance with respect to maintaining reliable financial and operational information, complying with applicable statutes, executing transactions with proper authorization coupled with ensuring compliance of corporate policies through documented Standard Operating Procedures (SOP) and Limits of Financial Authority Manual (LOAM). These documents are reviewed and updated on an ongoing basis to improve the internal control system and operational efficiency. The Company uses a state of the art ERP (SAP S/4 HANA -high performance analytic appliance) system and GRC software, which have higher controls in place.

In addition, Internal Auditor reviews the internal control measures on an ongoing basis, whose reports are reviewed by the Audit Committee on a regular basis.

Discussion of financial performance with respect to operational performance

The revenue from operations (Standalone) for the year ended 31st March, 2025 was ₹ 4,779.74 Lakhs as compared to ₹ 8,300.26 Lakhs for the previous year ended 31st March, 2024.

The profit before tax for the year ended 31st March 2025 was ₹ (7,179.06) Lakhs as compared to ₹ 2,140.05 Lakhs for the previous year. The profit after Tax stood at ₹ (7,310.16) Lakhs for the year ended 31st March, 2025 as compared to ₹ 2,140.05 Lakhs for the previous year.

The Company's EBIDTA before exceptional item for financial year 2024-25 is ₹ 1,727.45 Lakhs as against previous year ended 31st March, 2024 was ₹ 12,594.13 Lakhs.

The Finance Costs for 2024-25 was ₹ 8,590.34 Lakhs as against ₹ 10,129.61 Lakhs in 2023-24. During the year the Company's other income stood at ₹ 3,189.04 Lakhs as against ₹ 14,952.71 lakhs in the previous year.

The Performance of own manufactured fertilizers & other Agri Products

Own Manufacturing Fertilizers and other Agri Inputs		
Particulars	**2024-25**	**2023-24**
*Urea Sales- (MT)	-	-
*Di-Ammonium phosphates Sales -(MT)	-	-
*Other Complex Fertilizers Sales- (MT)	-	-
Single Super Phosphate Sales- (MT)	33,090.30	60,959.00
*Urea Production- (MT)	-	-
*Other Complex Fertilizers Production-(MT)	-	-
Single Super Phosphate Production-(MT)	30,265.00	54,230.00
Performance		
Particulars	**2024-25**	**2023-24**
Sale of Single Super Phosphate (₹ In Crores)	47.67	82.86

* Pursuant to execution of the Business Transfer Agreement (BTA) dated 1st March, 2021 between the Company and Paradeep Phosphates Limited (PPL), the Company sold its fertilizer plant at Goa along with associated business to Paradeep Phosphates Limited by way of slump sale which consummated with effect from 1st June, 2022.

Material development in human resource/ industrial relation front including no of people employed

The overall Industrial Relations situation has been cordial. The HR Policies have been reviewed keeping in mind the business needs. The Company has 30 employees as on 31st March, 2025.

Enterprise Risk Management (ERM)

The Risk Management Committee of the Board has approved a Risk Management Policy which has been formulated in accordance with the provisions of the Companies Act, 2013 and Regulation 21 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Company's ERM framework encompasses practices relating to identification, assessment, monitoring and mitigation of strategic, operational, financial and compliance related risks.

The coverage includes both internal and external factors. The risks identified are prioritized based on their potential impact and likelihood of occurrence. Risk register and internal audit findings also provide input for risk identification and assessment. The prioritized risk along with the mitigation plan are discussed with the Risk Management Committee on periodic basis.

The Company has, during the year internally conducted the Risk Assessment exercise for reviewing the existing processes of identifying, assessing and priortised risks and same are being reviewed for adherence periodically.

The Risk Management Committee shall periodically review the risks and report to the Board of Directors from time to time.

Details of Significant Changes in Key Financial Ratios, along with detailed explanations

Sr. No.	Profitability Ratios	31st March, 2025	31st March, 2024	Variation %	Reason in Variation
I	Interest Coverage Ratio (EBIT*/Interest (Cost)	0.16	1.21	(86%)	Due to one time gain recognition during the previous financial year.
II	Operating Profit Margin (%) (EBITDA**/Revenue)	(20%)	0.83%	(2560%)	Reduced due to one time gain recognition during the previous financial year.
III	Net Profit Margin (%) (Profit After tax/Revenue)	(153%)	26%	(693%)	Reduced due to one time gain recognition during the previous financial year.

	Balance Sheet Ratios	31st March, 2025	31st March, 2024	Variation %	Reason in Variation
IV	Debtors Turnover (Debtors/Revenue*365)	124.62	150.91	(17.42%)	Decrease is on account of decrease in revenue in comparison to previous year.
V	Inventory Turnover (COGS/Average Inventory*365)	181.90	174.38	4.32%	
VI	Current Ratio (Current Assets/ Current Liabilities)	0.20	0.13	55.46%	Due to decrease in Working Capital.
VII	Debt Equity Ratio (Debt/Equity)	4.18	3.11	(34.15%)	Due to loss in the current financial year.
VIII	Return on Net Worth (Profit after tax/Net Worth)	(0.54)	0.11	(611.12%)	Due to loss in the current financial year.

* EBIT stands for earnings before interest (both interest cost and interest income) and taxes.

**EBITDA stands for earnings before interest (both interest cost and interest income), taxes, depreciation and amortization.

ANNEXURE 'F' TO THE BOARD'S REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2025

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Zuari Agro Chemicals Limited
Jai Kisaan Bhawan,
Zuarinagar, Goa- 403726

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Zuari Agro Chemicals Limited [CIN L65910GA2009PLC006177]** (hereinafter called as the 'Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31st March, 2025 (hereinafter referred to as the "Audit Period") generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2025 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign / Overseas Direct Investment (*provisions of external commercial borrowing are not applicable to the Company during the Audit Period*);

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

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018*;* (Not applicable to the Company during the audit period);

   d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Not applicable to the Company during the audit period);

   e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021*(Not applicable to the Company during the audit period);*

   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021*(Not applicable to the Company during the audit period);* and

   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 *(Not applicable to the Company during the audit period)***.**

vi. The following laws and Regulations applicable specifically to the Company (as per the representations made by the Company) viz.,

   a) Essential Commodities Act, 1955;

   b) Fertilizer (Control) Order, 1985 and Fertilizer (Movement Control) Order, 1973;

   c) Explosives Act, 1884;

   d) Static and Mobile Pressure Vessels (Unfired) Rules, 1981; and

   e) The Legal Metrology Act, 2009.

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India**.**

ii. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. However, the following may be noted:

a) In respect of Non-Convertible Debentures (NCD) issued by the Company, Form CHG-9 filed for modification of Charge ID 100574422 (filed vide SRN F17273277 dated 27th July, 2022) was marked for resubmission by MCA. The resubmission was pending due to the reasons as detailed in note no 53 iii to the Standalone financial statements for financial year 2024-25. The Company has since redeemed the said NCDs and Form CHG-4 for satisfaction of charge was filed vide SRN No. AA7138991 on 4th April 2024.

(b) As explained in Note 47 of the standalone financial statements of Financial Year 2024-25 the shareholders of the Company, at the 14th Annual General Meeting held on 27th September 2023 have approved the waiver of recovery of excess remuneration of ₹ 81 Lakh paid to Mr. Sunil Sethy, Ex-Managing Director during the financial year 2019-20. The Company filed an application under Section 454 read with Section 441 of the Companies Act, 2013 for adjudication of penalties/ compounding of offence under Section 197 of the Companies Act, 2013. Vide Order of Adjudication of Penalty dated August 16, 2024, a penalty of ₹ 5 Lakh was imposed on the Company which the Company has paid on 10th October, 2024.

c) The Company has received a Show Cause Notice dated 14th January, 2025 from the Securities and Exchange Board of India ("SEBI") under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") read with SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 on conducting investigation for the period April 1, 2019 to March 31, 2023 for alleged violation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with IND-AS-8 and alleged violations of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 read with the SEBI Act, 1992. The company has filed a Joint Settlement application before the Settlement Division in accordance with SEBI (Settlement Proceedings) Regulations, 2018.

I further report that -

The Board of Directors of the Company is duly constituted with the proper balance of Executive Directors, Non-Executive Directors and Independent Directors, including Women Director as prescribed. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings including committees thereof along with agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting by the Directors. The decisions were carried unanimously.

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

I further report that:

1. the Board of Directors at their meeting held on November 25, 2024 noted observation made by SEBI as communicated to Mangalore Chemical & Fertilizers Limited ("MCFL") and Paradeep Phosphates Limited ("PPL") by way of stock exchange letters in the matter of scheme of arrangement by and amongst MCFL, PPL and their respective shareholders and creditors AND revised the number of equity shares to be the transferred from 3,92,06,000 to 2,90,37,000 equity shares of Mangalore Chemicals & Fertilizers Limited ("MCFL"), held by the Company to Zuari Maroc Phosphates Private Limited subject to the approval from the shareholders of the Company, as may be applicable.
2. Special Resolution dated July 9, 2024, through Postal Ballot was passed for approving the Re-appointment of Mrs. Reena Suraiya (DIN: 01824778) as an Independent Director and for continuation of her directorship after attaining the age of 75 years.
3. Vide letter dated 2nd August 2023, the Regional Director, Western Region, Mumbai had ordered an inspection of the Company under 206 (5) of the Companies Act, 2013. I am informed that the Company has responded to specific queries during the year under review.

Shivaram Bhat
Practicing Company Secretary
ACS10454 CP7853PR1775/2022
UDIN: A010454G000337891

Place: Panaji, Goa
Date: 14th May, 2025

This Report is to be read with my letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

ANNEXURE A

(My report of even date is to be read along with this Annexure.)

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6. The secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Shivaram Bhat
Practicing Company Secretary
ACS10454 CP7853 PR1775/2022
UDIN: A010454G000337891

Place: Panaji, Goa
Date: 14th May, 2025

ANNEXURE 'G' TO THE BOARD'S REPORT

FORM NO. MR 3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
Zuari Farmhub Limited
Jai Kisaan Bhawan, Zuarinagar,
Goa, India – 403726

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by Zuari Farmhub Limited bearing CIN: U52202GA2019PLC014150 having its registered office at Jai Kisaan Bhawan, Zuarinagar, Goa, India – 403726 (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided a basis for evaluating the corporate/statutory compliances and expressing our opinion thereon

Based on our verification of the minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that, in our opinion, during the audit period covering the financial year ended March 31, 2025, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended Mach 31, 2025 according to the provisions of:

(i) The Companies Act, 2013 ('The Act)' and the Rules made thereunder.

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings, if any.

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

(i) Secretarial Standards issue by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, et cetera mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

We further report that during the audit period the Company has no such events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, et cetera.

For Kedarnath & Karthik
Sd/-
Karthik S N
Partner
FCS no.: F12078 | CP no.: 17639
ICSI FRN: P2023KR098600
ICSI PRN: 5307/2023
ICSI UDIN: F012078G000224180

Date : 29th April, 2025
Place : Bengaluru

ANNEXURE TO THE SECRETARIAL AUDIT REPORT ISSUED BY COMPANY SECRETARY IN PRACTICE

To,
The Members
Zuari Farmhub Limited
Jai Kisaan Bhawan, Zuarinagar,
Goa, India – 403726

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

Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

We have followed the audit practices and process to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events, et cetera.

The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to verification on a test basis.

The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Kedarnath & Karthik

Sd/-
Karthik S N
Partner
FCS No. : F12078 | CP No. : 17639
ICSI FRN : P2023KR098600
ICSI PRN : 5307/2023
ICSI UDIN: F012078G000224180

Date: April 29, 2025
Place: Bengaluru

ANNEXURE 'H' TO THE BOARD'S REPORT

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

1. Brief outline on CSR Policy of the Company.

Zuari Agro Chemicals Limited (ZACL), is part of Adventz Group of Companies and its CSR projects and initiatives are guided by the group's CSR Principles and reviewed closely by the CSR Committee instituted and adopted by the Board of Directors as per "Section 135 of the Companies Act, 2013".

Driven by our passion to make a difference to society, the Company is committed to upholding the highest standards of corporate social responsibility and has continued its progress on community initiatives with renewed vigour and devotion.

Over the past years, as a responsible business corporation, we have built sustainable and effective CSR initiatives that are vital towards fulfilling critical societal needs in the communities we operate in. We also believe that we have a larger responsibility towards making a difference within our industry and also in society at large. Our initiatives include skills development, promotion of rural development, healthcare & WASH (Water, Sanitation and Hygiene), and Education.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation	Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Amandeep	Chairman	Independent Director	1	1
2.	Mr. Akshay Poddar	Member	Non –Executive Director	1	1
3.	Mr. Nitin M. Kantak	Member	Executive Director	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.
   - Weblink to CSR Policy:https://www.zuari.in/assets/files/corporate-governance/CSR-Policy-13feb2021.pdf
   - Weblink to Composition of CSR Committee : https://www.zuari.in/investor/committees_of_board
   - CSR projects: Not Applicable since the Company was not required to carry CSR expenditure, during the financial year 2024-25 as per the provisions of Section 135 of the Companies Act, 2013.

4. Provide the executive summary along with the web- link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable : Not Applicable

5. a) Average Net Profit of the Company as per sub-Section (5) of Section 135: ₹ (8253.14) Lakhs
   b) Two percent of average net profit of the Company as per sub Section (5) of Section 135: NIL
   c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
   d) Amount required to be set off for the financial year, if any: NIL
   e) Total CSR obligation for the financial year [(b) +(c)-(d)] : NIL

6 a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): NIL
   b) Amount spent in Administrative Overheads : NIL
   c) Amount spent on Impact Assessment, if applicable: NIL
   d) Total amount spent for the financial year [(a)+(b)+(c)]: NIL
   e) CSR amount spent or unspent for the financial year:

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

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

Sl. No.	Particular	Amount (₹ in Lakhs)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per Section 135(5)	NIL
(ii)	Total amount spent for the Financial Year	NIL
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years: NIL

1	2	3	4	5	6		7	8
Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub Section (6) of Section 135 (in ₹)	Balance Amount in unspent CSR Account under sub Section (6) of Section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a fund specified under Schedule VII as per second proviso to sub Section (5) of Section 135, if any		Amount remaining to be spent in succeeding financial years. (in ₹)	Deficiency if any
					Amount (in Rs)	Date of transfer		
1.	FY-1	-	-	—	-	-	-	-
2.	FY-2	-	-	-	-	-	-	-
3.	FY-3	-	-	-	-	-	-	-

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

7. If Yes, enter the number of Capital asset acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl.No.	Short particulars ofthe property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

8. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5). Not Applicable

Nitin M Kantak
Executive Director
DIN :08029847

Amandeep
Chairman of CSR Committee
DIN:00226905

ANNEXURE 'I' TO THE BOARD'S REPORT

Statement of particulars pursuant to the provisions of Section 197 (12) read with Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

(i) The ratio of the remuneration of each Director to the median remuneration (MRE) of the employees of the Company for the financial year 2024-25:

Sr.No.	Name of the Director	Ratio of the remuneration of Directors to the median remuneration of the employees of the Company
1	Mr. Saroj Kumar Poddar- Chairman*	NIL
2	Mr. Akshay Poddar — Non- Executive Director*	NIL
3	Mr. Nitin M. Kantak – Executive Director	NIL
4	Mr. Athar Shahab- Non-Executive Director *	NIL
5	Mr. Dipankar Chatterji -Independent Director*	NIL
6	Mr. Amandeep - Independent Director *	NIL
7	Mrs. Reena Suraiya - Independent Director *	NIL
8	Mr. Sanjeev Lall- Independent Director *	NIL

* The % increase of remuneration is provided only for those directors and KMPs who have drawn remuneration from the Company for full fiscal 2025 and full fiscal 2024. This does not include sitting fees for attending the Meetings. The ratio of remuneration to MRE is provided only for those directors and KMPs who have drawn remuneration from the Company for the full fiscal 2025.

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year;

Sr.No.	Name of the Director	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year
1	Mr. Saroj Kumar Poddar- Chairman*	Nil
2	Mr. Akshay Poddar - Non-Executive Director *	Nil
3	Mr. Nitin M. Kantak – Executive Director	NIL
4	Mr. Athar Shahab - Non-Executive Director *	Nil
5	Mr. Dipankar Chatterji - Independent Director*	Nil
6	Mr. Amandeep - Independent Director *	Nil
7	Mrs. Reena Suraiya - Independent Director*	Nil
8	Mr. Sanjeev Lall- Independent Director *	Nil
9	Mr. Manish Malik - Chief Financial Officer *	13.25%
10	Mr. Manoj Dere - Company Secretary +	N.A.
11	Mrs. Asheeba Pereira - Company Secretary ++	N.A.

* The % increase of remuneration is provided only for those directors and KMPs who have drawn remuneration from the Company for full fiscal 2025 and full fiscal 2024. This does not include sitting fees for attending the Meetings. The ratio of remuneration to MRE is provided only for those directors and KMPs who have drawn remuneration from the Company for the full fiscal 2025.

+ Resigned w.e.f. 30.09.2024.

++ Appointed w.e.f. 01.10.2024.

(iii) The percentage increase in the median remuneration of employees in the financial year: 8.5%

(iv) The number of permanent employees on the rolls of Company:

There are 30 permanent employees on the rolls of the Company as on 31st March, 2025

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Other than the managerial personnel and KMP, the employees were given increment of 10% on an average.

There were no exceptional circumstances for increase in the managerial remuneration.

(vi) The Remuneration paid to Key Managerial Personnel is as per the Remuneration policy of the Company.

For and On behalf of the Board of Directors

Date: 14th May, 2025

Nitin M. Kantak
Executive Director
DIN: 08029847

Athar Shahab
Non-Executive Director
DIN: 01824891

ANNEXURE 'J' TO THE BOARD'S REPORT

Statement of Particulars of Employees of Zuari Agro Chemicals Limited Pursuant to the Provisions of Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Name	Designation	Remuneration received;	Nature of employment, whether contractual or otherwise;	Qualifications and experience of the employee;	Date of commencement of employment; (DOJ)	The age of such employee; DOB	The last employment held by such employee before joining the company;	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) of Rule 5	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:
A)	**if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees;**									
NOT APPLICABLE										
B)	**if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month**									
NOT APPLICABLE										

For and on behalf of the Board of Directors

Nitin M. Kantak
Executive Director
DIN: 08029847

Athar Shahab
Non-Executive Director
DIN: 01824891

Date : 14th May, 2025

ANNEXURE 'K' TO THE BOARD'S REPORT

Form No. AOC - 2

(Pursuant to clause (h) of sub-Section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

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

There were no contracts / arrangements entered into by the Company with related parties referred to in sub-Section (1) of Section 188 of the Companies Act, 2013 which were not at arm's length basis during the year ended 31st March, 2025.

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

The details of material contracts / arrangements or transactions entered into by the Company with related parties referred to in sub-Section (1) of Section 188 of the Companies Act, 2013 are given below. The Company has entered into transactions with related parties at arm's length, the details of which are given in the notes to the financial statements.

Name(s) of the related party	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration of contract/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Dates of Approval by the Board, if any	Amount paid as advances, if any
Zuari Maroc Phosphates Private Limited (ZMPPL)	Joint Venture Company	Receipt of Performance Security of ₹ 250 Crore	As per the validity of the Scheme	Receipt of ₹ 250 Crore as Performance Security to secure ZMPPL's obligation to pay for the proposed transfer of Identified Shares (2,90,37,000 equity shares of MCFL) to ZMPPL pursuant to the composite scheme of arrangement amongst Mangalore Chemicals and Fertilizers Limited and Paradeep Phosphates Limited and their respective shareholders and creditors ('Scheme')	7-2-2024 & 25-11-2024	-

For and On behalf of the Board of Directors

Date: 14th May, 2025

Nitin M. Kantak
Executive Director
DIN: 08029847

Athar Shahab
Non-Executive Director
DIN: 01824891

ANNEXURE 'L' TO THE BOARD'S REPORT

Form AOC-1

PART A

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Pursuant to first proviso to sub-Section (3) of Section 129 read with rule 5 of the Companies (Accounts) Rules, 2014)

Part 'A': Subsidiaries

Sr. No.	Particulars	Details	
1.	Name of the subsidiary	Mangalore Chemicals & Fertilizers Limited (MCFL)	Zuari Farmhub Limited
2.	Date since when subsidiary was acquired	Mangalore Chemicals & Fertilisers Limited was a subsidiary of our erstwhile subsidiary, Zuari Fertilizers and Chemicals Limited w.e.f 18-05- 2015. Pursuant to the amalgamation of Zuari Fertilizers and Chemicals Limited with the Company, MCFL became direct subsidiary of the Company w.e.f. 13-11-2017	23-03-2020
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01-04-2024 to 31-03-2025	01-04-2024 to 31-03-2025
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	₹ In Lakhs	₹ In Lakhs
5.	Share capital	11,854.87	8,660.26
6.	Reserves & surplus	94,613.30	3,716.65
7.	Total Assets	2,33,252.62	51,317.39
8.	Total Liabilities	1,26,784.45	38,940.48
9.	Investments	0.10	-
10.	Turnover	3,33,189.59	1,10,735.83
11.	Profit/(Loss) before taxation	20,604.69	3,467.44
12.	Tax expense/(credit)	6,233.42	852.78
13.	Profit/(Loss) after Taxation	14,371.27	2,614.66
14.	Proposed Dividend	1,777.73	-
15.	% of shareholding	54.03%	99.54%

Note 1 : Names of subsidiaries which are yet to commence operations - Nil.

Note 2 : Names of subsidiaries which have been sold during the year - Nil.

Note 3 : Name of the subsidiaries which have been liquidated or sold during the year - Adventz Trading DMCC is dissolved w.e.f. 13-06-2023 as per DMCC Authority Letter dated 08.05.2024.

For and On behalf of the Board of Directors

Nitin M. Kantak
Executive Director
DIN: 08029847

Athar Shahab
Non-Executive Director
DIN: 01824891

Manish Malik
Chief Financial Officer

Asheeba Pereira
Company Secretary
ACS: A48097

Date: 14th May, 2025

PART B

Statement containing salient features of the Financial Statement of Joint Venture & Associates

(Pursuant to proviso to sub-Section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014)

Sr. No.	Particulars	Joint Venture
	Name of the Company	**Zuari Maroc Phosphates Private Limited (Consolidated)** **(₹ in Lakhs unless otherwise stated)**
1.	Latest audited Balance sheet	31st March, 2025
2.	Date on which the Joint Venture was acquired	27-06-2011
3.	Shares of Joint Ventures held by the Company on the year end	50%
	No.(No. of Shares)	17,98,16,228
	Amount of Investment in Joint Venture	17,981.62
	Extent of Holding	50%
4.	Description of how there is significant influence	Based on the Percentage of Holding in the Joint Venture Company
5.	Reason why the Joint Venture is not consolidated-	Not Applicable
6.	Networth attributable to Shareholding as per latest audited Balance sheet	1,35,401.61
7.	Profit/(Loss) for the year{Profit/(Loss) after Tax}-	54,315.73
	i. Considered in Consolidation	15,032.96
	ii. Not Considered in Consolidation	39,282.77

Note 1: Associates or Joint Ventures which are yet to commence operations-None

Note 2:Joint Ventures which have been sold during the year-None

For and On behalf of the Board of Directors

Nitin M. Kantak
Executive Director
DIN: 08029847

Athar Shahab
Non-Executive Director
DIN: 01824891

Manish Malik
Chief Financial Officer

Asheeba Pereira
Company Secretary
ACS: A48097

Date: 14th May, 2025

INDEPENDENT AUDITOR'S REPORT

To the Members of Zuari Agro Chemicals Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of Zuari Agro Chemicals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss including the statement of other comprehensive income, the Statement of Cash Flows and the Statement of changes in Equity for the year then ended, and Notes to the Standalone 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 Standalone 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 loss including other comprehensive income and its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements 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 Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the Rules there-under, 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 standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements for the financial year ended 31st March, 2025. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Revival of Mahad Plant Operations. During the year, the company's manufacturing plant at Mahad was shut down from 26th January 2025 due to delays in raw material procurement. The management has formulated a revival plan that includes ordering of critical raw materials (such as rock phosphate), commencement of plant maintenance activities, engagement with customers, and consideration of additional capital expenditure. Management expects to resume operations by the first week of June 2025. This matter was considered to be of most significance in our audit due to the operational and financial implications of the plant shutdown and the inherent uncertainty associated with the successful execution of the revival plan.	**Our audit procedures included among the others, the following:** • Assessing the reasonableness of management's revival plan including procurement schedules and maintenance timelines. • Obtaining supporting documentation for the placement of rock phosphate orders and delivery schedules of other raw materials. • Reviewing evidence of maintenance activities undertaken and readiness status of key equipment. • Discussing with the marketing team and reviewing communications with key customers to assess the likelihood of sales resumption. • Evaluating the status of any planned capital expenditure and financing arrangements, if applicable. • Assessing the impact of government subsidy enhancement and its appropriateness in future profitability assumptions. • Evaluating the adequacy of related disclosures in the financial statements regarding the plant shutdown and revival status.

Recognition, measurement, presentation and disclosures of revenue from operations. The Company's revenue from operations comprises of sale value of Granulated, Powdered, Zincated & Boronated SSP's and the Subsidy received from Govt of India. We identified this as a Key Audit Matter since the recognition of subsidy revenue and the assessment of recoverability of the related subsidy receivables is subject to significant judgements of the management. Since the sale and the eligible subsidy are interlinked and further the claim for subsidy depends on various government notifications issued from time to time, it is important to verify the correctness of the revenue from operations recognised in the books of account. Refer Note 21 in the standalone financial statements**.**	**Our audit procedures included among the others, the following:** • Verified various applicable Govt notifications under which the subsidy was notified. • Verified the sales made and related claims for subsidy with the records/ certificates submitted to the Government. • Performed analytical procedures for reasonableness of revenue and subsidy recognised vis a vis the sales made. • We evaluated the management's assessment regarding reasonable certainty of complying with the relevant conditions as specified in the notifications/policies. • We evaluated adequacy of disclosures in the Standalone Ind AS Financial Statements**.**
Estimates with respect to recognition of deferred tax assets on unused tax losses. For the year ended 31st March, 2025, the company has not recognized deferred tax expense/income in the Standalone financial statements. Deferred tax assets are recognized on unabsorbed tax losses when it is probable that taxable profit will be available against which such tax losses can be utilized. The Company's ability to recognize deferred tax assets on unabsorbed tax losses is assessed by the management at the end of each reporting period, taking into account forecasts of future taxable profits and the assumptions on which such projections are determined by the management. Given the degree of estimation based on the projection of future taxable profits, management's decision to **not** create deferred tax assets on unabsorbed tax losses has been identified to be a key audit matter.	**Our audit procedures included among the others, the following:** • Gained an understanding of the deferred tax assessment process and assessed the design and tested the operating effectiveness of controls over recognition of deferred tax. • Discussed and evaluated management's assumptions and estimates like projected revenue growth, margins, etc. in relation to the probability of generating future taxable income to support the utilization of deferred tax on unabsorbed tax losses with reference to forecast taxable income and performed sensitivity analysis. • Tested the arithmetical accuracy of the model. • Assessed the related disclosures in respect of the deferred tax assets in the Standalone financial statements.

Emphasis of Matter paragraph

We draw attention to Note 49 to the accompanying Standalone Financial Statements, which describes that during the year, the Company along with other noticees (3 former and 1 present Key Managerial Personnels), have received a Show Cause Notice (SCN) dated 14th January, 2025 from the Securities and Exchange Board of India ("SEBI") under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and Regulations issued by SEBI thereunder alleging certain irregularities in the financial statements for earlier years. The Company has filed a joint settlement application on behalf of all the noticees named in the SCN, including the Company, for settlement under the SEBI (Settlement Proceedings) Regulation, 2018, without admitting or denying the finding of fact and conclusions of law. The matter is pending and settlement order from SEBI is awaited.

Our opinion is not modified in respect of this matter.

Other Information

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 Standalone Financial Statements and Auditor's Report thereon. The company's annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Standalone 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 Standalone 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 Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 standalone 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 Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone 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 standalone 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 1"**, 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 including statement of other Comprehensive Income, 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 Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with

Companies (Indian Accounting Standards) Rules, 2015.

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 2**" to this report.

g. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

   Further, At the 14th Annual General Meeting held on 27th September 2023, the shareholders of the Company, have approved the waiver of recovery of excess remuneration of Rs. 81 Lakh paid to Mr. Sunil Sethy, Ex-Managing Director during the financial year 2019-20. The Company has filed an application under Section 454 read with Section 441 of the Companies Act, 2013 for adjudication of penalties/ compounding of offence under Section 197 of the Companies Act, 2013. Vide Order of Adjudication of Penalty dated 16th August, 2024, a penalty of Rs. 5 Lakh was imposed on the Company which the Company has paid on 10th October, 2024.

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements refer note 34 of Standalone Financial Statements.

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

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2025.

   iv. a) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 53 (v) to the standalone financial statements, 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, as disclosed in the Note 53 (vi) to the standalone financial statements, 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) of clause iv above contain any material mis-statement.

   v. The company has neither declared nor paid any interim dividend or final dividend during the year. Therefore, reporting under rule 11 (f) of companies (Audit and Auditors) Rules 2014 is not applicable.

   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 the 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 Number: 228407

UDIN: 25228407BMOJLU8413

Place: Bangalore
Date : 14-05-2025

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE.

(i) a. (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) As the company is not having any intangible assets, reporting under clause 3(i)(a)(B) of the Order is not applicable.

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 except below mentioned for which title deeds are not in the name of the company and conveyance deeds in respect of the same are yet to be executed in the name of the company.

Particulars	Description	Gross Carrying Value (INR in Lakhs)	Title Deed in the name of	Whether title deed holder is promoter, director or relative	Date of Property held	Reason for not held in the name of the company
Freehold Land	Land	2.97	Jose Robello	No	2011-12	Mutation is in Process

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, material discrepancies in excess of 10% or more in the aggregate for some classes of inventory were noticed on physical verification. The same has been adjusted in the books of account appropriately.

b. During the year, the company has not availed, at any point of time of the year, working capital limits from banks on the basis of security of current assets. Hence reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(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.

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 on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Value added tax, Cess or other statutory dues which have not been deposited on account of any dispute except for following:

(INR in lakhs)

Name of the Statute	Name of the Dues	Amount (in INR lacs)- CARO 31.03.2025	Period to which amount relates	Forum Where Dispute is pending
Income Tax Act, 1961	Disallowance of claim under section 115JB(2C) and disallowance of depreciation on Goodwill.	12.95	2017-18	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Addition of Income on account of			
	- u/s 36(1)(iii) of the I.T. Act, - Long Term Capital Gain & - u/s 50C of the Income tax Act	4102.53	2021-22	Commissioner of Income Tax (Appeals)
Income Tax Act,1961	Disallowance on account of			
	- Interest paid to various parties - under section 14A - Advances written off - Depreciation on intangible asset (goodwill) - Depreciation under section 32(1) (iia)	636.32	2019-20	Commissioner of Income Tax (Appeals)
MVAT Act 2002	Demand on suppression of sale and disallowance of ITC on purchases	290.36	2016-17	Maharashtra Sales Tax Tribunal
MVAT Act 2002	Demand on suppression of sale and disallowance of ITC on purchases	15.27	2017-18	Maharashtra Sales Tax Tribunal
Goods and Service Tax Act, 2017, UP	Demand for disallowance of ITC availed on purchases	35.95	2017-18 to 2018-19	Commissioner (Appeals) GST
Goods and Service Tax Act, 2017, Maharashtra	Demand for disallowance of ITC availed on purchases	46.14	2019-20	Commissioner (Appeals) GST
Goods and Service Tax Act, 2017, Telangana	Demand for disallowance of ITC availed on purchases	34.83	2017-18	Commissioner (Appeals) GST
Goods and Service Tax Act, 2017, Assam	Demand for disallowance of ITC availed on purchases	14.51	2018-19	Commissioner (Appeals) GST
Goods and Service Tax Act, 2017, West Bengal	Demand for disallowance of ITC availed on purchases	11.28	2017-18 to 2018-19	Commissioner (Appeals) GST
Goods and Service Tax Act, 2017, Chattisgarh	Demand for disallowance of ITC availed on purchases	33.24	2017-18	Commissioner (Appeals) GST
Goods and Service Tax Act, 2017, Bihar	Demand for disallowance of ITC availed on purchases	31.55	2018-19	Commissioner (Appeals) GST
Goods and Service Tax Act, 2017, Odisha	Demand for disallowance of ITC availed on purchases	11.88	2017-18 & 2019-20	Commissioner (Appeals) GST
Goods and Service Tax Act, 2017, Haryana	Demand for disallowance of ITC availed on purchases	9.13	2017-18	Commissioner (Appeals) GST
Customs Tariff Act, 1975	Short levy of Duty on goods	0.45	2019-20	Commissioner of Customs

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(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 wilful 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 company has utilized the money obtained by way of term loans during the year 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 raised loans during the year on the pledge of securities held in its subsidiary. Details of which are given below. Further, the company has not defaulted in repayment of such loans raised.

Nature of Loan taken	Amount of loan (In Lakhs)	Name of Subsidiary	Details of Security pledged	Outstanding balance as on 31.03.2025 (In Lakhs)	Name of Lender
Term Loan	4000.00	Mangalore Chemicals & Fertilizers Limited	Pledge of Equity Shares-51,00,000 Nos.	4000.00	STCI Finance Ltd
Intercorporate Deposit	900.00	Mangalore Chemicals & Fertilizers Limited	Pledge of Equity Shares-14,50,000 Nos.	900.00	Imperial Solutions Pvt ltd
Intercorporate Deposit	500.00	Mangalore Chemicals & Fertilizers Limited	Pledge of Equity Shares-7,50,000 Nos.	500.00	A J Tea House Pvt Ltd
Intercorporate Deposit	500.00	Mangalore Chemicals & Fertilizers Limited	Pledge of Equity Shares-9,00,000 Nos.	0.00	Hind Filter Pvt Ltd
Intercorporate Deposit	500.00	Mangalore Chemicals & Fertilizers Limited	Pledge of Equity Shares-9,00,000 Nos.	500.00	Tirumala Balaji Alloys Pvt Ltd
Intercorporate Deposit	2000.00	Mangalore Chemicals & Fertilizers Limited	Pledge of Equity Shares-31,00,000 Nos.	2000.00	Jagrani Leasing and Finance Co Pvt Ltd
Intercorporate Deposit	500.00	Mangalore Chemicals & Fertilizers Limited	Pledge of Equity Shares-10,00,000 Nos.	500.00	Frazer goods and Supply Pvt Ltd.

(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 standalone 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 is not engaged in any Non-Banking Financial or Housing Finance activities, hence reporting under clause xiv(b) of the order is not applicable.

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 more than one CIC as a part of 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 incurred cash losses in the current year and however it had not incurred cash losses in the immediately preceding financial year.

The details of the cash losses for the financial year 2024-25 is as follows

(INR in lakhs)

Particulars	FY 2024-25	FY 2023-24
Loss after Tax	7,310.15	NIL
Less: Depreciation and amortization	316.17	NIL
Less: Write off of Fixed Assets	107.85	NIL
Less: Write off of Inventory	178.33	NIL
Add: Liabilities Written Back	467.36	NIL
Cash Loss for the year	**7,175.16**	**NIL**

(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. The provision of section 135 is not applicable to the company. Accordingly, reporting under clause 3(xx)(a) & (b) of the Order is not applicable to the Company.

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

Prashanth S
Partner
Membership Number: 228407

UDIN: 25228407BMOJLU8413

Place: Bangalore
Date : 14-05-2025

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ZUARI AGRO CHEMICALS LIMITED

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

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Zuari Agro Chemicals Limited ("the Company") as of March 31,2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by 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 with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, 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 judgement, 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 with reference to these standalone financial statements.

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

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and

expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with Reference to these Standalone Financial Statements

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

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

Prashanth S
Partner
Membership Number: 228407

UDIN: 25228407BMOJLU8413

Place: Bangalore
Date : 14-05-2025

Standalone Balance Sheet as at 31 March 2025

(Amount in INR lakhs, unless otherwise stated)

	Notes	As at 31 March 2025	As at 31 March 2024
ASSETS			
Non-current assets			
Property, Plant and Equipment	**3**	4,714.80	5,132.94
Right of Use Assets	**4**	768.86	772.95
Capital Work in Progress	**3**	449.74	239.10
Investment Property	**5**	342.44	342.44
Financial Assets			
(i) Investment	**6A**	63,267.61	87,240.33
(ii) Others	**6B**	105.42	557.45
Other non-current assets	**7**	605.58	606.19
Income Tax Assets (Net)	**20A**	1,217.14	2,455.12
		71,471.59	**97,346.52**
Current assets			
Inventories	**8**	205.68	3,074.92
Financial Assets			
(i) Trade Receivables	**9**	694.73	2,569.05
(ii) Cash and cash equivalents	**10**	15,367.47	2,506.88
(iii) Bank balances other than (ii) above	**10.1**	184.02	204.19
(iv) Others	**6B**	7.27	4.78
Other current assets	**7**	828.79	1,131.82
		17,287.96	**9,491.64**
Assets classified as held for sale	**8A**	24,577.83	618.84
Total Assets		**1,13,337.38**	**1,07,457.00**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	**11**	4,205.80	4,205.80
Other equity	**12**	9,356.61	16,087.66
Total equity		**13,562.41**	**20,293.46**
Non-current liabilities			
Financial Liabilities			
(i) Borrowings	**13**	13,318.72	13,362.04
Provisions	**18**	62.73	64.78
		13,381.45	**13,426.82**
Current liabilities			
Financial Liabilities			
(i) Borrowings	**14**	43,353.82	49,850.00
(ii) Trade Payables	**15**		
a) total outstanding dues of micro enterprises and small enterprises		47.56	9.56
b) total outstanding dues of creditors other than micro enterprises and small enterprises		10,636.57	14,650.80

Standalone Balance Sheet as at 31 March 2025

(Amount in INR lakhs, unless otherwise stated)

	Notes	As at 31 March 2025	As at 31 March 2024
(iii) Other financial liabilities	**16**	31,972.56	6,709.98
Liabilities for current tax (net)	**20B**	-	1,017.04
Other current liabilities	**17**	377.21	1,493.06
Provisions	**18**	5.80	6.28
		86,393.52	**73,736.72**
Liabilities directly associated with the assets held for sale		**-**	**-**
Total liabilities		**99,774.97**	**87,163.54**
Total Equity and Liabilities		**1,13,337.38**	**1,07,457.00**

Summary of significant accounting policies

The accompanying notes are an integral part of Standalone Financial Statements

As per our report of even date

For **K.P.Rao & Co**
Chartered Accountants
ICAI Firm Registration number: 003135S

Prashanth.S
Partner
Membership Number: 228407

Place: Bengaluru
Date: 14 May 2025

For and on behalf of the Board of Directors of Zuari Agro Chemicals Limited

Nitin M. Kantak
Executive Director
DIN: 08029847

Athar Shahab
Director
DIN: 01824891

Manish Malik
Chief Financial Officer

Asheeba Pereira
Company Secretary
Membership Number: A48097

Date: 14 May 2025

Standalone Statement of Profit and Loss for the period ended 31 March 2025

(Amount in INR lakhs, unless otherwise stated)

		Notes	For the year ended 31 March 2025	For the year ended 31 March 2024
I	**Revenue**			
	Revenue From Operations	21	4,779.74	8,300.26
	Other Income	22	3,189.04	14,952.71
	Total Income (I)		**7,968.78**	**23,252.97**
II	**Expenses**			
	Cost of raw material and components consumed	23	2,674.06	5,609.29
	Purchases of traded goods	24	-	-
	Changes in inventories of finished goods, traded goods and work in progress	25	617.31	1,246.90
	Employee benefits expense	26	515.61	308.79
	Finance costs	27	8,590.34	10,129.61
	Depreciation and amortization expense	28	316.17	324.47
	Other expenses	29	2,434.35	3,493.86
	Total expenses (II)		**15,147.84**	**21,112.92**
III	**Profit/(loss) before exceptional items and tax (I-II)**		**(7,179.06)**	**2,140.05**
IV	Exceptional Items		-	-
V	**Profit/(loss) before tax (III-IV)**		**(7,179.06)**	**2,140.05**
VI	**Tax expense:**			
	(1) Current Tax	19	-	-
	(2) Taxes for earlier years	19	131.10	-
	(3) Deferred Tax	19	-	-
	Income tax expense/ (credit)		**131.10**	**-**
VII	**Profit/(loss) for the period (V-VI)**		**(7,310.16)**	**2,140.05**
VIII	**Other Comprehensive Income**	31	579.11	1,146.74
	A Items that will not be reclassified to profit or loss			
	Re-measurement gains (losses) on defined benefit plans		11.75	(11.21)
	Income tax relating to items that will not be reclassifed to profit or loss	19	-	-
	Net (loss)/gain on FVTOCI financial instruments		567.36	1,157.95
	Income tax effect		-	-
	B Items that will be reclassified to profit or loss			
	Income tax relating to items that will be reclassifed to profit or loss			
IX	Total Comprehensive Income/(loss) for the period (VII + VIII) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		(6,731.05)	3,286.79
X	Earnings per equity share:	30		
	Basic and diluted from continuing and discontinued operations		(17.38)	5.09

Summary of significant accounting policies 2

The accompanying notes are an integral part of Standalone Financial Statements

As per our report of even date

For **K.P.Rao & Co**
Chartered Accountants
ICAI Firm Registration number: 003135S

Prashanth.S
Partner
Membership Number: 228407

Place: Bengaluru
Date: 14 May 2025

For and on behalf of the Board of Directors of Zuari Agro Chemicals Limited

Nitin M. Kantak
Executive Director
DIN: 08029847

Athar Shahab
Director
DIN: 01824891

Manish Malik
Chief Financial Officer

Asheeba Pereira
Company Secretary
Membership Number: A48097

Date: 14 May 2025

Standalone Statement of cash flows for the year ended 31 March 2025

(Amount in INR lakhs, unless otherwise stated)

		For the year ended 31 March 2025	For the year ended 31 March 2024
A	**Cash flow from operating activities:**		
	(Loss) before tax from continuing operations	(7,179.06)	2,140.05
	Adjustments to reconcile loss before tax to net cash flows:		
	Depreciation of property, plant and equipment	316.17	324.47
	Loss on discard of Fixed Assets	107.85	-
	(Profit) / Loss on disposal of property, plant and equipment (net)	(1,646.70)	(11,490.74)
	Excess provision / unclaimed liabilities / unclaimed balances written back	(467.36)	(1,648.10)
	Rental Income	(0.41)	(44.21)
	Unrealized foreign exchange fluctuation loss	-	70.19
	Interest expense	8,585.70	10,118.31
	Interest income	(95.29)	(64.03)
	Dividend income	(971.23)	(970.51)
	Operating profit before working capital adjustments	**(1,350.33)**	**(1,564.57)**
	Working capital adjustments :		
	Increase / (Decrease) in provisions	9.23	(2.43)
	Increase / (Decrease) in trade payables and other liabilities	20,400.33	(1,396.58)
	(Increase) / Decrease in trade receivables	1,874.32	1,725.37
	(Increase) / Decrease in inventories	2,869.24	401.13
	(Increase) / Decrease in other assets, financial assets	316.16	1,390.14
		25,469.28	**2,117.63**
	Cash Generated From Operations	**24,118.95**	**553.05**
	Less : Income tax paid (net of refunds)	89.84	(215.68)
	Net cash flow from Operating Activities (A)	**24,208.79**	**337.37**
B	**Cash flow from investing activities:**		
	Purchase of property, plant and equipment, including intangible assets, CWIP and capital advances	(253.27)	(318.56)
	Proceeds from sale of Property, plant and equipment, Intangible assets and CWIP	2,231.75	11,499.15
	Proceed from Sale of non-current investments	-	624.59
	Investment in bank deposits (having original maturity of more than 3 months)	458.31	(33.90)
	Interest received	92.05	75.63
	Rent received	0.41	44.21
	Dividend received	971.23	970.51
	Net cash flow (used in) in investing activities (B)	**3,500.48**	**12,861.63**
C	**Cash flow from financing activities:**		
	Proceeds from long term borrowings	12,922.54	13,362.03
	(Repayment) of long term borrowings	(12,362.04)	(53,386.60)
	Proceeds from short term loans	43,750.00	49,851.03
	(Repayment) of short term loans	(50,850.00)	(12,250.00)
	Interest paid	(8,309.18)	(9,190.54)
	Net cash flow (used in) financing activities (C)	**(14,848.68)**	**(11,614.08)**

Standalone Statement of cash flows for the year ended 31 March 2025

(Amount in INR lakhs, unless otherwise stated)

		For the year ended 31 March 2025	For the year ended 31 March 2024
D	**Net (decrease)/increase in cash and cash equivalents (A + B + C)**	**12,860.59**	**1,584.92**
	Cash and cash equivalents at the beginning of the period	2,506.88	921.96
	Cash and cash equivalents at the period end (Refer Note 10)	**15,367.47**	**2,506.88**
	Balances with banks		
	- On current accounts	186.85	360.71
	- On cash credit accounts	15,180.50	2,146.05
	Cash on hand	0.12	0.12
	Cheque on hand	-	-
	Cash and cash equivalents	**15,367.47**	**2,506.88**

Summary of significant accounting policies **2**

The accompanying notes are an integral part of Standalone Financial Statements

As per our report of even date

For **K.P.Rao & Co**
Chartered Accountants
ICAI Firm Registration number: 003135S

Prashanth.S
Partner
Membership Number: 228407

Place: Bengaluru
Date: 14 May 2025

For and on behalf of the Board of Directors of Zuari Agro Chemicals Limited

Nitin M. Kantak
Executive Director
DIN: 08029847

Athar Shahab
Director
DIN: 01824891

Manish Malik
Chief Financial Officer

Asheeba Pereira
Company Secretary
Membership Number: A48097

Date: 14 May 2025

Standalone Statement of changes in equity for the year ended 31 March 2025

(Amount in INR lakhs, unless otherwise stated)

(a) Equity share capital

4,20,58,006 Equity shares of INR 10 each issued, subscribed and fully paid

(1) As at 31st March 2025

As at 01-04-2024	Changes due to prior period errors	Restated balance as at 01-04-2024	Changed during the year	As at 31-03-2025
4,205.80	-	4,205.80	-	4,205.80

(2) As at 31st March 2024

As at 01-04-2023	Changes due to prior period errors	Restated balance as at 01-04-2023	Changed during the period	As at 31-03-2024
4,205.80	-	4,205.80	-	4,205.80

(b) Other Equity

For the year ended 31st March 2025

	Reserves and surplus (Refer Note 12)			OCI		
	Business Restructuring Reserve	Surplus / (deficit) in the statement of profit and loss	General Reserve	Re-measurement (loss) on defined benefit plans	Equity instruments through Other Comprehensive Income	Total other equity
As at 1st April 2024	**65,404.84**	**(60,930.63)**	**6,150.00**	**320.71**	**5,142.74**	**16,087.66**
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance as at 1st April 2024	**65,404.84**	**(60,930.63)**	**6,150.00**	**320.71**	**5,142.74**	**16,087.66**
Total comprehensive income/(loss) for the year	-	(7,310.16)	-	11.75	567.36	**(6,731.05)**
As at 31st March 2025	**65,404.84**	**(68,240.79)**	**6,150.00**	**332.46**	**5,710.10**	**9,356.61**

For the year ended 31st March 2024

	Reserves and surplus (Refer Note 12)			OCI		
	Business Restructuring Reserve	Surplus / (deficit) in the statement of profit and loss	General Reserve	Re-measurement (loss) on defined benefit plans	Equity instruments through Other Comprehensive Income	Total other equity
As at 1st April 2023	**65,404.84**	**(63,070.68)**	**6,150.00**	**331.92**	**3,984.79**	**12,800.87**
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance as at 1st April 2023	**65,404.84**	**(63,070.68)**	**6,150.00**	**331.92**	**3,984.79**	**12,800.87**
Total comprehensive income/ (loss) for the year	-	2,140.05	-	(11.21)	1,157.95	**3,286.79**
As at 31st March 2024	**65,404.84**	**(60,930.63)**	**6,150.00**	**320.71**	**5,142.74**	**16,087.66**

Summary of significant accounting policies 2

The accompanying notes are an integral part of Standalone Financial Statements

As per our report of even date

For **K.P.Rao & Co**
Chartered Accountants
ICAI Firm Registration number: 003135S

Prashanth.S
Partner
Membership Number: 228407

Place: Bengaluru
Date: 14 May 2025

For and on behalf of the Board of Directors of Zuari Agro Chemicals Limited

Nitin M. Kantak
Executive Director
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Chief Financial Officer

Asheeba Pereira
Company Secretary
Membership Number: A48097

Date: 14 May 2025

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

1. Corporate Information

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges 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 and fertilizer products. The Company caters to the demand of the farmers across the country, through its "Jai Kisaan" brand of Fertilizers.

These standalone financial statements were approved for issue in accordance with a resolution of the Board of Directors of the Company in their meeting held on 14 May 2025.

2.A. Summary of Significant Accounting Policies

i) Basis of Preparation

The standalone 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 standalone financial statements.

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

- Derivative financial instruments,
- 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 standalone financial statements of the Company are presented in Indian Rupee (INR) and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

The significant accounting policies adopted for preparation and presentation of these Ind AS financial statements have been applied consistently, except for the changes in accounting policy for amendments to the standard that were issued effective for the financial year beginning from on or after April 1, 2024, as stated in Note 2C.

ii) 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.

iii) Foreign Currency Translation

a) Functional and presentation currency

Items included in the standalone financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The standalone 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.

iv) Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

v) 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 standalone 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 standalone 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.

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

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.

vi) Non-current assets classified as held for sale

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

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

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

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Cost to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expenses. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

vii) Property, plant and equipment

On transition to Ind AS i.e. 1 April 2015, the Company has elected to continue with the carrying value of all of its property, plant and equipment (PPE) recognised as at 1 April 2015 measured as per the Indian GAAP and use that carrying value as the deemed cost of the 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 price.

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.

Gains or losses arising from derecognition 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.

viii) Depreciation on property, plant and equipment

Depreciation on property, plant and equipment (other than specific asset referred under Para (a) to (e) below is calculated using the straight-line basis using the rates arrived at, based on the useful lives estimated by the management. 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.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	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
Railway Siding	15 years

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

(a) 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.

(b) The useful lives of certain plant and equipment are estimated as 30 to 40 years. These lives are higher than those indicated in schedule II.

(c) The useful lives of certain buildings are estimated as 5 to 15 years. These lives are lower than those indicated in schedule II.

(d) 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.

(e) 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.

ix) Intangible Assets

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost.

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 accounting estimates. 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.

The following are the acquired intangible assets:

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.

x) Investment Property

The Company has elected to continue with the carrying value for all of its investment property as recognized in its previous GAAP standalone financial statements as

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

deemed cost at the transition date, viz., 1 April 2015.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

xi) 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.

xii) 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.

a) 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 shorter of the lease term and the estimated useful lives of the assets.

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

b) Lease liabilities

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.

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.

c) 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.

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.

Ind AS 116:

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to re-measure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish

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between two types of leases: operating and finance leases.

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. Accordingly, comparatives for the period ended 31 March 2019 have not be retrospectively adjusted. The Company elected to apply the standard to contracts that were previously identified as leases applying Ind AS 17. The Company also elected to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value.

a. Nature of the effect of adoption of Ind AS 116

The Company has lease contracts for various guest house, retail outlets and land. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Company; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in the statement of profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Prepayments and Trade and other payables, respectively.

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases that it is the lessee, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Company.

Leases previously classified as finance leases

The Company did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 was applied to these leases from 1 April 2019.

Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease

xiii) 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.

Subsequent measurement

Debt Instruments-

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. For the purposes of subsequent measurement, debt instruments are classified in three categories:

- Debt instruments at amortised cost;
- Debt instruments at fair value through other comprehensive income (FVTOCI);
- Debt instruments at fair value through profit or loss (FVTPL).

Debt instruments at amortised cost

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

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

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

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

Debt instrument at FVTOCI

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

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

(b) The asset's contractual cash flows represent sole payments of principal and interest (SPPI).

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

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity Instruments-

Investments in subsidiaries are subsequently measured at cost.

For the purposes of subsequent measurement of other equity instruments classification is made into below two categories:

- Equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Equity investments other than investments in subsidiaries are measured at fair value. The Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument -by-instrument basis. The classification is made on initial recognition and is irrevocable. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss,

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even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

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.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 109

Financial instruments and the amount initially recognised less cumulative amortisation, where appropriate. The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

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.

xiv) 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.

xv) Dividend to equity holders of the Company

The Company recognises a liability to make dividend distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

xvi) 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.

xvii) 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.

xviii) 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.B.

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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.

Revenue from sale of goods, including concession in respect of Urea, DAP, MOP and Complex Fertilizers receivable from the Government of India under the New Pricing Scheme/Concession Scheme, is recognized when the significant risk and rewards of ownership of the goods have passed to the customers, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

Concessions in respect of Urea as notified under the New Pricing Scheme is recognized with adjustments for escalation/ de–escalation in the prices of inputs and other adjustments as estimated by the management in accordance with the known policy parameters in this regard.

Subsidy for Phosphatic and Potassic (P&K) fertilisers are recognized as per rates notified by the Government of India in accordance with Nutrient Based Subsidy Policy from time to time.

Uniform freight subsidy on Urea, Complex fertilisers, Imported DAP and MOP has been accounted for in accordance with the parameters and notified rates.

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).

i) 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.

(a) 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.

(b) 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.

ii) 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 xiii) 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

Right 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, 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.

Dividend

Dividend is recognized when the shareholders' right to receive payment is established by the balance sheet date.

xix) Retirement and other employee benefits

i) Provident Fund

Retirement benefit in the form of Provident Fund is a defined benefit contribution scheme. The Company has no obligation other than the contribution payable to the Provident Fund. The Company recognizes the contribution payable to the Provident Fund scheme as an 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.

Till surrender of its exemption to hold contribution in Employees' Provident Fund Trust of the Company (Zuari Industries Limited Employee Provident Fund Trust – ZIL EPF Trust) to Employees' Provident Fund Organisation (EPFO) based on the statutory obligation as at January 31, 2025 Retirement benefits in the form of Provident Fund, is defined benefit obligation and is provided on the basis of actuarial valuation of projected unit

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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 the 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.

ii) Superannuation and Contributory Pension Fund

Retirement benefit in the form of Superannuation Fund and Contributory Pension Fund are defined contribution scheme. The Company has no obligation, other than the contribution payable to the Superannuation Fund and Contributory Pension Fund to Life Insurance Corporation of India (LIC) against the insurance policy taken with them. The Company recognizes contribution payable to the Superannuation Fund and Contributory 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.

iii) 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.

Re-measurement 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.

iv) Post-Retirement Medical Benefit

Post-retirement medical benefit is a defined benefit obligation which is provided for based on actuarial valuation on projected unit credit method made at the end of each financial year. Re-measurement, comprising of actuarial gains and losses, are recognised in the period in which they occur, directly in statement of profit & loss.

v) 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.

vi) 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.

vii) 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.

viii) 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.

xx) 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.

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.

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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.

xxi) 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 the purpose of 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.

xxii) Government grants and subsidies

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

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

xxiii) 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.

In case of seeds division, the Company makes an estimation of probable sales return out of the sales booked during the financial year, considering the terms and condition of the sale and past tendency of such sales return. A provision is made for loss on account of such estimated sales return which is approximate to the amount of profit originally booked on such sale.

xxiv) Segment Reporting Policies

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. Chief Operating Decision Maker 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.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting standalone financial statements of the Company as a whole.

2.B. Significant accounting judgements, estimates and assumptions

The preparation of the Company's standalone 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).

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. Further details about the defined benefit obligations are given in Note 35.

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 wherever 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. Refer Note 39 for further disclosures.

d) Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and coverage by deposits or others instruments).

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 40.

e) 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.

f) 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.

g) 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

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

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.

h) 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.

i) 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.

2.C. Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

2.D. New and amended standards

The company has applied the following amendments for the first time for their annual reporting period commencing April 1, 2024.

(i) New and amended standards adopted by the Company:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024.

The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

Notes to the Standalone Financial Statements for the year ended 31 March 2025

3. Property, plant and equipment

(INR in lakhs)

Particulars	Freehold Land	Buildings	Plant & machinery	Furniture & fixtures	Office equipment	Vehicles	Total	CWIP	Grand Total
Deemed Cost									
As at 01.04.2023	**-**	**4,297.40**	**3,658.85**	**27.21**	**108.44**	**232.47**	**8,324.38**	**58.93**	**8,383.31**
Additions	-	28.16	70.08	0.11	4.81	-	103.16	282.89	**386.05**
Borrowing costs	-	-	-	-	-	-	-	-	**-**
Disposals	-	-	-	-	-	168.50	168.50	102.72	**271.22**
Asset classified as held for sale	-	-	-	**-**					
As at 31.03.2024	**-**	**4,325.56**	**3,728.93**	**27.32**	**113.25**	**63.97**	**8,259.05**	**239.10**	**8,498.14**
Additions	-	-	1.79	0.69	3.26	-	5.74	210.64	**216.38**
Borrowing costs	**-**	-	-	-	**-**	**-**	**-**	**-**	**-**
Disposals	-	321.72	30.26	17.33	77.35	28.83	475.49	-	**475.49**
Asset classified as held for sale	-	-	-	-	-	-	-	-	**-**
As at 31.03.2025	**-**	**4,003.84**	**3,700.46**	**10.68**	**39.16**	**35.14**	**7,789.30**	**449.74**	**8,239.02**
Depreciation									
As at 01.04.2023	**-**	**1,157.11**	**1,477.64**	**22.63**	**90.69**	**217.78**	**2,965.84**	**-**	**2,965.84**
Charge for the year	-	135.71	177.10	2.58	2.71	2.28	320.38	-	**320.38**
Disposals	-	-	-	-	-	160.11	160.11	-	**160.11**
Asset classified as held for sale	-	**-**							
As at 31.03.2024	**-**	**1,292.82**	**1,654.74**	**25.21**	**93.39**	**59.94**	**3,126.11**	**-**	**3,126.11**
Charge for the year	-	138.83	169.10	1.21	2.94	-	312.08	-	312.08
Disposals	-	219.37	26.38	16.18	74.37	27.39	363.69	-	363.69
Asset classified as held for sale	-	-	-	-	-	-	-	-	
As at 31.03.2025	**-**	**1,212.28**	**1,797.45**	**10.24**	**21.97**	**32.55**	**3,074.50**	**-**	**3,074.50**
Net block									
As at 31.03.2025	**-**	**2,791.56**	**1,903.00**	**0.44**	**17.19**	**2.58**	**4,714.80**	**449.74**	**5,164.52**
As at 31.03.2024	**-**	**3,032.74**	**2,074.19**	**2.11**	**19.86**	**4.03**	**5,132.94**	**239.10**	**5,372.03**

4. Right of use assets

(INR in lakhs)

Particulars	Right of use Land	Total Right of use assets
As at 01.04.2023	**817.26**	**817.26**
Additions	-	**-**
Borrowing costs	-	**-**
Disposals	-	**-**
As at 31.03.2024	**817.26**	**817.26**
Additions	**-**	**-**
Borrowing costs	**-**	**-**
Disposals	**-**	**-**
As at 31.03.2025	**817.26**	**817.26**
Depreciation		
As at 01.04.2023	**40.22**	**40.22**
Charge for the year	4.09	**4.09**
Disposals	-	**-**

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(INR in lakhs)

Particulars	Right of use Land	Total Right of use assets
As at 31.03.2024	**44.31**	**44.31**
Charge for the year	4.09	**4.09**
Disposals	**-**	**-**
As at 31.03.2025	**48.40**	**48.40**
Net block		
As at 31.03.2025	**768.86**	**768.86**
As at 31.03.2024	**772.95**	**772.95**

i. Building includes self constructed building with book value of INR 2,276.00 lakhs (31 March 2024: INR 3,887.05 lakhs) on leasehold land.

ii. Contractual obligations: Nil

iii. This includes, land of INR 396.00 lakhs (31 March 2024 : INR 396.00 lakhs) wherein lease cum sale agreement is for a year of 10 years. Lesser shall sell the property at the end of the lease year or extended year, if any.

iv. Capital work in progress

Capital work in progress comprises of expenditure for Research & development centre for agricultural soil investigation and compatible fertilizer at Bangalore.

CWIP ageing schedule as at 31 March 2025 **(INR in lakhs)**

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Projects in progress	210.64	199.17	39.93	-	449.74

CWIP	To be completed in				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Projects in progress Research & development centre for agricultural soil investigation and compatible fertilizer	449.74	-	-	-	**449.74**
Projects temporarily suspended	**-**	**-**	**-**	**-**	-

CWIP ageing schedule as at 31 March 2024 **(INR in lakhs)**

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Projects in progress	199.17	39.93	-	-	239.10

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Projects in progress	239.10	-	-	-	**239.10**
Projects temporarily suspended	**-**	**-**	**-**	**-**	-

v. Title deeds of Immovable Properties not held in name of the Company

Particulars	Description	Gross Carrying Value	Title deed in the name of	Whether title deed holder is promoter, director or relative	Date of property held	Reason for not held in the name of company
Freehold Land	Land	2.97	Jose Robello	NO	2011-12	Mutation is In process

Notes to the Standalone Financial Statements for the year ended 31 March 2025

5. Investment property

(INR in lakhs)

	Amount
As at 1st April 2023	**342.44**
Additions (subsequent expenditure)	-
Disposals	-
As at 31st March 2024	**342.44**
Additions (subsequent expenditure)	-
Disposals	-
As at 31st March 2025	**342.44**
Depreciation	
As at 1st April 2023	-
Depreciation for the year	-
As at 31st March 2024	-
Depreciation for the period	-
As at 31st March 2025	-
Net book value	
As at 31st March 2025	**342.44**
As at 31st March 2024	**342.44**

(INR in lakhs)

Information regarding income and expenditure of Investment property	31 March 2025	31 March 2024
Rental income derived from investment properties	Nil	Nil
Direct operating expenses (including repairs and maintenance) arising from investment property that generating rental income	Nil	Nil
Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income	Nil	Nil
Profit arising from investment properties before depreciation and indirect expenses	Nil	Nil
Less – Depreciation	Nil	Nil
Profit arising from investment properties before indirect expenses	Nil	Nil

Investment property consist of freehold lands owned by the Company.

The Ministry of Road Transport and Highways vide their gazzette notification dated 02.03.2024 notified compulsory acquistion of 450 sq mtr land situated at village Pannagudi, Taluka Naggapattim. The Compensation for the same is yet to be awarded to the company.

The Company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company considers information from a variety of sources including :-

1. Current prices in an active market of properties of different nature or recent prices of similar properties in less active market adjusted to reflect those differences.
2. Discounted cash flow projections based on reliable estimates of future cash flows.
3. Capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

As at 31 March 2025 and 31 March 2024, the fair values of the investment properties are INR 609.12 lakhs and INR 559.20 lakhs respectively. These valuations are based on valuations performed by an accredited independent valuer, who is specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied. The valuation is done based on current prices in active market of properties of different nature.

Details of key inputs used in the valuation of investment properties are as below :

Property description : Land situated in the Pannagudi & Karaikal Village, Tamil Nadu

Significant unobservable Inputs	Inputs	
	31 March 2025	31 March 2024
Land area*	25.38 acre	23.3 acre
Prevailing market rate (per acre)	INR 24 lakhs/acre	INR 24 lakhs/acre
Guidelines rates obtained from Registrar office	INR 4.00 lakhs/acre	INR 4.00 lakhs/acre
Assessed / adopted rate for valuation	INR 24.00 lakhs/acre	INR 24.00 lakhs/acre

* Includes 450 sq mtr land notified for compulsory acquition

Reconciliation of fair value: **(INR in lakhs)**

As at 1st April 2023	**489.30**
Fair value difference	69.90
Purchases	-
As at 31st March 2024	**559.20**
Fair value difference	49.92
Purchases	-
As at 31st March 2025	**609.12**

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

6. Financial assets

6A. Investments **(INR in lakhs)**

No. and Particulars	Non-current	
	31 March 2025	31 March 2024
Investments in unquoted equity Instruments carried at cost		
Investment in Joint Ventures		
17,98,16,228 (31 March 2024: 17,98,16,228) Equity shares of INR 10/- each fully paid-up of Zuari Maroc Phosphates Private Limited	17,981.62	17,981.62
Investment in subsidiaries		
8,62,02,600 (31 March 2024: 8,62,02,600) Equity shares of INR 10/- each fully paid-up of Zuari Farmhub Limited	8,620.26	8,620.26
Investments in quoted equity Instruments carried at cost		
Investment in subsidiaries		
3,49,91,362 (31 March 2024: 6,40,28,362) Equity shares of INR 10/- each fully paid-up of Mangalore Chemicals and Fertilisers Limited (refer note (a), (b) below and Note No. 48)	29,572.29	54,112.37
Investments in equity instruments carried at fair value through other comprehensive income (FVTOCI)		
Unquoted equity instruments		
1,44,000 (31 March 2024: 1,44,000) Equity shares of INR 10/- each fully paid up of Indian Potash Limited (Refer note (c) & (d) below)	7,093.44	6,526.08
Total	**63,267.61**	**87,240.33**
Aggregate value of quoted Investments	**29,572.29**	**54,112.37**
Aggregate value of unquoted Investments	**33,695.32**	**33,127.96**
Total	**63,267.61**	**87,240.33**

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(a) 3,33,55,907 (31 March 2024: 3,34,75,907) number of shares of Mangalore Chemicals and Fertilisers Limited are pledged as security for long term loan taken from bank/ FI's (Refer Note 13 & 14) including 2,40,90,907 shares are released subsequently.

(b) Following the impairment testing principles of Ind AS 36 "Impairment of Assets", the Company has assessed the recoverable amount of the investment in the subsidiaries i.e. Mangalore Chemicals and Fertiliser Limited. The recoverable amount is higher of fair value less cost to sale and value in use. The investment made by the Company in the subsidiaries are strategic investments and the Company has control over the subsidiary companies. On basis of the Stock price of the MCFL as at 31 March 2025, there is no indication of impairment i.e. the current investment value is higher than the purchase value. Accordingly third party valuation has not been obtained.

(c) The management has assessed fair value of the investment in unquoted share of Indian Potash Limited based on valuation report of an independent valuer. For details of method and assumptions used for the valuation refer Note 37.

(d) Investments at fair value through OCI (fully paid) reflect investment in quoted and unquoted equity securities. These equity shares are designated as fair value through other comprehensive income (FVTOCI) as they are not held for trading purpose. Thus, disclosing their fair value fluctuation in profit and loss will not reflect the purpose of holding. The Company has not reclassified any gain or loss within equity in the current or previous period. Refer Note 38 for determination of their fair values.

Assets pledged as security for borrowings: Refer Note 13 and 14 for information on investments pledged as security against borrowing.

6B Other Financial assets **(INR in lakhs)**

Particulars	Non current		Current	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Other financial assets (Unsecured, considered good)				
Security deposits				
Unsecured, considered good				
with Others	92.37	104.16	-	-
Margin money deposits**	12.30	453.29	-	-
Deposit with banks	0.75	-	-	0.75
Interest receivable on bank deposits	-	-	7.27	4.03
Total other financial assets	**105.42**	**557.45**	**7.27**	**4.78**

** Margin money deposits are provided as margin for letter of credits and as interest reserve account for long term borrowings. The same are restricted for use till settlement of corresponding liability.

Break up of financial assets carried at amortised cost **(INR in lakhs)**

Particulars	Non current		Current	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Trade Receivable (Refer Note 9)	-	-	694.73	2,569.05
Cash and cash equivalents (Refer Note 10)	-	-	15,367.47	2,506.88
Other Bank Balances (Refer Note 10.1)	-	-	184.02	204.19
Other financial assets (Refer Note 6B)	105.42	557.45	7.27	4.78
Total financial assets carried at amortised cost	**105.42**	**557.45**	**16,253.49**	**5,284.90**

7. Other assets

(INR in lakhs)

Particulars	Non current		Current	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Unsecured, considered good, except where otherwise stated				
Capital advances-				
Others (Refer Note i below)	605.44	605.44	-	-
Advances (other than capital advances)				
Related parties (Refer Note 35)	-	-	-	0.11
Others, considered good	-	-	50.76	204.06
Advance to employees	-	-	23.29	21.62
Balances with statutory authorities	-	-	744.56	890.57
Prepaid expenses	0.14	0.75	10.18	15.46
Total	**605.58**	**606.19**	**828.79**	**1,131.82**

i. The Company had given an advance of INR 4,029.44 lakhs in June 2010 to Karnataka Industrial Area Development Board (KIADB) for allotment of land for setting up of 12 Lakhs TPA urea plant in Belgaum district. KIADB failed to acquire the land and after continuous discussion with KIADB for two years, the Company had come out of the project. KIADB had refunded INR 3,425.02 lakhs and retained INR 604.42 lakhs which was to be adjusted in case the Company seek some other land in Karnataka. Based on the details of land subsequently provided by the KIADB, the Company has requested to allot 12 acres land at Belapu industrial estate and adjust the retained amount by KIADB to the cost of the new land. However, KIADB has not yet agreed for the adjustment. Management had filed the writ petition in the Hon'ble High Court of Karnataka at Bengaluru against the State of Karnataka - Industries and Commerce Department and KIADB for not allotting land to the Company for setting up Fertilizer Project in Belapu Industrial Area, Udupi District, Karnataka and illegally withholding a sum of INR 604.42 lakhs. The Hon'ble High Court vide judgement dated 16 September 2019 disposed of the matter and directed the KIADB to consider the application of the Company for the allotment of Land within a period of six weeks from the date of receipt of certified copy of order. Pursuant to the court order, the Company issued a letter to KIADB requesting them to allot alternate land. KIADB vide their order dated 18 November 2019 has refused to adjust the forfeited amount against allotment of land in Belapu. Subsequently, the Company has filed a writ petition with Hon'ble High Court of Karnataka at Bangalore on 10 February 2020 challenging the KIADB order dated 18 November 2019. The Petition was listed for hearing on 23 September 2021. After hearing our counsels briefly on the matter, the Hon'ble court directed for the matter to be listed after two weeks for admission. Later the matter came up for hearing on 13th January 2025, wherein the Government advocate was directed to take notice on behalf of respondent no. 1 (State of Karnataka), and ordered to issue notice to respondent no. 2 (Karnataka Industrial Areas Development Board). The matter is listed for reply of respondent no. 1 and 2. Next date is awaited.

Based on previous judgement and legal opinion obtained by the management for this matter, the management is hopeful to get the above amount adjusted against allotment of land or refund of the same.

8 Inventories (valued at lower of cost and net realisable value)

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Raw materials	34.35	2,262.52
Packing materials	9.21	27.54
Work-in-progress	0.05	253.09
Finished goods	52.29	416.56
Stores and spares	109.78	115.21
Total	**205.68**	**3,074.92**

Notes to the Standalone Financial Statements for the year ended 31 March 2025

8A. Assets held for sale/ liabilities directly associated with the assets held for sale

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
(a) Assets held for sale		
- Land (Refer Note i below)	37.75	40.72
- Building (Refer Note ii below)	-	578.12
- Shares of Subsidiary (Refer Note iii below and Note No. 48)	24,540.08	-
	24,577.83	**618.84**
(b) Liabilities directly associated with the assets held for sale	-	-
	24,577.83	**618.84**

i. During the year ended 31 March 2025, the Company had sold few lands at Sancoale, Goa and the management is intended to sale the balance parcels of land at Sancoale, Goa. The sale of the asset is expected to be executed within 12 months.

ii. During the year ended 31 March 2025, the company had sold its Pune office premises.

iii. The board of directors of the Company have at their meeting dated November 25, 2024 approved the revised number of equity shares of Mangalore Chemicals and Fertilizers Limited to be transferred by the Company to Zuari Maroc Phosphates Private Limited ("ZMPPL") from 3,92,06,000 to 2,90,37,000, pursuant to and as an integral part of the composite scheme of arrangement by and amongst Mangalore Chemicals and Fertilizers Limited, Paradeep Phosphates Limited and their respective shareholders and creditors, for an aggregate cash consideration of INR 41,813.28 lakhs. In connection with this, ZMPPL has provided INR 25,000.00 lakhs to the Company as performance security to secure ZMPPL's obligations.

The Company anticipates completion of the sale within 12 months from the year ended March 31, 2025 and accordingly, assets amounting to INR 24,540.08 Lakhs (2,90,37,000 No. of Equity Shares of Mangalore Chemicals and Fertilizers Limited) have been reclassified under "Assets held for sale".

Assets classified as held for sale during the reporting period are measured at lower of its carrying amount and fair value less cost to sell at the time of reclassification. Fair value of the assets were determined using the market approach.

9. Trade receivables (at amortised cost)

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Trade receivables - related parties (Refer Note 35)	24.13	109.29
Trade receivables - others	670.60	2,459.76
Total Trade Receivables	**694.73**	**2,569.05**

Break-up for security details: **(INR in lakhs)**

Particulars	31 March 2025	31 March 2024
Trade Receivables		
Unsecured, considered good-related parties (Refer Note 35)	24.13	109.29
Unsecured, considered good [Total subsidy receivable from Government: INR 641.69 lakhs (31 March 2024: INR 1,495.66 lakhs)]	670.60	2,459.76
Trade Receivables which have significant increase in credit risk	37.94	38.19
	732.67	**2,607.24**
Less: Trade receivable which have significant increase in credit risk	(37.94)	(38.19)
Total Trade Receivables	**694.73**	**2,569.05**

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

For terms and conditions relating to related party receivables, Refer Note 35.

Trade receivables from dealers are non-interest bearing during the normal credit periods and are generally on terms of 15 to 120 days.

Trade receivables ageing as at 31 March 2025 **(INR in lakhs)**

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) Undisputed Trade receivables – considered good	653.33	12.71	0.01	28.68	-	694.73
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	0.02	0.00	0.26	37.66	37.94
Total	**653.33**	**12.73**	**0.01**	**28.94**	**37.66**	**732.67**

Trade receivables ageing as at 31 March 2024 **(INR in lakhs)**

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) Undisputed Trade receivables – considered good	2,564.23	-	4.82	-	-	2,569.05
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	0.53	-	37.66	38.19
Total	**2,564.23**	**-**	**5.35**	**-**	**37.66**	**2,607.24**

10. Cash and Cash Equivalent

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Cash and cash equivalents		
a. Balances with banks		
- On Current accounts	186.85	360.71
- On deposits accounts with original maturity of three months or less	15,180.50	2,146.05
b. Cheque on hand	-	-
c. Cash on hand	0.12	0.12
Total	**15,367.47**	**2,506.88**

10.1 Other Bank balances **(INR in lakhs)**

Particulars	31 March 2025	31 March 2024
Current:		
Other Bank Balances :		
- On Unpaid dividend accounts (repatriation restricted)*	0.00	2.10
- Bank deposits	105.32	9.53
- Margin money deposits**	78.70	192.56
Total	**184.02**	**204.19**

*The Company can utilise these balances only towards settlement of the respective unpaid dividend.

** Margin money deposits are provided as margin for letter of credits and as interest reserve account for long term borrowings. The same are restricted for use till settlement of corresponding liability.

Notes to the Standalone Financial Statements for the year ended 31 March 2025

11. Share capital

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Authorised share capital		
12,25,00,000 (31 March 2024: 12,25,00,000) Equity Shares of INR 10/- each	12,250.00	12,250.00
3,45,00,000 (31 March 2024: 3,45,00,000) Preference Shares of INR 10/- each	3,450.00	3,450.00
	15,700.00	**15,700.00**
Issued and subscribed capital*		
4,20,58,006 (31 March 2024: 4,20,58,006) Equity Shares of INR 10/- each Fully paid	**4,205.80**	**4,205.80**

a. Reconciliation of shares outstanding at the beginning and end of the reporting period

Equity Shares	31 March 2025		31 March 2024	
	In numbers	INR in lakhs	In numbers	INR in lakhs
At the beginning of the period	4,20,58,006	4,205.80	4,20,58,006	4,205.80
Issued during the period	-	-	-	-
Outstanding at the end of the period	**4,20,58,006**	**4,205.80**	**4,20,58,006**	**4,205.80**

b. 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.

c. Details of equity shares of INR 10 each fully paid up held by promoters as at:

Promoter Name	As at 01 April 2024	Changes during the year	As at 31 Mar 2025	% of Total Shares	% change during the year
Promoters					
Zuari Industries Limited (Formerly Zuari Global Limited)	84,11,601	-	84,11,601	20.00	-
Zuari Management Services Limited	50,78,909	-	50,78,909	12.08	-
Texmaco Infrastructure & Holdings Limited	30,00,125	-	30,00,125	7.13	-
Globalware Trading And Holding Limited	74,91,750	-	74,91,750	17.81	-
Promoter Group	-	-			
Adventz Finance Private Limited	15,45,842	-	15,45,842	3.68	-
New Eros Tradecom Limited	11,96,767	-	11,96,767	2.85	-
Jeewan Jyoti Medical Society	1,38,550	-	1,38,550	0.33	-
Duke Commerce Limited	1,11,000	-	1,11,000	0.26	-
Adventz Securities Enterprises Limited	98,804	-	98,804	0.23	-
Saroj Kumar Poddar as Trustee of Saroj and Jyoti Poddar Holdings Private Trust	1,50,000	-	1,50,000	0.36	-
Saroj Kumar Poddar	29,406	-	29,406	0.07	-
Jyotsna Poddar	21,621	-	21,621	0.05	-
Akshay Poddar	1,50,585	-	1,50,585	0.36	-
Basant Kumar Birla*	30,000	-30,000	-	-	-100.00
Total	**2,74,54,960**	**-30,000**	**2,74,24,960**	**65.21**	-

*During the year, 30,000 Equity Shares of Late Mr. Basant Kumar Birla forming part of 'Promoter Group' were transmitted to Mr. Kumar Mangalam Birla (Executor to the Estate of Late Mr. Basant Kumar Birla) and the same shares were disposed in the open market.

Details of equity shares of INR 10 each fully paid up held by promoters as at:

Promoter Name	As at 01 April 2023	Changes during the year	As at 31 Mar 2024	% of Total Shares	% change during the year
Promoters					
Zuari Industries Limited (Formerly Zuari Global Limited)	84,11,601	-	84,11,601	20.00	-
Zuari Management Services Limited	50,78,909	-	50,78,909	12.08	-
Texmaco Infrastructure & Holdings Limited	30,00,125	-	30,00,125	7.13	-
Globalware Trading And Holding Limited	74,91,750	-	74,91,750	17.81	-
Promoter Group	-				
Adventz Finance Private Limited	15,45,842	-	15,45,842	3.68	-
New Eros Tradecom Limited	11,96,767	-	11,96,767	2.85	-
Jeewan Jyoti Medical Society	1,38,550	-	1,38,550	0.33	-
Duke Commerce Limited	1,11,000	-	1,11,000	0.26	-
Adventz Securities Enterprises Limited	98,804	-	98,804	0.23	-
Saroj Kumar Poddar as Trustee of Saroj and Jyoti Poddar Holdings Private Trust	1,50,000	-	1,50,000	0.36	-
Saroj Kumar Poddar	29,406	-	29,406	0.07	-
Jyotsna Poddar	21,621	-	21,621	0.05	-
Akshay Poddar	1,50,585	-	1,50,585	0.36	-
Basant Kumar Birla	30,000	-	30,000	0.07	-
	2,74,54,960	**-**	**2,74,54,960**	**65.28**	**-**

d. Details of shareholders holding more than 5% of equity shares in the Company

Name of shareholder	31 March 2025		
	No. of shares held	% Holding in class	% change during the period
Zuari Industries Limited (Formerly Zuari Global Limited)	84,11,601.00	20.00	-
Globalware Trading and Holdings Limited	74,91,750.00	17.81	-
Zuari Management Services Limited	50,78,909.00	12.08	-
Texmaco Infrastructure & Holdings Limited	30,00,125.00	7.13	-

Name of shareholder	31 March 2024		
	No. of shares held	% Holding in class	% change during the period
Zuari Industries Limited (Formerly Zuari Global Limited)	84,11,601.00	20.00	-
Globalware Trading and Holdings Limited	74,91,750.00	17.81	-
Zuari Management Services Limited	50,78,909.00	12.08	-
Texmaco Infrastructure & Holdings Limited	30,00,125.00	7.13	-

As per records of the Company including its register of share holders/members and other declarations received from share holders regarding beneficial interest, the above share holding represents both legal and beneficial ownership of shares.

*Pursuant to the Scheme of Arrangement and Demerger ("the Scheme") between the Company (Zuari Agro Chemicals Limited) and Zuari Industries Limited (Formely Zuari Global Limited), the Company had issued 2,94,40,604 equity shares of INR 10/- each aggregating to INR 2,944.06 lakhs to the existing shareholders of Zuari Industries Limited (Formely Zuari Global Limited) in the ratio of 1 fully paid up Equity share of INR 10/- each of Zuari Agro Chemicals Limited during the financial year ending 31 March 2013. Out of the above shares issued pursuant to the Scheme, 8,051 (31 March 2024: 8,051) Equity Shares entitlements have been kept in abeyance pursuant to Section 206A of the Companies Act, 1956 in accordance with instructions from the Special Court (Trial of Offences relating to Transactions in Securities) Act, 1992 and in respect of shareholders who could not exercise their rights in view of disputes, mistakes, discrepancy in holdings, etc.

No shares has been issued for consideration other than cash during the period of five years immediately preceding the reporting date.

Notes to the Standalone Financial Statements for the year ended 31 March 2025

12. Other Equity

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Business Restructuring Reserve		
Balance as per last financial statements	65,404.84	65,404.84
Add: Received during the year	-	-
Closing balance	**65,404.84**	**65,404.84**
General Reserve		
Balance as per last financial statements	6,150.00	6,150.00
Add: Received during the year	-	-
Closing balance	**6,150.00**	**6,150.00**
Surplus/(Deficit) in the statement of profit and loss		
Balance as per last financial statements	(60,609.92)	(62,738.76)
Profit/(Loss) for the period	(7,310.16)	2,128.84
Closing Balance	**(67,920.08)**	**(60,609.92)**
Equity instruments through Other Comprehensive Income		
Balance as per last financial statements	5,142.74	3,984.79
Other comprehensive Income/(Loss) for the year	579.11	1,157.95
Closing Balance	**5,721.85**	**5,142.74**
Total other equity	**9,356.61**	**16,087.66**

Nature and purpose of reserves

Business Restructuring Reserve

In the Finance Year 2012-13, pursuant to the Scheme of Arrangement and Demerger ("The Scheme") between Zuari Industries Limited (Formerly Zuari Global Limited) and Zuari Holdings Limited (now known as Zuari Agro Chemicals Limited, the Company) approved by the Hon'ble High Court of Bombay at Goa, on 2 March 2012, all the assets and liabilities pertaining to Fertiliser Undertaking as on 1 July 2011 of Zuari Industries Limited (Formerly Zuari Global Limited) had been transferred to the Company at their book values and accordingly the surplus of assets over the liabilities of the Fertiliser undertaking so demerged, resulted in creation of Business Restructuring Reserve of INR 65,404.84 lakhs in terms of the Order of the Hon'ble High Court of Bombay at Goa which was filed with the Registrar of Company on 21 March 2012. The said reserve be treated as free reserve and be restricted and not utilized for declaration of dividend by the Company.

General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

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.

Equity instruments through Other Comprehensive Income

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

13. Borrowings

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Non Current Borrowings (at amortised cost)		
TERM LOAN		
From Financial Institutions		
Indian rupee loans (Refer Note 1(a) & 1(b) below)	7,968.72	7,463.41
Non Convertible Debentures (Refer Note 2 below)	4,953.82	4,898.63
From Others		
Unsecured		
Inter Corporate Deposits (Refer Note 3 below and Note 35)	7,850.00	1,000.00
Total	**20,772.54**	**13,362.04**
Less: Amount disclosed under “Short Term Borrowings”	-	-
- Current Maturities of Long Term borrowings (Refer Note 14)	(7,453.82)	-
Total	**13,318.72**	**13,362.04**

1 (a). Indian rupee term loan from a financial institution of INR 3,991.25 lakhs (including current maturities of INR 2,500.00 lakhs) carries interest rate of 12% p.a (31 March 2024: INR 7,463.41 lakhs (including current maturities of INR Nil lakhs) carries interest rate of 12.00% p.a. The loan is repayable on December 2026. The loan is secured by exclusive charge over land (including structures) with minimum cover of 1.2 times and pledge of shares of its subsidiary, Mangalore Chemicals and Fertilisers Limited (“MCFL”), with a minimum share security cover of 1.10 times.

1 (b). Indian rupee term loan from a financial institution of INR 3977.47 lakhs (including current maturities of INR Nil) carries interest rate of 12% p.a (31 March 2024: INR Nil lakhs (including current maturities of INR Nil lakhs) carries interest rate of nil. The loan is repayable on September 2027. The loan is secured by exclusive charge over land (including structures) with minimum cover of 1.3 times and pledge of shares of its subsidiary, Mangalore Chemicals and Fertilisers Limited (“MCFL”), with a minimum share security cover of 2 times.

2. Non-Convertible Debentures of INR 4,953.82 Lakhs (including current maturities of INR 4,953.82 lakhs) [31 March 2024: INR 4,898.63 lakhs (including current maturity of INR Nil lakhs)] carries coupon rate of 11.65% p.a. are secured by pledge of shares of its subsidiary, Mangalore Chemicals and Fertilisers Limited (“MCFL”), with a minimum share security cover of 2.00 times. The debentures are redeemable in October 2025.

3. Inter-corporate deposit of INR 7,850.00 lakhs (31 March 2024: INR 1,000.00 lakhs) carries interest rate of 12.00%-12.50% (31 March 2024: 15.00% p.a). The loan is repayable after 12 months from the date of disbursement.

3,33,55,907 (31 March 2024: 3,34,75,907) number of shares of Mangalore Chemicals and Fertilisers Limited are pledged as security for total secured loans taken from bank/ FI’s (Refer Note 13 & 14) including 60,50,000 shares are released subsequently.

The Company has not filed any quarterly returns or statement of current assets with banks or financial institutions as there is no working capital loan availed during the period.

Notes to the Standalone Financial Statements for the year ended 31 March 2025

14. Current Borrowings

(INR in lakhs)

Particulars	Short Term	
	31 March 2025	31 March 2024
Secured		
From Others		
Inter-corporate deposits (Refer Note 1 below)	6,400.00	7,500.00
Current Maturities of long term borrowings	7,453.82	-
Unsecured		
From Others		
Inter-corporate deposits	29,500.00	42,350.00
The rate of Interest is 9.25% - 15.00 % p.a. (31 March 2024: 9.25% - 15.00 % p.a.) and are repayable over a period of 180 - 365 days		
Total	**43,353.82**	**49,850.00**

1. Inter-corporate deposit of INR 6,400.00 lakhs (31 March 2024: INR 7,500.00 lakhs) carries interest rate of 12.00% - 14.00% p.a. (31 March 2024: 13.00% - 14.00% p.a). The loan is repayable after 12 months from the date of disbursement and the same are secured by pledge of 1,04,00,000 No. of Equity Shares of its subsidiary, Mangalore Chemicals and Fertilisers Limited ("MCFL").

15. Trade payables

(INR in lakhs)

Particulars	Current	
	31 March 2025	31 March 2024
Trade payables		
- Outstanding dues to related parties (Refer Note 35)	8,940.54	12,056.57
- Outstanding dues to micro, small and medium enterprises (Refer Note 32)	47.56	9.56
- Outstanding dues to others	1,696.04	2,594.23
Total	**10,684.14**	**14,660.36**

Trade payables ageing as at 31 March 2025:

(INR in lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	24.25	14.38	8.93	-	**47.56**
Others	1,111.83	206.01	475.92	8,842.82	**10,636.58**
Total	**1,136.08**	**220.39**	**484.85**	**8,842.82**	**10,684.14**

Trade payables ageing as at 31 March 2024:

(INR in lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	2.40	1.86	0.56	4.74	**9.56**
Others	5,236.49	1,228.27	85.48	8,100.56	**14,650.80**
Total	**5,238.89**	**1,230.13**	**86.04**	**8,105.30**	**14,660.36**

16. Other Financial Liabilities

(INR in lakhs)

Particulars	Non current		Current	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Other financial liabilities at amortised cost				
Trade deposits - dealers and others				
- from others	-	-	228.41	207.41
Other deposits (earnest money)	-	-	600.00	600.00
Performance security received	-	-	25,000.00	-
Employee benefit payable	-	-	49.80	45.74
Payable towards capital goods- related parties	-	-	-	17.22
Payable towards capital goods	-	-	22.26	41.93
Interest accrued but not due on borrowings	-	-	266.51	426.92
Other interest payable (Refer Note 35)	-	-	5,805.58	5,368.66
Unclaimed dividends	-	-	0.00	2.10
Total other financial liabilities at amortised cost	**-**	**-**	**31,972.56**	**6,709.98**
Total other financial liabilities	**-**	**-**	**31,972.56**	**6,709.98**

Terms and conditions of the above financial liabilities:

Trade payables are normally non-interest bearing. For maturity profile of trade payables and other financial liabilities, Refer Note 39. For terms and conditions relating to related party payables, Refer Note 35.

For explanations on the Company's credit risk management processes, Refer Note 39.

Break up of financial liabilities carried at amortised cost

(INR in lakhs)

Particulars	Non current		Current	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Non current borrowings (Refer Note 13)	13,318.72	13,362.04	-	-
Current borrowings (Refer Note 14)	-	-	43,353.82	49,850.00
Trade payables (Refer Note 15)	-	-	10,684.14	14,660.36
Other financial liabilities (Refer Note 16)	-	-	31,972.56	6,709.98
Total	**13,318.72**	**13,362.04**	**86,010.52**	**71,220.34**

17. Other Liabilities

(INR in lakhs)

Particulars	Non current		Current	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Statutory Liabilities	-	-	90.21	85.06
Contract liabilities - Advances received from customers	-	-	287.00	114.64
Other advances*	-	-	-	1,293.36
Total -	**-**	**-**	**377.21**	**1,493.06**

*Includes advances received from related parties of INR Nil (31 March 2024: 1,190 lakhs) (Refer Note 35)

18. Provisions

(INR in lakhs)

Particulars	Non current		Current	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Provision for employee benefits				
Provision for post retirement medical benefit (Refer Note 33)	37.45	44.78	4.69	5.50
Leave encashment (unfunded)	25.28	20.00	1.11	0.78
Total	**62.73**	**64.78**	**5.80**	**6.28**

Notes to the Standalone Financial Statements for the year ended 31 March 2025

19. Income tax

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

Profit or loss section **(INR in lakhs)**

Particulars	31 March 2025	31 March 2024
Current income tax:		
Current income tax charge	-	-
Adjustments of tax relating to earlier years	131.10	-
Deferred tax:		
Adjustments in respect of deferred tax of earlier years	-	-
Relating to origination and reversal of temporary differences	-	-
Income tax (income)/expense reported in the statement of profit or loss	**131.10**	**-**

OCI section

Deferred tax related to items recognised in OCI during the year: **(INR in lakhs)**

Particulars	31 March 2025	31 March 2024
Net gain/(Loss) on remeasurements of defined benefit plans	11.75	(11.21)
Deferred tax charged to OCI	-	-
Net gain/(loss) on equity instruments through other comprehensive income	567.36	1,157.95
Deferred tax (credit) to OCI	-	-

Reconciliation of tax expense/ (income) and the accounting profit multiplied by domestic tax rate for 31 March 2025 and 31 March 2024

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Accounting (loss) before Income tax	**(7,310.16)**	**2,140.05**
Income tax rate	25.168%	25.168%
At statutory income tax rate	**(1,839.82)**	**538.61**
Adjustment in respect of tax related to earlier years	131.10	-
Non-deductible expenses for tax purposes:		
Adjustments on which deferred tax is not created/reversal of earlier years	1,839.82	(538.61)
At the effective income tax rate	**131.10**	**-**
Income tax expense reported in the statement of profit and loss	131.10	-
	131.10	**-**

Notes to the Standalone Financial Statements for the year ended 31 March 2025

Deferred tax: **(INR in lakhs)**

Particulars	As at 1 April 2023	Provided during the year	As at 31 March 2024	Provided during the period	As at 31 March 2025
Deferred tax liability:					
Total deferred tax liability (A)	-	-	-	-	-
Deferred tax assets:					
Total deferred tax assets (B)	-	-	-	-	-
Deferred tax assets (net) (B - A)	-	-	-	-	-

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.

During the year ended 31 March 2025, the Company has made assessment regarding the recognition criteria in relation to deferred tax asset and tax balances on the basis of future profitability projections.

Deferred tax on unabsorbed business losses have not been recognised to the extent there are no tax planning opportunities or other evidence of recoverability for the same in the next future.

20A. Income tax assets (net)

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Income tax assets - related parties (Refer Note 35 and Note 45)	522.15	522.15
Income tax assets (net)	694.99	1,932.97
Total Income tax assets (net)	**1,217.14**	**2,455.12**

20B. Income tax liabilities (net)

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Income tax assets (net)	-	1,017.04
Total Income tax assets (net)	**-**	**1,017.04**

21. Revenue From Operations

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Revenue from contracts with customers		
Sale of products		
Finished products	4,766.47	8,285.84
Scrap sales	13.27	14.42
Revenue from operations	**4,779.74**	**8,300.26**

(INR in lakhs)

Timing of revenue recognition	31 March 2025	31 March 2024
Goods transferred to the customers at a point in time	4,779.74	8,300.26
Total revenue from contracts with customers	**4,779.74**	**8,300.26**

(INR in lakhs)

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price	31 March 2025	31 March 2024
Revenue as per contracted price	4,731.41	8,242.84
Adjustments		
Discount	48.33	57.42
Revenue from contract with customers	**4,779.74**	**8,300.26**

Notes to the Standalone Financial Statements for the year ended 31 March 2025

a. Sale of Finished Product and Traded Products include Government subsidies of INR 1,831.49 lakhs (31 March 2024: INR 2,934.92 lakhs).

b. The subsidy on Phosphatic and Potassic fertilizers has been accounted for as per concession price notified by the Government of India under Nutrient Based Subsidy Policy, from time to time.

22. Other income

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Interest Income on		
Bank deposits	85.02	64.03
Income tax refund	9.41	-
Overdue debtors, employee loans etc.	0.86	-
Dividend Income on non-current investments	971.23	970.50
Other non-operating income		
Rent received	0.41	44.21
Excess provision/unclaimed liabilities/unclaimed balances written back	467.36	1,648.10
Profit on disposal of fixed assets (net)	1,646.70	11,490.74
Miscellaneous income	8.05	735.13
Total	**3,189.04**	**14,952.71**

Total interest income (calculated using the effective interest method) for financial assets that are not at fair value through profit or loss

Particulars	31 March 2025	31 March 2024
In relation to Financial assets classified at amortised cost	85.87	64.03
Total	**85.87**	**64.03**

23. Cost of materials consumed

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Inventory at the beginning of the period	**2,290.06**	**1,455.57**
Add : Purchases	427.56	6,443.78
Less: Inventory at the end of the period	(43.56)	(2,290.06)
Cost of materials consumed	**2,674.06**	**5,609.29**

24. Purchase of Stock-in-Trade

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Purchases	-	-
Total	**-**	**-**

Notes to the Standalone Financial Statements for the year ended 31 March 2025

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

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Inventories at the end of the year		
Finished goods	52.29	416.56
Work-in-progress	0.05	253.09
	52.34	**669.65**
Inventories at the beginning of the year		
Finished goods	416.56	1,289.42
Work-in-progress	253.09	627.13
	669.65	**1,916.55**
	617.31	**1,246.90**

26. Employee Benefits Expense

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Salaries, wages and bonus	308.18	274.22
Contribution to provident and other funds (Refer Note 33)*	191.93	23.50
Gratuity expense (Refer Note 33)	-	-
Post-retirement medical benefit (Refer Note 33)	3.61	2.71
Staff welfare expenses	11.89	8.36
Total	**515.61**	**308.79**

*During the year, the Company along with Zuari Industries Limited (Related party of the company) has surrendered its exemption to hold contribution in Employees' Provident Fund Trust of the Company (Zuari Industries Limited Employee Provident Fund Trust – ZIL EPF Trust) to Employees' Provident Fund Organisation (EPFO) based on the statutory obligation as at January 31, 2025 by availing the option of depositing entire corpus of Zuari Industries Limited Employee Provident Fund trust in liquid cash to EPFO. As per the arrangement, the Trust has liquidated the investment portfolio and other assets from Zuari Industries Limited Employee Provident Fund Trust and the shortfall/ deficit between the value of investment portfolio held by ZIL EPF Trust and ZIL EPF Trust obligation to EPFO was made good by the Companies. Accordingly, net loss of INR 176.18 lakhs (94.54% share of the company) is accounted under Employee benefit expenses in the financial statements for the year ended March 31, 2025.

27. Finance Costs

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Interest expense	8,585.70	10,118.31
Other borrowing cost	4.64	11.30
Total	**8,590.34**	**10,129.61**

Total interest expense (calculated using the effective interest method) for financial liabilities that are not at fair value through profit or loss

Particulars	31 March 2025	31 March 2024
In relation to Financial liabilities classified at amortised cost	8,585.70	10,118.31
	8,585.70	**10,118.31**

28. Depreciation and amortization expense

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Depreciation of property, plant and equipment (Refer Note 3 & 4)	316.17	324.47
Total	**316.17**	**324.47**

Notes to the Standalone Financial Statements for the year ended 31 March 2025

29. Other expenses

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Stores and spares consumed	80.17	153.40
Bagging and other contracting charges	223.85	358.79
Power, fuel and water	294.75	527.38
Outward freight and handling	611.58	1,281.85
Rent	35.77	91.94
Rates and taxes	126.98	21.35
Insurance	24.05	51.01
Repairs and maintenance		
Plant & machinery	5.27	13.75
Buildings	0.77	3.88
Others	41.00	134.00
Legal and Professional	327.68	266.60
Consultancy Charges	93.68	101.33
Brokerage & Commission	98.84	99.03
Payment to statutory auditors (Refer details below)	16.50	16.90
Inventories Written Off	178.33	-
Loss on fixed assets discarded	107.85	-
Foreign exchange variation (net)	-	70.19
Miscellaneous expenses	167.28	302.46
Total	**2,434.35**	**3,493.86**

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
As statutory auditors		
Audit fees	8.50	8.50
Tax audit fee	3.50	3.50
Limited review fees	2.25	2.25
In other capacity		
Other services (includes certification fees)	1.75	2.15
Reimbursement of expenses	0.50	0.50
Total	**16.50**	**16.90**

30. 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:

Profit/(Loss) attributable to equity holders of the Company: (INR in lakhs)

Particulars	31 March 2025	31 March 2024
Profit/ (Loss) attributable to equity holders of the Company (INR in lakhs)	(7,310.19)	2,140.05
Weighted average number of shares used in computing earnings per share	4,20,58,006	4,20,58,006
Basic and diluted from continuing and discontinued operations (in INR)	(17.38)	5.09
Face value per share (in INR)	10.00	10.00

31. Components of Other Comprehensive Income (OCI):

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended 31 March 2025 **(INR in lakhs)**

Particulars	Equity instruments through Other Comprehensive Income	Surplus / (deficit) in the statement of profit and loss
Re-measurement gains on defined benefit plans	-	11.75
Income tax effect	-	-
Net gain on equity instruments through Other Comprehensive Income	567.36	-
Income tax effect	-	-
	567.36	**11.75**

During the year ended 31 March 2024 **(INR in lakhs)**

Particulars	Equity instruments through Other Comprehensive Income	Surplus / (deficit) in the statement of profit and loss
Re-measurement gains on defined benefit plans	-	(11.21)
Income tax effect	-	-
Net gain on equity instruments through Other Comprehensive Income	1,157.95	-
Income tax effect	-	-
	1,157.95	**(11.21)**

32. Dues to Micro, Small and Medium Enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act is as follows:

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
- Principal amount due to micro and small enterprises	47.56	9.56
- Interest due on above	0.87	1.94
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:	Nil	Nil
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 2006	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year	8.33	7.46
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	0.87	1.94

Notes to the Standalone Financial Statements for the year ended 31 March 2025

33. Gratuity and other post-employment benefit plans

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
- Gratuity Plan-Asset/ (Liability)	50.75	57.74
- Provident Fund -Asset*	-	44.37
- Post Retirement Medical Benefit Plan - (Liability)	(42.15)	(50.29)
Total	**8.60**	**51.82**

* During the year, the Company along with Zuari Industries Limited (Related party of the company) has surrendered its exemption to hold contribution in Employees' Provident Fund Trust of the Company (Zuari Industries Limited Employee Provident Fund Trust – ZIL EPF Trust) to Employees' Provident Fund Organisation (EPFO) based on the statutory obligation as at January 31, 2025 by availing the option of depositing entire corpus of Zuari Industries Limited Employee Provident Fund trust in liquid cash to EPFO.

Till 31st January, 2025 Plan assets of INR Nil (31 March 2024 : INR 44.37 lakhs) have not been recognised in the financial statements, as the surplus of the trust, is distributable among the beneficiaries of the provident fund trust. The above includes amount contributed by Zuari Industries Limited (related party of the Company). W.e.f. 31st January, 2025 due to surrender of exmeption of Zuari Industries Limited Employee Provident Fund Trust to the Employees' Provident Fund Organization (EPFO), Government of India.

The Company has no obligation other than the contribution payable to the Provident Fund. The Company recognizes contribution payable to the Provident Fund scheme as an 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.

a) Gratuity

Gratuity (being administered by a Trust) 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 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 independent actuary.

b) Provident Fund

As per Ind-AS 19, Employee Benefits, provident funds setup by employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan. Actuarial valuation of Provident Fund was carried out in accordance with the guidance note issued by Actuary Society of India.

During the year, the Company along with Zuari Industries Limited (Related party of the company) has surrendered its exemption to hold contribution in Employees' Provident Fund Trust of the Company (Zuari Industries Limited Employee Provident Fund Trust – ZIL EPF Trust) to Employees' Provident Fund Organisation (EPFO) based on the statutory obligation as at January 31, 2025 by availing the option of depositing entire corpus of Zuari Industries Limited Employee Provident Fund trust in liquid cash to EPFO.

W.e.f. 31st January, 2025 due to surrender of exemption of Zuari Industries Limited Employee Provident Fund Trust to the Employees' Provident Fund Organization (EPFO), Government of India, the Company has no obligation other than the contribution payable to the Provident Fund. The Company recognizes contribution payable to the Provident Fund scheme as an 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.

As per the arrangement, the Trust has liquidated the investment portfolio and other assets from Zuari Industries Limited Employee Provident Fund Trust and the shortfall/ deficit between the value of investment portfolio held by ZIL EPF Trust and ZIL EPF Trust obligation to EPFO was made good by the Companies. Accordingly, net loss of INR 176.18 lakhs (94.54% share of the company) is accounted under Employee benefit expenses in the financial statements for the year ended March 31, 2025 and the past accumulations of PF contributions (with interest) as on 31st January, 2025 amounting to INR 1174.07 Lakhs transferred to EPFO.

c) Post Retirement Medical Benefit Plan

The Company has a defined benefit post retirement medical benefit plan, for its employees. The Company provides medical benefit to those employees who leave the services of the Company on retirement. As per the plan, retired employee and the spouse will be covered till the age of 85 years and the dependent children till they attain the age of 25 years. In case of death of retired employee, the spouse will be covered till the age of 85 years and the dependent children till they attain the age of 25 years. The plan is not funded by the Company.

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:

Net employee benefits expense (recognized in employee cost) for the year ended **(INR in lakhs)**

Particulars	Gratuity	
	31 March 2025	31 March 2024
Current service cost	4.63	4.37
Net interest cost	2.02	1.95
Total	**6.65**	**6.32**

(INR in lakhs)

Particulars	Post Retirement Medical Benefit Plan	
	31 March 2025	31 March 2024
Current service cost	-	-
Net interest cost	3.61	2.71
Total	**3.61**	**2.71**

Amount recognised in other comprehensive income for the year ended **(INR in lakhs)**

Particulars	Gratuity	
	31 March 2025	31 March 2024
Actuarial (gain)/ loss		
- change in financial assumptions	1.76	1.02
- experience variance (i.e. Actual experience vs assumptions)	-0.78	1.24
Total	**0.98**	**2.26**

(INR in lakhs)

Particulars	Post Retirement Medical Benefit Plan	
	31 March 2025	31 March 2024
Re-measurement (or Actuarial) (gain) / loss arising from :		
- change in demographic assumptions	-	-
- change in financial assumptions	0.83	0.64
- experience variance (i.e. Actual experiences assumptions)	(12.58)	10.57
Total	**(11.75)**	**11.21**

Notes to the Standalone Financial Statements for the year ended 31 March 2025

Changes in the present value of the defined benefit obligation for the year ended

Gratuity: **(INR in lakhs)**

Particulars	31 March 2025	31 March 2024
Opening defined obligation	**28.16**	**26.18**
Current service cost	4.63	4.37
Interest cost	2.02	1.95
Re-measurement (or Actuarial) (gain) / loss arising from :		
- change in demographic assumptions	-	-
- change in financial assumptions	1.76	1.02
- experience variance (i.e. Actual experiences assumptions)	(0.78)	1.24
Benefits paid	-	(3.35)
Transfer in	-	-
Transfer out	-	(3.25)
Defined benefit obligation	**35.79**	**28.16**

Provident Fund: **(INR in lakhs)**

Particulars	31 March 2025	31 March 2024
Opening defined obligation*	10,125.20	**11,054.14**
Current service cost	-	45.85
Interest cost	-	751.80
Contributions by Employee / plan participants	-	59.63
Benefits Paid out of funds	-	(2,021.11)
Re-measurement (or Actuarial) (gain) / loss arising from :		
- experience variance	-	216.71
- change in financial assumptions	-	28.15
Settlements / transfer in	(10,125.20)	(9.97)
Defined benefit obligation	**-**	**10,125.20**

*Also Refer Note no. 51

Post Retirement Medical Benefit Plan: **(INR in lakhs)**

Particulars	31 March 2025	31 March 2024
Opening defined obligation	**50.29**	**36.37**
Interest cost	3.61	2.71
Re-measurement (or Actuarial) (gain) / loss arising from :		
- change in demographic assumptions	-	-
- change in financial assumptions	0.83	0.64
- experience variance (i.e. Actual experiences assumptions)	(12.58)	10.57
Defined benefit obligation	**42.15**	**50.29**

Changes in the fair value of plan assets for the year ended

Gratuity: **(INR in lakhs)**

Particulars	31 March 2025	31 March 2024
Opening fair value of plan assets	**85.90**	**82.45**
Interest income	6.18	6.16
Return on plan assets (excluding amounts included in net interest expense) - Other Comprehensive Income	(5.54)	0.64
Contribution by Employer	-	-
Benefits paid	-	(3.35)
Transfer In/(Out)	0.00	0.00
Closing fair value of plan assets	**86.54**	**85.90**

The Company expects to contribute INR Nil (31 March 2024 : INR Nil) to gratuity fund in the next financial year.

Provident Fund: **(INR in lakhs)**

Particulars	31 March 2025	31 March 2024
Opening fair value of plan assets*	**10,169.57**	**11,071.51**
Interest income	-	753.37
Return on plan assets (excluding amounts included in net interest expense) - Other Comprehensive Income	-	263.10
Employer Contribution	-	44.69
Plan participants/ Employee contribution	-	59.63
Benefits paid	-	(2,021.11)
Settlements / Transfer in	(10,169.57)	(1.62)
Closing fair value of plan assets	**-**	**10169.57**

*Also Refer Note no. 51

Gratuity **(INR in lakhs)**

Particulars	31 March 2025	31 March 2024
Investment with insurer (Life Insurance Corporation of India)	86.54	85.90

Provident Fund (Managed Through Trust) **(INR in lakhs)**

Particulars	31 March 2025	31 March 2024
Equities and related investments	-	732.21
Other Government Securities	-	4,444.10
Other Debt instruments	-	4,993.26
Others	-	-

The overall expected rate of return is determined based on the market prices prevailing at that date, applicable to the year over which the obligation is to be settled. These rates are different from the actual rate of return during the current year.

Investment pattern in plan assets:

Particulars	Gratuity		Provident fund	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Funds managed by insurance companies	100%	100%	0%	0%
Funds managed by trust*	0%	0%	0%	100%

* As the provident fund trust has surrendered to EPFO

Notes to the Standalone Financial Statements for the year ended 31 March 2025

The principal assumptions used in determining benefit obligation for the Company's plans are shown below:

Particulars	Gratuity		Provident Fund		Post Retirement Medical Benefit Plan	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Discount rate (in %)	6.80%	7.20%	N.A.	7.20%	7.20%	7.20%
Salary Escalation (in %)	8% for first 2 years and 6.5% thereafter	8% for first 2 years and 6.5% thereafter	-	-	-	-
Mortality Rate (in %)	100%	100%	N.A.	100%	100% of IALM 2012-14	100% of IALM 2012-14
Withdrawal rate (per annum)	1%-3%	1%-3%	N.A.	1%-3%	-	-

* As the provident fund trust has surrendered to EPFO

A quantitative sensitivity analysis for significant assumption for the Company are as shown below:

Gratuity Plan

	31 March 2025		31 March 2025		31 March 2025		31 March 2025	
Assumptions	**Discount rate**		**Future salary increases**		**Attrition rate**		**Mortality rate (in %)**	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease	50% increase of attrition rate	50% decrease of attrition rate	10% increase of mortality rate	10% decrease of mortality rate
	INR in lakhs	**INR in lakhs**	**INR in lakhs**	**INR in lakhs**	**INR in lakhs**	**INR in lakhs**	**INR in lakhs**	**INR in lakhs**
Impact on defined benefit obligation	(3.19)	3.70	3.67	(3.22)	(0.04)	0.05	-	0.00

	31 March 2024		31 March 2024		31 March 2024		31 March 2024	
Assumptions	**Discount rate**		**Future salary increases**		**Attrition rate**		**Mortality rate (in %)**	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease	50% increase of attrition rate	50% decrease of attrition rate	10% increase of mortality rate	10% decrease of mortality rate
	INR in lakhs	**INR in lakhs**	**INR in lakhs**	**INR in lakhs**	**INR in lakhs**	**INR in lakhs**	**INR in lakhs**	**INR in lakhs**
Impact on defined benefit obligation	(2.57)	2.96	2.94	(2.60)	0.01	(0.03)	-	(0.01)

A quantitative sensitivity analysis for significant assumption for the Company are as shown below:

Provident Fund

	31 March 2025	
Assumptions	**Interest Rate Guarantee**	
Sensitivity Level	NA	NA
	INR in lakhs	**INR in lakhs**
Impact on defined benefit obligation	NA	NA

	31 March 2024	
Assumptions	**Interest Rate Guarantee**	
Sensitivity Level	1% increase	1% decrease
	INR in lakhs	**INR in lakhs**
Impact on defined benefit obligation	320.98	(167.85)

* As the provident fund trust has surrendered to EPFO

Post Retirement Medical Benefit Plan

Assumptions	31 March 2025 Discount rate		31 March 2025 Mortality rate (in %)	
Sensitivity Level	1% increase	1% decrease	10% increase of mortality rate	10% decrease of mortality rate
	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs
Impact on defined benefit obligation	(2.47)	2.62	(1.18)	1.18

Assumptions	31 March 2024 Discount rate		31 March 2024 Mortality rate (in %)	
Sensitivity Level	1% increase	1% decrease	10% increase of mortality rate	10% decrease of mortality rate
	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs
Impact on defined benefit obligation	(2.95)	3.12	(1.42)	1.40

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

Maturity Profile of Defined benefit obligation:

Expected cash flows over the next (valued on undiscounted basis):

Particulars	Gratuity		Post Retirement Medical Benefit Plan	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs
Within the next 12 months (next annual reporting period)	2.94	2.45	4.69	5.50
Between 1 and 5 years	2.87	2.28	16.53	19.47
Between 5 and 10 years	39.46	32.36	14.47	17.88
Beyond 10 years	33.39	28.30	12.98	17.53

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (31 March 2024 : 10 years).

34. Commitments and contingencies

A. Contingent liabilities:

Claims against the Company not acknowledged as debts **(INR in lakhs)**

Particulars	31 March 2025	31 March 2024
I Demands / Claims from Government Authorities		
(A) Demands from Income Tax Authorities		
1 Demand in respect of assessment year 2018-19 for disallowances of depreciation on Goodwill and claim u/s 115JB(2C)	12.95	12.95
2 Income-tax advance to Zuari Global Limited against earlier years demand pertains to Fertiliser Business in relation to Demerger happened in financial year 2011-12	522.16	522.16
3 Demands in respect of assessment year 2020-21 for disallowance of Interest, disallowance under section 14A, advances written off & depreciation disallowance for which an appeal is pending with CIT (Appeals)	636.32	636.32
4 Demands in respect of assessment year 2022-23 for disallowance of Interest u/s 36(1)(iii), addition on account of LTCG & addition u/s 50C.	4,102.53	4,102.53

Notes to the Standalone Financial Statements for the year ended 31 March 2025

Particulars	31 March 2025	31 March 2024
(B) Demands from Sales Tax and Other Authorities		
1 Demand Notice from Commercial Tax Department, Maharashtra towards suppression of sale, disallowance of ITC on purchases for the year 2016-17	290.36	290.36
2 Demand Notice from Commercial Tax Department, Maharashtra towards suppression of sale, disallowance of ITC on purchases & non submission of supporting documents for F Form for the year 2017-18	15.27	15.27
3 Demand notice from UP GST Department for disallowance of ITC availed for FY 2017-18 to 2020-21	35.95	90.94
4 Demand notice from Maharashtra GST Department for disallowance of ITC availed for FY 2017-18 & 2019-20	46.14	47.63
5 Demand notice from Telagana GST Department for disallowance of ITC availed for FY 2017-18	34.83	34.83
6 Demand notice from Assam GST Department for disallowance of ITC availed for FY 2018-19 & 2019-20	14.51	15.38
7 Demand notice from West Bengal GST Department for disallowance of ITC availed for FY 2017-18 to 2018-19	11.28	11.28
8 Demand notice from Chattisgarh GST Department for disallowance of ITC availed for FY 2017-18	33.24	33.24
9 Demand notice from Bihar GST Department for disallowance of ITC availed for FY 2018-19	31.55	31.55
10 Demand notice from Odisha GST Department for disallowance of ITC availed for FY 2017-18 & FY 2019-20	11.88	10.29
11 Demand notice from Haryana GST Department for disallowance of ITC availed for FY 2017-18	9.13	9.13
12 Demand notice from Custom Department for Short levy of import duty on goods for FY 2019-20	0.45	-
II Other claims against the Company not acknowledged as debts*		
1 Claims against the Company not acknowledged as debts	343.16	1,386.06

*Based on discussions with the solicitors/ favourable decisions in similar cases/ legal opinions taken by the Company, the management does not expect these claims to succeed and hence, no provision there against is considered necessary.

B. Financial guarantees: **(INR in lakhs)**

Particulars	31 March 2025	31 March 2024
Aggregate amount of guarantees issued by the banks to various Government Authorities and Others**	84.21	126.00

** Bank guarantees of INR 84.21 lakhs (31 March 2024 : INR 126 lakhs) are secured by a 100% cash margin.

Notes to the Standalone Financial Statements for the year ended 31 March 2025

35. 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 exits and with whom transactions have taken place during reported periods are:

(i) Subsidiaries of the Company

1) Mangalore Chemicals and Fertilisers Limited
2) Adventz Trading DMCC (is dissolved w.e.f. 13-06-2023 as per DMCC Authority Letter dated 08-05-2024)
3) Zuari Farmhub Limited (ZFL)

(ii) Joint ventures of the Company

1) Zuari Maroc Phosphates Private Limited
2) Paradeep Phosphates Limited (PPL) – Subsidiary of Zuari Maroc Phosphates Private Limited

(iii) Key Management Personnel of the Company

1) Mr. Saroj Kumar Poddar - Chairman, Non-Executive Director
2) Mr. Nitin M Kantak - Executive Director
3) Mr. Akshay Poddar - Non-Executive Director
4) Mr. Dipankar Chatterji - Independent Director
5) Ms. Reena Suraiya - Independent Director
6) Mr. Amandeep - Independent Director
7) Mr. Sanjeev Lall - Independent Director
8) Mr. Athar Shahab - Non Executive Director
9) Mr. Manish Malik - Chief Financial Officer
10) Mr. Manoj Dere - Company Secretary (Up to 30 September 2024)
11) Ms. Asheeba Pereira - Company Secretary (w.e.f. 01 October 2024)

iv) Parties having significant influence

1) Zuari Industries Limited (formerly Zuari Global Limited)
2) Indian Furniture Products Limited (IFPL)
3) Forte Furniture Products (India) Private Limited (Joint Venture of Zuari Global Limited)
4) Simon India Limited
5) Zuari Management Services Limited
6) Zuari Infraworld India Limited
7) Zuari Finserv Limited
8) Zuari International Limited (formerly Zuari Investments Limited)
9) Zuari Iav Private Limited (formerly Zuari Indian Oil Tanking Private Limited) {Joint Venture of Zuari Industries Limited}
10) Adventz Finance Private Limited

(v) Details of Post Employment Benefit Plans managed through separate trusts (para 9 (b) (v) of Ind AS 24)

1) Zuari Industries Limited Employee Provident Fund
2) Zuari Industries Limited Senior Staff Superannuation Fund
3) Zuari Industries Limited Non Management Employees Pension Fund
4) Zuari Industries Limited Gratuity Fund

Notes to the Standalone Financial Statements for the year ended 31 March 2025

Following transactions were carried out with related parties in the ordinary course of business for the year ended :-

(INR in lakhs)

S. No.	Transaction details	31 March 2025				31 March 2024			
		Subsidiaries	Joint Ventures	Enterprises having Significant Influence	Key Management Personnel	Subsidiaries	Joint Ventures	Enterprises having Significant Influence	Key Management Personnel
1	**Expenses incurred on their behalf**								
	- Paradeep Phosphates Limited	-	-	-	-	-	114.52	-	-
2	**Expenses incurred on our behalf**								
	- Paradeep Phosphates Limited	-	2.02	-	-	-	-	-	-
	- Zuari Industries Limited	-	-	34.92	-	-	-	5.16	-
3	**Service charges paid**								
	- Zuari Management Services Limited	-	-	10.51	-	-	-	5.95	-
	- Zuari Finserv Limited	-	-	7.94	-	-	-	21.68	-
4	**Transfer of employee benefits**								
	- Paradeep Phosphates Limited	-	-	-	-	-	6.38	-	-
5	**Purchase of raw materials**								
	- Paradeep Phosphates Limited	-	-	-	-	-	4,617.41	-	-
6	**Sale of finished goods**								
	- Zuari Farmhub Limited	101.19	-	-	-	163.60	-	-	-
7	**Other expenses**								
	- Zuari International Limited	-	-	0.39	-	-	-	-	-
8	**Interest paid**								
	- Paradeep Phosphates Limited (net of reversal of INR 498.31 lakhs (31 March 2024 : INR Nil lakhs))	-	(318.35)	-	-	-	262.71	-	-
	- Mangalore Chemicals and Fertilizers Limited	748.88	-	-	-	748.18	-	-	-
9	**Inter corporate deposits taken**								
	- Adventz Finance Private Limited	-	-	8,500.00	-	-	-	10,000.00	-
10	**Inter corporate deposits paid**								
	- Adventz Finance Private Limited	-	-	10,000.00	-	-	-	10,000.00	-
	- Zuari Industries Limited	-	-	1,200.00	-	-	-	1,450.00	-
	- Zuari Management Services Limited	-	-	4,800.00	-	-	-	4,550.00	-
11	**Interest paid on Inter corporate deposits**								
	- Zuari Industries Limited	-	-	3,531.97	-	-	-	4,397.79	-
	- Zuari Management Services Limited	-	-	689.49	-	-	-	1,046.19	-
	- Adventz Finance Private Limited	-	-	886.13	-	-	-	912.46	-
12	**Rent paid**								
	- Simon India Limited	-	-	6.54	-	-	-	6.00	-
13	**Rent received**								
	- Paradeep Phosphates Limited	-	0.40	-	-	-	51.10	-	-
14	**Dividend received**								
	- Mangalore Chemicals and Fertilizers Limited	960.43	-	-	-	960.43	-	-	-
15	**Advance received against Business Transfer Agreement/ land sale**								
	- Paradeep Phosphates Limited	-	-	-	-	-	346.45	-	-

(INR in lakhs)

S. No.	Transaction details	31 March 2025				31 March 2024			
		Subsidiaries	Joint Ventures	Enterprises having Significant Influence	Key Management Personnel	Subsidiaries	Joint Ventures	Enterprises having Significant Influence	Key Management Personnel
16	**Purchases for PPE**								
	- Zuari Infraworld India Limited	-	-	4.80	-	-	-	25.20	-
17	**Sale for PPE**								
	- Paradeep Phosphates Limited	-	1,205.00	-	-	255.00	-	-	
18	**Performance Security received**								
	- Zuari Maroc Phosphate Private Limited	-	25,000.00	-	-	-	-	-	-
19	**Contribution to gratuity fund**	-	-	-	-	-	-	-	-
20	**Contribution to superannuation fund**	-	-	-	-	-	-	-	-
21	**Contribution to provident fund (including employees contribution)**	-	-	19.38	-	-	-	24.98	-
22	**Contribution to contributory pension fund (including employees contribution)**	-	-	4.48	-	-	-	4.82	-

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. Interest is charged as per terms of the contract with the related parties which is at arm's length. The net outstanding balances are settled generally in cash.

There have been no guarantees provided or received for any related party receivables or payables.

Compensation of key management personnel of the Company**

Particulars	31 March 2025	31 March 2024
	(INR in lakhs)	(INR in lakhs)
Short-term employee benefits	81.41	83.61
Retirement benefits	3.76	3.92
Sitting Fee	27.90	27.45
Total compensation paid to key management personnel	**113.07**	**114.98**

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

Notes to the Standalone Financial Statements for the year ended 31 March 2025

Balance Outstanding as on: # **(INR in lakhs)**

S. No.	Particulars	31 March 2025				31 March 2024			
		Subsidiaries	Joint Ventures	Enterprises having Significant Influence	Key Management Personnel	Subsidiaries	Joint Ventures	Enterprises having Significant Influence	Key Management Personnel
1	**Trade payables :**								
	- Mangalore Chemicals and Fertilizers Limited	8,121.53	-	-	-	8,086.62	-	-	-
	- Paradeep Phosphates Limited	-	818.68	-	-	-	4,009.44	-	-
	- Zuari Finserv Limited	-	-	0.33	-	-	-	13.64	-
	- Zuari Management Services Limited	-	-	-	-	-	-	3.70	-
	- Zuari Infraworld India Limited	-	-	-	-	-	-	17.22	-
	- Simon India Limited	-	-	-	-	-	-	6.48	-
2	**Interest payable :**								
	- Mangalore Chemicals and Fertilizers Limited	5,797.25	-	-	-	5,048.37	-	-	-
	- Paradeep Phosphates Limited	-	-	-	-	-	318.34	-	-
3	**Trade receivable/ Other receivable :**								
	- Zuari Farmhub Limited	-	-	-	-	76.48	-	-	-
	- Zuari Industries Limited	-	-	24.13	-	-	-	20.71	-
4	**Interest accrued/received on loan/deposit/ trade receivable :**								
	- Zuari Farmhub Limited	-	-	-	-	1.61	-	-	-
5	**Capital advance :**								
	- Paradeep Phosphates Limited	-	-	-	-	-	1,191.45	-	-
6	**Advance given for income tax liability :**								
	- Zuari Industries Limited	-	-	522.16	-	-	-	522.16	-
7	**Inter corporate deposits**								
	- Zuari Industries Limited	-	-	27,350.00	-	-	-	28,550.00	-
	- Zuari Management Services Limited	-	-	-	-	-	-	4,800.00	-
	- Adventz Finance Private Limited	-	-	8,500.00	-	-	-	10,000.00	-
8	**Advance from customers/others**								
	- Zuari Farmhub Limited	90.76	-	-	-	-	-	-	-
9	**Performance Security**								
	- Zuari Maroc Phosphate Private Limited	-	25,000.00	-	-	-	-	-	-
10	**Gratuity fund balance :**	-	-	86.54	-	-	-	85.90	-
11	**Provident fund balance* :**	-	-	-	-	-	-	10,169.57	-

*Includes amount contributed by Zuari Industries Limited (related party of the Company).

36. Segment Information

Information regarding primary segment reporting as per Ind AS-108

The Company is engaged in the business of manufacturing, trading and marketing of chemical fertilizers and fertilizer products which according to the management, is considered as the only business segment.

Accordingly, no separate segmental information has been provided herein.

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.

Revenue from single customer i.e. subsidy income from Government of India amounted to INR 1,831.49 lakhs (31 March 2024 : INR 2,934.92 lakhs) arising from sales in the fertilizers segment.

37. Fair Values#

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(INR in lakhs)

	Carrying value		Fair value	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Financial assets				
Investments:				
Investment in quoted equity share at FVTOCI	-	-	-	-
Investment in unquoted equity share at FVTOCI	7,093.44	6,526.08	7,093.44	6,526.08
Others:				
Security deposits	92.37	104.16	92.37	104.16
Other financial assets	20.32	458.06	20.32	458.06
	7,206.13	**7,088.30**	**7,206.13**	**7,088.30**
Financial Liabilities				
Borrowings				
Long term borrowings	13,318.72	13,362.04	13,318.72	13,362.04
Short term borrowings	43,353.82	49,850.00	43,353.82	49,850.00
Others:				
Performance security received	25,000.00	-	25,000.00	-
Other financial liabilities	6,972.56	6,709.99	6,972.56	6,709.99
Total financial liabilities	**88,645.10**	**69,922.03**	**88,645.10**	**69,922.03**

The management assessed that cash and cash equivalents, trade receivables and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

Borrowings are primarily Indian domestic long-term rupee loans wherein interest rates are linked to benchmark rates (Marginal Cost of Lending Rates/ Prime Lending Rates) of respective lenders. These benchmark rates are determined based on cost of funds of the lenders, as well as, market rates. The benchmark rates are periodically revised by the lenders to reflect prevalent market conditions. Accordingly, effective cost of debt for Borrowings at any point of time is in line with the prevalent market rates. Due to these reasons, management is of the opinion that they can achieve refinancing, if required, at similar cost of debt, as current effective interest rates. Hence, the discounting rate for calculating the fair value of Borrowings has been taken in line with the current cost of debt.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The following methods and assumptions were used to estimate the fair values:

(i) Security deposits / Employee loans - The fair value of security deposits / employee loans approximates the carrying value and hence, the valuation technique and inputs have not been given.

(ii) The fair values of the unquoted equity shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

(iii) The fair values of the remaining FVTOCI financial assets are derived from quoted market prices in active markets.

(iv) **Performance security:** The Company considers that the performance security received does not include a significant financing component. The performance security receipt is intended to protect the interest of the company, from the counter party obligations under the contract. Accordingly, transaction cost of performance security deposit is considered as fair value at initial recognition and subsequently measured at amortised cost.

Notes to the Standalone Financial Statements for the year ended 31 March 2025

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis are as shown below:

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
As on 31 March 2025 Investment in Unquoted equity share of Indian Potash Limited	DCF Method	WACC and Long Term Growth Rate (LTGR)	WACC 14.19% & LTGR 5.00%	Decrease in LTGR by 0.50% would result in decrease in fair value by INR 112 lakhs and Increase in LTGR by 0.50% would result in increase in fair value by INR 122 lakhs respectively.
As on 31 March 2024 Investment in Unquoted equity share of Indian Potash Limited	DCF Method	WACC and Long Term Growth Rate (LTGR)	WACC 18.04% & LTGR 5.00%	Increase in WACC and decrease in LTGR by 0.50% would result in decrease in fair value by INR 142 lakhs and Decrease in WACC and increase in LTGR by 0.50% would result in increase in fair value by INR 159 lakhs respectively.

Reconciliation of fair value measurement of unquoted equity shares classified as FVTOCI assets:

(INR in lakhs)

As at 31 March 2023	**5,537.00**
Re-measurement gain recognised in OCI	989.08
As at 31 March 2024	**6,526.08**
Re-measurement loss recognised in OCI	567.36
As at 31 March 2025	**7,093.44**

38. Fair value measurements

(i) Financial instruments by category **(INR in lakhs)**

	31 March 2025			31 March 2024		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investments-						
Investment in quoted equity share at FVTOCI	-	-	-	-	-	-
Investment in unquoted equity share at FVTOCI	-	7,093.44	-	-	6,526.08	-
Loans and interest thereon	-	-	-	-	-	-
Security deposits	-	-	92.37	-	-	104.16
Trade receivables	-	-	694.73	-	-	2,569.05
Cash and cash equivalents	-	-	15,367.48	-	-	2,506.88
Bank balances other than above	-	-	184.02	-	-	204.19
Other financial assets	-	-	20.32	-	-	458.06
Total Financial assets	**-**	**7,093.44**	**16,358.92**	**-**	**6,526.08**	**5,842.34**
Financial liabilities						
Borrowings	-	-	56,672.54	-	-	63,212.04
Trade payables	-	-	10,684.13	-	-	14,660.36
Payable for capital goods	-	-	22.26	-	-	41.93
Performance security received	-	-	25,000.00	-	-	-
Others	-	-	6,950.30	-	-	6,668.06
Total Financial liabilities	**-**	**-**	**99,329.23**	**-**	**-**	**84,582.39**

(ii) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2025 : **(INR in lakhs)**

Particulars	Fair value measurement using				
	Date of Valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value:					
Investment in unquoted equity share at FVTOCI	31 March 2025	7,093.44	-	-	7,093.44
Assets for which fair values are disclosed					
Security deposits	31 March 2025	92.37	-	92.37	-
Other financial assets	31 March 2025	20.32	-	20.32	-

There have been no transfers between level 1, level 2 and level 3 during the year.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2025 : **(INR in lakhs)**

Particulars	Fair value measurement using				
	Date of Valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Liabilities for which fair values are disclosed					
Long term borrowings	31 March 2025	13,318.72	-	13,318.72	-
Short term borrowings	31 March 2025	43,353.82	-	43,353.82	-
Performance security received	31 March 2025	25,000.00	-	25,000.00	-
Other financial liabilities	31 March 2025	6,972.56	-	6,972.56	-

There have been no transfers between level 1, level 2 and level 3 during the year.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2024 : **(INR in lakhs)**

Particulars	Fair value measurement using				
	Date of Valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value:					
Investment in quoted equity share at FVTOCI	31 March 2024	-	-	-	-
Investment in unquoted equity share at FVTOCI	31 March 2024	6,526.08	-	-	6,526.08
Assets for which fair values are disclosed					
Security deposits	31 March 2024	104.16	-	104.16	-
Other financial assets	31 March 2024	458.06	-	458.06	-

There have been no transfers between level 1, level 2 and level 3 during the year.

Notes to the Standalone Financial Statements for the year ended 31 March 2025

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2024 : **(INR in lakhs)**

Particulars	Fair value measurement using				
	Date of Valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Liabilities for which fair values are disclosed					
Long term borrowings	31 March 2024	13,362.04	-	13,362.04	-
Short term borrowings	31 March 2024	49,850.00	-	49,850.00	-
Performance security received	31 March 2024	-	-	-	-
Other financial liabilities	31 March 2024	6,709.99	-	6,709.99	-

There have been no transfers between level 1, level 2 and level 3 during the year.

39. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, 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 and enters into derivative transactions. 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 of the Company. The treasury department identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board of directors (Committee of directors for Banking and Finance) provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include borrowings, investments and derivative financial instruments.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations, provisions, and other non-financial assets.

The following assumptions have been made in calculating the sensitivity analysis:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2025 and 31 March 2024.

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.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and 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:

(INR in lakhs)

Particulars	Increase/ decrease in basis points	Effect on profit before tax
For the year ended 31 March 2025		
INR Borrowings	+50	(283.36)
INR Borrowings	-50	283.36
For the year ended 31 March 2024		
INR Borrowings	+50	(316.06)
INR Borrowings	-50	316.06

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

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 uses foreign exchange forward contracts to manage its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one to 7 months.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates of various currencies with INR, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives.

For the year ended 31 March 2025 **(INR in lakhs)**

Particulars	Change in foreign currency rate	Effect on profit before tax
USD	+5%	-
	-5%	-

For the year ended 31 March 2024 **(INR in lakhs)**

Particulars	Change in foreign currency rate	Effect on profit before tax
USD	+5%	-
	-5%	-

c) Commodity price risk

The Company also deals in purchase of imported raw materials (i.e. P2O5), imported by third party, which are procured by the Company on an high sea sale arrangement and used in the manufacturing of fertiliser. The import prices of these materials are governed by international prices. There is a price and material availability risk.

Equity price risk

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities at fair value was INR 7,093.44 lakhs (31 March 2024 : INR 6526.08 lakhs). Sensitivity analyses of these investments have been provided in Note 39.

Notes to the Standalone Financial Statements for the year ended 31 March 2025

At the reporting date, the exposure to listed equity securities at fair value was INR Nil (31 March 2024 : INR Nil). A decrease of 5% on the BSE market price could have an impact of approximately INR Nil (31 March 2024 : INR Nil) on the OCI or equity attributable to the Company. An increase of 5% in the value of the listed securities would also impact OCI and equity. These changes would not have an effect on profit or loss.

Credit risk

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 and financial institutions, foreign exchange transactions and other financial instruments.

a) Trade receivables

The Company receivables can be classified into two categories, one is from the customers into the market and second one is from the Government in the form of subsidy. As far as Government portion of receivables are concerned, credit risk is nil. For market receivables from the customers, the Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customer. The Company monitors the payment track record of the customer. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. The Company has also taken security deposits from its customers, which mitigate the credit risk to some extent. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 9. The Company holds collateral as security for many of its customers. At 31 March 2025, 32.88% (31 March 2024 : 8.06%) of the Company's trade receivables are covered by collateral security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several geographical areas and are having long term business relationship with the Company.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The Company adjusts the receipts from customer on first in first out basis. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than five years and are not subject to enforcement activity. Security collaterals obtained by the Company resulted in a decrease in the ECL of INR 0.06 lakhs as at 31 March 2025 (31 March 2024 : INR 3.63 lakhs). During the year ended 31 March 2025 , the Company had performed certain key steps for recoverability of trade receivables including but not limited to reconciliation with its customers, filing of legal cases with customers, recoverability assessment of aged receivables and etc. Basis these steps taken by the management, the Company is carrying provision of INR 37.94 lakhs (31 March 2024 : INR 38.19 lakhs) based on their best estimate.

Set out below is the information about the credit risk exposure of the Company's trade receivables and contract asset using provision matrix:

(INR in lakhs)

	Contract Asset	<1 Yr	1-2 Yr	2-3 Yr	3-4 Yr	4-5 Yr	>5 Yr	Grand Total
	ECL Rate	**0.09%**	**2.43%**	**5.37%**	**13.19%**	**36.71%**	**100.00%**	
31 March 2025	Estimated total gross carrying amount at default	24.36	0.01	4.82	-	-	37.66	66.85
	ECL- simplified approach	0.02	0.00	0.26	-	-	37.66	**37.94**
	Net carrying amount	**24.34**	**0.01**	**4.56**	**-**	**-**	**-**	**28.91**
	ECL Rate	**0.04%**	**3.24%**	**8.98%**	**18.65%**	**36.88%**	**100.00%**	
31 March 2024	Estimated total gross carrying amount at default	1,069.11	4.82	-	-	-	37.66	**1,111.58**
	ECL- simplified approach	0.38	0.16	-	-	-	37.66	**38.19**
	Net carrying amount	**1,068.73**	**4.66**	**-**	**-**	**-**	**-**	**1,073.39**

Reconciliation of provision for doubtful debts, loans, other financial assets and other advances falling under stage 3 of impairment testing :

(INR in lakhs)

	Trade receivables	Loans	Other financial assets	Other advances	Total
Provision as at 1 April 2023:	**40.52**	**-**	**-**	**-**	**40.52**
Add: Provision made during the year	38.19	-	-	-	38.19
Less: Provision utilized/ reversed during the year	(40.52)	-	-	-	(40.52)
Provision as at 31 March 2024 :	**38.19**	**-**	**-**	**-**	**38.19**
Add: Provision made during the year	37.94	-	-	-	37.94
Less: Provision utilized/ reversed during the year	(38.19)	-	-	-	(38.19)
Provision as at 31 March 2025 :	**37.94**	**-**	**-**	**-**	**37.94**

b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the guidelines framed by the board of directors of the Company. Guidelines broadly covers the selection criterion and over all exposure which the Company can take with a particular financial institution or bank. Further, the guideline also covers the limit of overall deposit which the Company can make with a particular bank or financial institution. The Company does not maintain the significant amount of cash and deposits other than those required for its day to day operations.

Liquidity risk

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Company relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/ long term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(INR in lakhs)

	Less than 1 Year	1-3 Years	3-5 years	> 5 years	Total
Year ended 31 March 2025					
Borrowings	43,353.82	13,318.72	-	-	56,672.54
Performance security received	25,000.00	-	-	-	25,000.00
Other financial liabilities	6,972.56	-	-	-	6,972.56
Trade and other payables	10,684.14	-	-	-	10,684.14
	86,010.52	**13,318.72**	**-**	**-**	**99,329.24**
Year ended 31 March 2024					
Borrowings	49,850.00	13,362.04	-	-	63,212.04
Performance security received	-	-	-	-	-
Other financial liabilities	6,709.99	-	-	-	6,709.99
Trade and other payables	14,660.36	-	-	-	14,660.36
	71,220.35	**13,362.04**	**-**	**-**	**84,582.39**

Notes to the Standalone Financial Statements for the year ended 31 March 2025

40. Key financial ratios#

Particulars	31 March 2025	31 March 2024	% Change	Reasons for variance
1. Current Ratio (Current Assets/Current Liabilities)	0.20	0.13	-55.45%	Due to Decrease in working capital
2. Debt - Equity Ratio (Debt/Equity)	4.18	3.11	-34.15%	Due to loss in the current financial year
3. Debt Service Coverage Ratio (Net profit after tax + Non cash operating expenses)/ (Interest & Lease payaments + Principal Repayments)	0.11	1.00	89.48%	Reduced due to recognition of one time gain during the previous financial year
4. Return on Equity Ratio (Net profit after taxes/Average Shareholder's equity)	(0.43)	0.11	476.34%	Reduced due to recognition of one time gain during the previous financial year
5. Inventory turnover ratio (Cost of goods sold/Average Inventory)	2.01	2.09	4.14%	Not Applicable
6. Trade Receivables turnover ratio (Net sales/Average Trade Receivables)	2.93	2.42	-21.10%	Not Applicable
7. Trade payables turnover ratio (Total Purchase/ Average Trade Payable)	0.03	0.40	91.63%	Reduced due to Plant shut down for major part of the 4th Quarter of the current financial year.
8. Net capital turnover ratio (Total Sales/ Working Capital)	(0.07)	(0.13)	46.46%	Reduced due to Plant shut down for major part of the 4th Quarter of the current financial year.
9. Net profit ratio (Profit after tax/Revenue)	(1.53)	0.26	693.18%	Reduced due to recognition of one time gain during the previous financial year
10. Return on Capital employed (EBIT/(Total Assets- Total Current Liabilities))	0.05	0.36	85.61%	Reduced due to recognition of one time gain during the previous financial year

41. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Total Borrowings (Refer Note 13 and Note 14)	56,672.54	63,212.04
Trade payables (Refer Note 15)	10,684.14	14,660.36
Other payables (Refer Note 16)	31,972.56	6,709.99
Less: Cash and cash equivalents (Refer Note 10)	(15,367.47)	(2,506.88)
Net debts	**83,961.77**	**82,075.51**
Total Equity (Refer Note 11 and Note 12)	13,562.41	20,293.46
Capital and net debt	**97,524.18**	**1,02,368.97**
Gearing ratio(%)	**86.09%**	**80.18%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2025 and ended 31 March 2024.

The Company has various covenants to be complied in respect of its borrowings. The primary covenants are total outstanding liabilities to tangible net worth ratio, debt service coverage ratio, interest coverage ratio, fixed assets coverage ratio, current ratio, debt to EBITDA ratio, current assets to current liabilities ratio and total debt to equity ratio. There is no non compliances for debt covenants for borrowings.

42. Disclosure required under Section 186 (4) of the Companies Act, 2013

(i) The Board of Directors of the Company at its meeting held on 31st March, 2023 has approved the liquidation and winding up of Adventz Trading DMCC ('DMCC'), a wholly owned subsidiary of the Company subject to the approval of Reserve Bank of India and other Regulatory Authorities as DMCC was not conducting any business since May, 2021. Further, the Company does not envisage any viable business in the near future as well. The Board of DMCC at its meeting held on 31st March, 2023 has also approved the liquidation and winding up of DMCC.

To give effect to the above, during the Financial year 2022-23 the Company has written off 100% of carrying value of its investment also written off the loans given to Adventz DMCC of INR 230.88 lakhs and interest receivable thereon of INR 113.11 lakhs.

Adventz Trading DMCC is dissolved w.e.f. 13-06-2023 as per DMCC Authority Letter dated 08.05.2024.

(ii) The Company has not given any loans or guarantee or security under section 186(4) of the Companies Act, 2013

(iii) Details of Investments made are given under Note 6A.

43. During the financial year 2013-14, the Company had sold part of freehold land to Zuari Industries Limited (formerly, Zuari Global Limited) at a consideration of INR 16,359.32 lakhs. The possession of the said parcel of land was handed over on 28 March 2014; however the transfer of title of some of the land parcels is under progress. The Company had received full consideration from the buyer in the financial year 2013-14.

44. In terms of demerger of fertilizer undertaking from Zuari Industries Limited (formerly, Zuari Global Limited) in an earlier year, the land records of some of the land parcels are in the process of being mutated in the name of the Company.

45. Zuari Industries Limited (formerly, Zuari Global Limited) had demerged its fertilizer undertaking to the Company with effect from 1 July 2011. ZIL has during an earlier year, based on Hon'ble High Court order on demerger of fertilizer undertaking, identified amount of income tax paid under protest pertaining to fertilizer undertaking demerged into the Company.

The Company has exchanged letter of mutual understanding with ZIL wherein the Company has paid such amount of income tax under protest. The balance carrying value of such amount is INR 522.15 lakhs (31 March 2024: INR 522.15 lakhs) and classified under Income Tax Assets under non-current assets.

46. During the previous years ended 31 March 2017, 31 March 2018 and 31 March 2019, the Company had written off an amount of INR 3885.12 lakhs in books of accounts towards irrecoverable/un-utilisable balance of GST credit on services. During the year ended 31 March 2025, the Company has recovered INR Nil lakhs (31 March 2024: INR 667.36 lakhs) through refund claim of GST paid on Ocean freight and the same has been considered as other income (Refer Other Income Note no. 22).

47. At the 14th Annual General Meeting held on 27th September 2023, the shareholders of the Company, have approved the waiver of recovery of excess remuneration of ₹ 81 Lakh paid to Mr. Sunil Sethy, Ex-Managing Director during the financial year 2019-20. The Company has filed an application under Section 454 read with Section 441 of the Companies Act, 2013 for adjudication of penalties/ compounding of offence under Section 197 of the Companies Act, 2013. Vide Order of Adjudication of Penalty dated 16th August, 2024, a penalty of ₹ 5 Lakh was imposed on the Company which the Company has paid on 10th October, 2024.

48. During the year the Company at their meeting dated November 25, 2024 has considered and approved the revised proposed transfer of 2,90,37,000 (Two Crores Ninety Lakhs Thirty Seven thousand) equity shares having face value of INR 10/- (Indian Rupees Ten) each of Mangalore Chemicals and Fertilisers Limited ("MCFL"), representing 24.50% of the paid-up equity share capital of MCFL, held by the Company to Zuari Maroc Phosphates Private Limited, pursuant to and as set out in the composite scheme of arrangement by and amongst MCFL, Paradeep Phosphates Limited and their respective shareholders and creditors, subject to the approval of the shareholders of the Company, as may be required under applicable law. Post implementation of the proposed scheme of arrangement, MCFL will be amalgamated with and into Paradeep Phosphates Limited and MCFL will stand dissolved without winding up.

Notes to the Standalone Financial Statements for the year ended 31 March 2025

The transfer of the Identified Shares from the Company to Zuari Maroc Phosphates Private Limited is proposed to take place as per the Scheme, at a price of INR 144 (Indian Rupees One Hundred and Forty Four) per Identified Share, and Zuari Maroc Phosphates Private Limited is to pay an aggregate cash consideration of INR 41,813.28 lakhs for such transfer of the Identified Shares, subject to any Taxes that need to be deducted at source, if any. In connection with this, ZMPPL has provided INR 25,000.00 Lakhs to the Company as performance security to secure ZMPPL's obligations. The arrangement is expected to be executed within 12 Months.

The proposed transfer of the Identified Shares by the Company to Zuari Maroc Phosphates Private Limited may be considered a 'related party transaction' under the SEBI LODR Regulations.The transfer of the Identified Shares by the Company to Zuari Maroc Phosphates Private Limited is proposed to take place pursuant to and in accordance with the price as set out in the Scheme, and will be undertaken on an arm's length basis.

49. During the year, the Company along with other noticees (3 former and 1 present Key Managerial Personnels), has received a Show Cause Notice (SCN) dated 14th January, 2025 from the Securities and Exchange Board of India ("SEBI") under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and Regulations issued by SEBI thereunder alleging certain irregularities in the financial statements for earlier years. The Company has filed a joint settlement application on behalf of all the noticees named in the SCN, including the Company, for settlement under the SEBI (Settlement Proceedings) Regulation, 2018, without admitting or denying the finding of fact and conclusions of law. The matter is pending and settlement order from SEBI is awaited.

50. During the major period of the 4th quarter of the current financial year, the Mahad plant was temporarily shut down due to shortage of raw materials. The management expects the production to resume from beginning of June 2025 as raw material is expected to reach the Plant by that time.

51. During the year, the Company along with Zuari Industries Limited (Related party of the company) has surrendered its exemption to hold contribution in Employees' Provident Fund Trust of the Company (Zuari Industries Limited Employee Provident Fund Trust – ZIL EPF Trust) to Employees' Provident Fund Organisation (EPFO) based on the statutory obligation as at January 31, 2025 by availing the option of depositing entire corpus of Zuari Industries Limited Employee Provident Fund trust in liquid cash to EPFO. As per the arrangement, the Trust has liquidated the investment portfolio and other assets from Zuari Industries Limited Employee Provident Fund Trust and the shortfall/ deficit between the value of investment portfolio held by ZIL EPF Trust and ZIL EPF Trust obligation to EPFO was made good by the Companies. Accordingly, net loss of INR 176.18 lakhs (94.54% share of the company) is accounted under Employee benefit expenses in the financial statements for the year ended March 31, 2025 and the past accumulations of PF contributions (with interest) as on 31st January 2025 amounting to INR 1174.08 lakhs transferred to EPFO.

52. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

53. Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Struck off Company details

Name of the Struck off Company	Nature of transactions with struck off company	Balance Outstanding (INR)
Popular Stock and Share services Private Limited	Shares held by struck off comp	4,000.00
Bombay Trading Company Private Limited		4,000.00
Kothari Intergroup Limited		20.00

(iii) The Company does not have any charges or satisfaction pending registration with ROC beyond the statutory period except E-Form CHG-9 for modification of charges bearing charge ID 100574422 vide SRN F17273277 dated 27th July 2022. The same was filed by the Company to secure the Non-Convertible Debentures (NCDs) worth INR 125 Crore by way of land in addition to earlier charge created by pledge over the equity shares of Mangalore Chemicals & Fertilizers Limited and hypothecation of escrow account. The said form was sent for resubmission by MCA on 3rd August 2022 and again on 15th August 2022. Due to transition from V2 to V3 MCA portal from 15th August 2022 to 30th August 2022, the Company could not resubmit the E-form CHG-9 on the V3 portal. Further, the said E-Form CHG-9 was not made available for resubmission on V3 portal till February 2023. The Company had raised various complaints to MCA and submitted various letters to Registrar of Companies, Goa, Diu and Daman, in this behalf. However, the issue could not resolved and the E-Form CHG-9 remained pending in the time prescribed for resubmission. The Company, thereafter, redeemed the NCDs worth INR 25 Crore on 30th June 2023 and INR 21 Crore on 17th January 2024 and relevant E-Forms CHG-9 for modification of charge from INR 125 Crore to INR 100 Crore and from INR 100 Crore to INR 79 Crore, respectively, were filed by the Company. Further, the Company redeemed the remaining NCDs amounting to INR 79 Crore, for which E-Form CHG-4 for satisfaction of charge was filed vide SRN No. AA7138991 on 4th April 2024. Hence, the Company has fully complied with the relevant provisions of the Companies Act, 2013, in this behalf.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) 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

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) 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

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Company does not have any such 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 or any other relevant provisions of the Income Tax Act, 1961.

(viii) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (restriction on number of layers) Rules, 2017.

(ix) The Company has neither declared nor paid any interim dividend or final dividend during the year.

(x) The Company was not required to spend for CSR under under section 135 of Companies Act, 2013 for the Financial Year 2024-25.

54. Previous period/year figures have been regrouped/ re-classified wherever necessary.

As per our report of even date

For **K.P.Rao & Co**
Chartered Accountants
ICAI Firm Registration number: 003135S

Prashanth.S
Partner
Membership Number: 228407

Place: Bengaluru
Date: 14 May 2025

For and on behalf of the Board of Directors of Zuari Agro Chemicals Limited

Nitin M. Kantak
Executive Director
DIN: 08029847

Athar Shahab
Director
DIN: 01824891

Manish Malik
Chief Financial Officer

Asheeba Pereira
Company Secretary
Membership Number: A48097

Date: 14 May 2025

INDEPENDENT AUDITOR'S REPORT

To the Members of Zuari Agro Chemicals Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Zuari Agro Chemicals Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint venture comprising of the consolidated Balance Sheet as at March 31, 2025, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and joint venture, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture as at March 31, 2025, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group and its joint venture in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Revival of Mahad Plant Operations During the year, the Holding Company's manufacturing plant at Mahad was shut down from 26th January 2025 due to delays in raw material procurement. The management has formulated a revival plan that includes ordering of critical raw materials (such as rock phosphate), commencement of plant maintenance activities, engagement with customers, and consideration of additional capital expenditure. Management expects to resume operations by the first week of June 2025. This matter was considered to be of most significance in our audit due to the operational and financial implications of the plant shutdown and the inherent uncertainty associated with the successful execution of the revival plan.	**Our audit procedures included among the others, the following:** • Assessing the reasonableness of management's revival plan including procurement schedules and maintenance timelines. • Obtaining supporting documentation for the placement of rock phosphate orders and delivery schedules of other raw materials. • Reviewing evidence of maintenance activities undertaken and readiness status of key equipment. • Discussing with the marketing team and reviewing communications with key customers to assess the likelihood of sales resumption.

Key audit matter	How our audit addressed the key audit matter
	• Evaluating the status of any planned capital expenditure and financing arrangements, if applicable. • Assessing the impact of government subsidy enhancement and its appropriateness in future profitability assumptions. • Evaluating the adequacy of related disclosures in the financial statements regarding the plant shutdown and revival status.
Estimates with respect to recognition of deferred tax assets on unused tax losses. For the year ended 31st March, 2025, the Holding company has not recognized deferred tax expense/income in the consolidated financial statements. Deferred tax assets are recognized on unabsorbed tax losses when it is probable that taxable profit will be available against which such tax losses can be utilized. The Holding Company's ability to recognize deferred tax assets on unabsorbed tax losses is assessed by the management at the end of each reporting period, taking into account forecasts of future taxable profits and the assumptions on which such projections are determined by the management. Given the degree of estimation based on the projection of future taxable profits, management's decision to not create deferred tax assets on unabsorbed tax losses has been identified to be a key audit matter.	**Our audit procedures included among the others, the following:** • Gained an understanding of the deferred tax assessment process and assessed the design and tested the operating effectiveness of controls over recognition of deferred tax. • Discussed and evaluated management's assumptions and estimates like projected revenue growth, margins, etc. in relation to the probability of generating future taxable income to support the utilization of deferred tax on unabsorbed tax losses with reference to forecast taxable income and performed sensitivity analysis. • Tested the arithmetical accuracy of the model. • Assessed the related disclosures in respect of the deferred tax assets in the consolidated financial statements.
Recognition, measurement, presentation and disclosures of revenue from operations. The Holding Company's revenue from operations comprises of sale value of Granulated, Powdered, Zincated & Boronated SSP's and the Subsidy received from Govt of India. We identified this as a Key Audit Matter since the recognition of subsidy revenue and the assessment of recoverability of the related subsidy receivables is subject to significant judgements of the management. Since the sale and the eligible subsidy are interlinked and further the claim for subsidy depends on various government notifications issued from time to time, it is important to verify the correctness of the revenue from operations recognised in the books of account. Refer Note No 20 in the Consolidated financial statements.	**Our audit procedures included among the others, the following:** • Verified various applicable Govt notifications under which the subsidy was notified. • Verified the sales made and related claims for subsidy with the records/ certificates submitted to the Government. • Performed analytical procedures for reasonableness of revenue and subsidy recognised vis a vis the sales made. • We evaluated the management's assessment regarding reasonable certainty of complying with the relevant conditions as specified in the notifications/policies. • We evaluated adequacy of disclosures in the Consolidated Ind AS Financial Statements.
Impact of government policies / notifications on recognition of concession income and its recoverability. One subsidiary recognizes concession (subsidy) income receivable from the Department of Fertilizers, Government of India as per the New Pricing Scheme for Urea and as per Nutrient Based Subsidy Policy for Phosphatic and Potassic fertilizers at the time of sale of goods to its customers. During the current year, one subsidiary company of the component (Mangalore chemicals and Fertilizer Limited) has recognized concession income of INR 2,21,770.90 Lakhs and as at 31 March 2025 has receivables of INR 39,117.73 Lakhs relating to such income.	**Our audit procedures included among the others, the following:** • Read the relevant notifications and policies issued by the Department of Fertilizers to ascertain the recognition of concession income, adjustments thereto recognized pursuant to changes in the rates and basis for determination of concession income. • Obtained an understanding of the process and tested the design and operating effectiveness of controls as established by the management in recognition and assessment of the recoverability of the concession income.

Key audit matter	How our audit addressed the key audit matter
We focused on this area because recognition of concession income and assessment of its recoverability is subject to significant judgement of interpretation of various notifications from the Department of Fertilizers and the positions based on various litigations thereof. The area of judgement includes certainty around the satisfaction of conditions specified in the notifications and policies, collections and provisions thereof, likelihood of the variation in the related computation rates, basis for determination of accruals of concession income and timely recoverability thereof.	• Evaluated the management's assessment regarding compliance with the relevant conditions as specified in the notifications and policies and collections of concession income. • Performed substantive procedures to understand and validate the basis of computation of concession income with underlying notifications and policies. • Tested the ageing analysis and assessed the information used by the management to determine the recoverability of the concession income by considering collections against historical trends. • Assessed the adequacy of the disclosures in the financial statements.

Emphasis of Matters

a. We draw attention to Note 51 to the accompanying consolidated financial statements, which describes that during the year, the Company along with other noticees (3 former and 1 present Key Managerial Personnels), have received a Show Cause Notice (SCN) dated 14th January, 2025 from the Securities and Exchange Board of India ("SEBI") under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and Regulations issued by SEBI thereunder alleging certain irregularities in the financial statements for earlier years. The Company has filed a joint settlement application on behalf of all the noticees named in the SCN, including the Company, for settlement under the SEBI (Settlement Proceedings) Regulation, 2018, without admitting or denying the finding of fact and conclusions of law. The matter is pending and settlement order from SEBI is awaited.

b. We draw attention to Note 20 (d) of consolidated financial statements, which states that Mangalore Chemicals Fertilisers Limited (MCFL), a subsidiary company, has recognized urea subsidy income of INR 2,914 Lakhs during the Financial year 2020-21 considering that benchmarking of its cost of production of urea using Naptha with that of gas-based urea manufacturing units is arbitrary and for which the MCFL has filed a writ petition against the Department of Fertilizers before the Hon'ble High court of Delhi. Based on legal opinion obtained, the management of MCFL believes that the criteria for recognition of subsidy revenue are met.

c. We draw attention to Note 50 of the consolidated financial statements which describes about the proposed merger of Mangalore chemical and Fertilizers Limited with Paradeep Phosphates Limited on a going concern basis.

   Our opinion is not modified in respect of these above matters.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Consolidated Financial Statements and Auditor's Report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the 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 Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its joint venture 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of the Group and of its joint venture 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 Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its joint venture are also responsible for overseeing the financial reporting process of the Group and of its joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls 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 ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 consolidated financial statements for the financial year ended March 31, 2025 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.

Other Matter

a. The financial statements of one of the subsidiaries whose financial statements include total assets of INR 51,317.39 lakhs as at March 31, 2025, total revenues of INR 1,10,735.83 lakhs and net cash inflows of INR 2,355.62 lakhs for the year ended on that date have been audited by us.

b. We did not audit the financial statements and other financial information, in respect of another subsidiary, whose financial statements include total assets of INR 2,33,252.62 lakhs as at March 31, 2025, total revenues of INR 3,33,189.59 lakhs and net cash inflows of INR (21,865.29) lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management.

c. The consolidated financial statements also include the Group's share of net profit of INR 14,932.78 lakhs for the year ended March 31, 2025, as considered in the consolidated special purpose financial statements, in respect of one joint venture, whose special purpose financial statements, have been audited by other auditor and whose report have been furnished to us by the Management.

Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and joint venture, is based solely on the report of such other auditors.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

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 Section 143(11) of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. A. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and joint venture, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

a. We and the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and joint venture, none of the directors of the Group's companies and its joint venture, incorporated in India, 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 and the operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies and its joint venture, incorporated in India, refer to our separate Report in "Annexure 2" to this report;

g. With respect to the matter to be included in the Auditors' report under Section 197(16) of the Act:

In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Holding Company and its subsidiaries which are incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiaries which are incorporated in India, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

Further, we also draw your attention to Note 48 which reads as follows

In case of the holding Company, At the 14th Annual General Meeting held on 27th September 2023, the shareholders of the Parent Company, have approved the waiver of recovery of excess remuneration of Rs. 81 Lakh paid to Mr. Sunil Sethy, Ex-Managing Director during the financial year 2019-20. The Parent Company has filed an application under Section 454 read with Section 441 of the Companies Act, 2013 for adjudication of penalties/ compounding of offence under Section 197 of the Companies Act, 2013. Vide Order of Adjudication of Penalty dated 16th August, 2024, a penalty of Rs. 5 Lakh was imposed on the Parent Company which the Parent Company has paid on 10th October, 2024.

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the

Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint venture, as noted in the 'Other matter' paragraph:

(i) The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its joint venture in its consolidated financial statements – Refer Note 34 to the consolidated financial statements;

(ii) The Group and its joint venture did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2025;

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and joint venture, incorporated in India during the year ended March 31, 2025.

(iv) a. The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 55 (v) to the consolidated financial statements, 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 Holding Company or its subsidiary companies incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies incorporated in India or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b. The management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 55 (vi) to the consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries

c. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (iv)(a) and (iv)(b) contain any material mis-statement.

(v) The dividend declared or paid during the year by the subsidiary company incorporated in India are in compliance with section 123 of the Act.

(vi) Based on our examination which included test checks, performed by us on the Company and its subsidiaries incorporated in India, have used accounting software for maintaining their respective books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of audit, we have not come across any instance of the audit trail feature being 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's Registration No. 003135S

Prashanth S
Partner
Membership Number: 228407

UDIN: 25228407BMOJLV8912

Place: Bangalore
Date: 14-05-2025

Annexure 1 to the Independent Auditor's Report on the Consolidated Financial Statements of Zuari Agro Chemicals Limited for the year ended March 31, 2025

(Referred to in paragraph under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date)

According to the information and explanations given to us, in respect of below mentioned companies incorporated in India and included in the consolidated financial statements:

Name of the Entity	CIN	Nature	Adverse comments of component auditors, if any
Zuari Maroc Phosphates Private Limited	U24124OR2002PTC017414	Joint Venture	Nil
Mangalore Chemicals and Fertilisers Limited	L24123KA1966PLC002036	Subsidiary	Nil
Zuari Farmhub Limited	U52202GA2019PLC014150	Subsidiary	Nil

For **K.P. Rao & Co**
Chartered Accountants
Firm's Registration No. 003135S

Prashanth S
Partner
Membership Number: 228407

UDIN: 25228407BMOJLV8912

Place: Bangalore
Date: 14-05-2025

Annexure 2 to the Independent Auditor's Report on the Consolidated Financial Statements of Zuari Agro Chemicals Limited for the year ended March 31, 2025

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

Opinion

In conjunction with our audit of the consolidated financial statements of Zuari Agro Chemicals Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2025, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and joint venture, which are companies incorporated in India, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group and joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by 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 with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 judgement, 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to one subsidiary and one joint venture, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary and joint venture incorporated in India.

For **K.P. Rao & Co**
Chartered Accountants
Firm's Registration No. 003135S

Prashanth S
Partner
Membership Number: 228407

UDIN: 25228407BMOJLV8912

Place: Bangalore
Date: 14-05-2025

Consolidated Balance Sheet as at 31 March 2025

(Amount in INR lakhs, unless otherwise stated)

	Notes	As at 31 March 2025	As at 31 March 2024
Assets			
Non-current assets			
Property, plant and equipment	3A	67,644.41	1,74,836.02
Right of use assets	3B	7,667.35	10,008.32
Capital work-in-progress	3A	449.74	1,356.36
Investment property	4	342.44	342.44
Intangible assets	5	10,889.54	10,533.56
Intangible assets under development	5	269.12	990.33
Investment in joint ventures	6	1,35,401.61	1,20,468.83
Financial assets			
(i) Investments	7A	7,093.44	6,526.08
(ii) Loans	7B	-	1.08
(iii) Others	7C	727.09	1,772.02
Deferred tax asset (net)	19A	622.74	850.78
Other non-current assets	8	761.15	3,283.23
Income tax assets (net)	19B	1,349.19	2,741.41
		2,33,217.82	**3,33,710.46**
Current assets			
Inventories	9	17,230.17	31,606.26
Financial assets			
(i) Investments	7A	-	0.10
(ii) Trade receivables	11	8,614.97	59,799.66
(iii) Cash and cash equivalents	12A	17,323.06	33,782.46
(iv) Bank balances other than (iii) above	12B	3,916.70	5,081.08
(v) Loans	7B	0.70	-
(vi) Others	7C	9.77	445.43
Other current assets	8	3,401.96	16,946.61
		50,497.33	**1,47,661.60**
Assets held for sale	10	2,18,924.75	618.84
		2,69,422.08	**1,48,280.44**
Total assets		**5,02,639.90**	**4,81,990.90**
Equity and liabilities			
Equity			
Equity share capital	13	4,205.80	4,205.80
Other equity	13A	1,81,380.81	1,65,188.30
Equity attributable to equity holders of the parent company		**1,85,586.61**	**1,69,394.10**
Non-controlling interests		66,160.44	59,584.72
Total equity		**2,51,747.05**	**2,28,978.82**
Non-current liabilities			
Financial liabilities			
(i) Borrowings	14A	13,467.51	43,409.41
(ia) Lease liabilities	14A	7,313.49	9,827.59
(ii) Others	16	-	-
Deferred tax liabilities (net)	19A	-	10,396.26
Other non-current liabilities	17	-	17.06
Provisions	18	574.74	2,221.59
		21,355.74	**65,871.90**

Consolidated Balance Sheet as at 31 March 2025

(Amount in INR lakhs, unless otherwise stated)

	Notes	As at 31 March 2025	As at 31 March 2024
Current liabilities			
Financial liabilities			
(i) Borrowings	**14B**	49,909.51	1,23,968.76
(ia) Lease liabilities	**14B**	1,037.63	1,097.54
(ii) Trade payables	**15**		
a) total outstanding dues of micro enterprises and small enterprises		47.56	1,588.62
b) total outstanding dues of creditors other than micro enterprises and small enterprises		15,853.16	32,249.79
(iii) Others	**16**	28,548.64	18,424.05
Current tax liabilities (net)	**19C**	-	1,769.46
Other current liabilities	**17**	7,282.01	6,325.16
Provisions	**18**	74.15	1,716.80
		1,02,752.66	**1,87,140.18**
Liabilities directly associated with the assets held for sale	**10**	1,26,784.45	-
Total liabilities		**2,50,892.85**	**2,53,012.08**
Total equity and liabilities		**5,02,639.90**	**4,81,990.90**

Summary of significant accounting policies **2**

The accompanying notes are an integral part of Consolidated Financial Statements

As per our report of even date

For **K.P.Rao & Co**
Chartered Accountants
ICAI Firm Registration number: 003135S

Prashanth.S
Partner
Membership Number: 228407

Place: Bengaluru
Date: 14 May 2025

For and on behalf of the Board of Directors of Zuari Agro Chemicals Limited

Nitin M. Kantak
Executive Director
DIN: 08029847

Athar Shahab
Director
DIN: 01824891

Manish Malik
Chief Financial Officer

Asheeba Pereira
Company Secretary
Membership Number: A48097

Date: 14 May 2025

Consolidated Statement of Profit and Loss for the year ended 31 March 2025

(Amount in INR lakhs, unless otherwise stated)

		Notes	For the year ended 31 March 2025	For the year ended 31 March 2024
Continuing Operations				
I	**Revenue**			
	Revenue from operations	**20**	443,608.70	459,545.85
	Other income	**21**	5,427.65	17,741.43
	Total income (I)		**449,036.35**	**477,287.28**
II	**Expenses**			
	Cost of raw material and components consumed	**22**	190,798.29	200,159.82
	Purchases of traded goods	**23**	99,105.22	96,316.60
	Changes in inventories of finished goods, traded goods and work in progress	**24**	(13,327.65)	4,608.94
	Employee benefits expense	**25**	13,842.97	13,089.85
	Finance costs	**26**	16,830.77	21,125.76
	Depreciation and amortization expense	**27**	10,150.08	9,481.44
	Other expenses	**28**	116,356.73	109,751.50
	Total expense (II)		**433,756.41**	**454,533.91**
III	**Profit/(Loss) before share of profit of joint venture and tax (I - II)**		**15,279.94**	**22,753.37**
IV	Add: Share of profit of joint venture		15,032.96	2,303.78
V	**Profit/(loss) before exceptional items and tax (III + IV)**		**30,312.90**	**25,057.15**
VI	Exceptional items		-	-
VII	**Profit/(loss) before tax (V+VI)**		**30,312.90**	**25,057.15**
VIII	**Tax expense:**			
	(1) Current tax	**19**	6,278.37	4,310.00
	(2) Tax relating to earlier years	**19**	131.10	33.30
	(3) Deferred tax charge	**19**	807.83	3,618.90
	Income tax expense		**7,217.30**	**7,962.20**
IX	**Profit/(loss) for the year from continuing operations (VII - VIII)**		**23,095.60**	**17,094.95**
	Discontinued operations			
X	Profit/(Loss) before tax for the year from discontinued operations		-	-
XI	Tax Income/ (expense) of discontinued operations	**19**	-	-
XII	**Profit/(Loss) for the year from discontinued operations (X - XI)**		**-**	**-**
XIII	**Profit/(Loss) for the year (IX+ XII)**		**23,095.60**	**17,094.95**
XIV	**Other comprehensive Income/ (loss)**	**13B**	**330.60**	**1,002.83**
	A. Items that will not be reclassified to profit or loss			
	Re-measurement gains on defined benefit plans		(186.53)	(120.36)
	Income tax effect	**19**	49.95	35.62
	Net income/(loss) on equity Instruments through other comprehensive Income		567.36	1,157.95
	Income tax effect	**19**	-	-
	Share of other comprehensive income of joint venture (net of tax)		(100.18)	(70.38)
	B. Items that will be reclassified to profit or loss			
	Exchange differences on translation of foreign operations		-	-

Consolidated Statement of Profit and Loss for the year ended 31 March 2025

(Amount in INR lakhs, unless otherwise stated)

		Notes	For the year ended 31 March 2025	For the year ended 31 March 2024
XV	**Total comprehensive Income/(loss) for the year, net of tax (XIII + XIV)**		**23,426.20**	**18,097.78**
	Profit/(loss) for the year			
	Attributed to:			
	Equity holders of the parent		16,476.54	9,982.93
	Non controlling interest		6,619.06	7,112.02
	Comprehensive income/ (loss) for the year			
	Attributed to:			
	Equity holders of the parent		373.94	1,027.83
	Non controlling interest		(43.34)	(25.00)
	Total comprehensive income/ (loss) for the year			
	Attributed to:			
	Equity holders of the parent		16,850.48	11,010.76
	Non controlling interest		6,575.72	7,087.02
XVI	**Earnings/ (loss) per equity share:** (nominal value of share INR 10/- (31 March 2025 -INR 10/-))	**30**		
	(1) Basic and diluted from continuing operations		39.18	23.74
	(2) Basic and diluted from discontinued operations		-	-
	(3) Basic and diluted from continuing and discontinued operations		39.18	23.74

Summary of significant accounting policies **2**

The accompanying notes are an integral part of Consolidated Financial Statements

As per our report of even date

For **K.P.Rao & Co**
Chartered Accountants
ICAI Firm Registration number: 003135S

Prashanth.S
Partner
Membership Number: 228407

Place: Bengaluru
Date: 14 May 2025

For and on behalf of the Board of Directors of Zuari Agro Chemicals Limited

Nitin M. Kantak
Executive Director
DIN: 08029847

Athar Shahab
Director
DIN: 01824891

Manish Malik
Chief Financial Officer

Asheeba Pereira
Company Secretary
Membership Number: A48097

Date: 14 May 2025

Consolidated Statement of cash flows for the year ended 31 March 2025

(Amount in INR lakhs, unless otherwise stated)

		For the year ended 31 March 2025	For the year ended 31 March 2024
A	**Cash flow from operating activities:**		
	Profit/(loss) before tax from continuing operations	30,312.90	25,057.15
	Share of (profit) of a joint venture	(15,032.96)	(2,303.78)
	Adjustments to reconcile profit/(loss) before tax to net cash flows:		
	Depreciation of property, plant and equipment	9,639.19	9,133.19
	Amortisation of intangible assets	510.88	347.33
	Loss / (profit) on disposal of property, plant and equipment (net)	(719.50)	(10,912.96)
	Fair value loss/(gain) on financial instruments at fair value through profit or loss	159.40	-
	Excess provision / unclaimed liabilities / unclaimed balances written back	(685.07)	(2,304.43)
	Bad debts, claims and advances written off	-	22.43
	Provision for doubtful debts, claims and advances	-	1,247.13
	Incentive under packing scheme incentive	(17.06)	(17.06)
	Deferred service income	-	17.06
	Interest expense	15,554.10	19,336.82
	Rent Received	(87.72)	(139.40)
	Interest income	(1,738.56)	(2,859.93)
	Dividend income	(10.80)	(10.08)
	Operating profit/ (loss) before working capital adjustments	**37,884.80**	**36,613.47**
	Working capital adjustments:		
	Increase/(Decrease) in provisions	(990.36)	135.57
	Increase/(Decrease) in trade payables and other liabilities	33,122.80	(4,636.45)
	(Increase)/decrease in trade receivables	3,708.98	16,975.51
	(Increase) /decrease in Inventories	(12,966.16)	8,262.11
	Decrease/(Increase) in other assets and financial assets	(3,371.82)	592.69
	Decrease/(Increase) in loans and advances	-	-
		19,503.44	**21,329.43**
		57,388.24	**57,942.90**
	Less: Income tax paid (net of refunds)	(6,241.22)	(10,629.22)
	Net cash flow from operating activities (A)*	**51,147.02**	**47,313.68**
B	**Cash flow from investing activities:**		
	Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances	(10,493.17)	(14,383.78)
	Proceeds from sale of property, plant and equipment	2,606.32	12,416.34
	Proceeds from sale of non-current investments	-	635.60
	Investment in bank deposits (having original maturity of more than 3 months)	(6,000.97)	(1,448.00)
	Interest received	1,633.53	2,910.70
	Rent Received	87.72	139.40
	Dividend received	10.80	10.08
	Net cash flow (used in) investing activities (B)	**(12,155.77)**	**280.34**
C	**Cash flow from financing activities:**		
	Proceeds from long term borrowings	13,975.35	13,747.30
	(Repayment) of long term borrowings**	(11,605.27)	(23,243.75)
	(Repayment) of lease Liability	(1,735.41)	3,382.73
	Proceeds from short term borrowings	48,250.00	51,851.03
	(Repayment) of short term borrowings	(82,354.72)	(76,379.93)
	Dividend paid on equity shares	(817.37)	(817.30)
	Interest paid	(15,085.58)	(21,271.97)
	Net cash flow (used in) in financing activities (C)	**(49,373.00)**	**(52,731.89)**
D	**Net increase /(decrease) in cash and cash equivalents (A + B + C)**	**(10,381.75)**	**(5,137.87)**
	Cash and cash equivalents at the beginning of the year	33,782.46	38,920.33
	Cash and cash equivalents at the end of the year (Refer Note 12)	**23,400.71**	**33,782.46**

Consolidated Statement of cash flows for the year ended 31 March 2025

(Amount in INR lakhs, unless otherwise stated)

Cash and cash equivalents (excluded Assets held for sale)	**31 March 2025**	**31 March 2024**
Balances with banks:		
- on current accounts	2,142.44	12,031.72
- Deposits with original maturity of less than 3 months	15,180.50	21,748.59
Cash on hand	0.12	2.15
Cash and cash equivalents	**17,323.06**	**33,782.46**
Cash and cash equivalents (Assets held for sale)	**31 March 2025**	**31 March 2024**
Balances with banks:		
- on current accounts	1,195.49	-
- Deposits with original maturity of less than 3 months	4,880.00	-
Cash on hand	2.16	-
Cash and cash equivalents	**6,077.65**	**-**
Cash and cash equivalents (included Assets held for sale)	**31 March 2025**	**31 March 2024**
Balances with banks:		
- on current accounts	3,337.93	12,031.72
- Deposits with original maturity of less than 3 months	20,060.50	21,748.59
Cash on hand	2.28	2.15
Cash and cash equivalents	**23,400.71**	**33,782.46**

Changes in liabilities arising from financing activities :

	1 April 2024	**Cash flows**	**Assets held for sale**	**Non cash changes****	**31 March 2025**
Long term borrowings (Refer Note 14A)	43,409.41	2,370.08	(23,091.28)	(9,220.70)	13,467.51
Short term borrowings (Refer Note 14B)	123,968.76	(34,104.72)	(49,175.93)	9,221.40	49,909.51
Lease liabilities (Refer Note 14A)	10,925.13	(1,735.41)	(1,860.79)	1,022.19	8,351.12
Total liabilities from financing activities	**178,303.30**	**(33,470.05)**	**(74,128.00)**	**1,022.89**	**71,728.14**

	1 April 2023	**Cash flows**	**Assets held for sale**	**Non cash changes*****	**31 March 2024**
Long term borrowings (Refer Note 14A)	98,325.38	(9,496.45)	-	(45,419.52)	43,409.41
Short term borrowings (Refer Note 14B)	103,078.14	(24,528.90)	-	45,419.52	123,968.76
Lease liabilities (Refer Note 14A)	9,360.86	3,382.73	-	(1,818.46)	10,925.13
Total liabilities from financing activities	**210,764.38**	**(30,642.62)**	**-**	**(1,818.46)**	**178,303.30**

*Cash flow from operating activities for the 31 March 2025 is after considering corporate social responsibility expenditure of INR 307.01 lakhs (31 March 2024: INR 377.52 lakhs)

**Includes repayments of principal and interest (excluding repayment of long term borrowings of INR 7,719.10 lakhs classified as current though repayable beyond 12 months)

***includes exchange differences on borrowings, lease additions and interest accretion for lease liabilities.

Summary of significant accounting policies 2

The accompanying notes are an integral part of Consolidated Financial Statements

As per our report of even date

For **K.P.Rao & Co**
Chartered Accountants
ICAI Firm Registration number: 003135S

Prashanth.S
Partner
Membership Number: 228407

Place: Bengaluru
Date: 14 May 2025

For and on behalf of the Board of Directors of Zuari Agro Chemicals Limited

Nitin M. Kantak
Executive Director
DIN: 08029847

Athar Shahab
Director
DIN: 01824891

Manish Malik
Chief Financial Officer

Asheeba Pereira
Company Secretary
Membership Number: A48097

Date: 14 May 2025

Consolidated Statement of changes in equity for the year ended 31 March 2025

(Amount in INR lakhs, unless otherwise stated)

(a) Equity Share Capital

(INR in lakhs)

Equity shares of INR 10 each issued, subscribed and fully paid	31 March 2025		31 March 2024	
	No. of shares	Amount	No. of shares	Amount
At 1 April	42,058,006	4,205.80	42,058,006	4,205.80
At 31 March	42,058,006	4,205.80	42,058,006	4,205.80

(b) Other equity

For the period ended 31 March 2025:

	Reserves and surplus (Refer Note 13A)					OCI		Total other equity	Non - controlling Interests	Total Equity
	Business Restructuring Reserve	Capital Reserves	Surplus / (deficit) in the statement of profit and loss	General reserve	Share Based Payment Reserve	Foreign Currency Translation Reserve	Equity instruments through Other Comprehensive Income			
As at 1 April 2024	**65,404.84**	**127,823.90**	**(39,599.68)**	**6,150.00**	**266.52**	**-**	**5,142.72**	**165,188.30**	**59,584.72**	**224,773.02**
Profit/(loss) for the year	-	-	16,476.54	-	-	-		16,476.54	6,619.06	**23,095.60**
Addition during the year	-	-	-	-	159.40	-	-	159.40	-	**159.40**
Other comprehensive income (Refer Note 13B)	-	-	(193.42)	-	-		567.36	373.94	(43.34)	**330.60**
Total comprehensive income / (loss) for the year	**-**	**-**	**16,283.12**	**-**	**159.40**	**-**	**567.36**	**17,009.88**	**6,575.72**	**23,585.60**
Cash dividends	-	-	(817.37)	-	-	-	-	(817.37)	-	**(817.37)**
As at 31 March, 2025	**65,404.84**	**127,823.90**	**(24,133.93)**	**6,150.00**	**425.92**	**-**	**5,710.08**	**181,380.81**	**66,160.44**	**247,541.25**

For the period ended 31 March 2024:

	Reserves and surplus (Refer Note 13A)					OCI		Total other equity	Non - controlling Interests	Total Equity
	Business Restructuring Reserve	Capital Reserves	Surplus / (deficit) in the statement of profit and loss	General reserve	Share Based Payment Reserve	Foreign Currency Translation Reserve	Equity instruments through Other Comprehensive Income			
As at 1 April 2023	**65,404.84**	**127,823.90**	**(49,452.49)**	**6,150.00**	**-**	**-**	**3,984.77**	**153,911.02**	**53,315.00**	**207,226.02**
Profit/(loss) for the year	-	-	9,982.93	-	-	-	-	9,982.93	7,112.02	**17,094.95**
Addition during the year	-	-	-	-	266.52	-	-	266.52	-	**266.52**
Other comprehensive income (Refer Note 13B)	-	-	(130.12)	-	-	-	1,157.95	1,027.83	(25.00)	**1,002.83**
Total comprehensive income / (loss) for the year	**-**	**-**	**9,852.81**	**-**	**266.52**	**-**	**1,157.95**	**11,277.28**	**7,087.02**	**18,364.30**
Cash dividends	-	-	-	-	-	-	-	-	(817.30)	**(817.30)**
As at 31 March 2024	**65,404.84**	**127,823.90**	**(39,599.68)**	**6,150.00**	**266.52**	**-**	**5,142.72**	**165,188.30**	**59,584.72**	**224,773.02**

Summary of significant accounting policies **2**
The accompanying notes are an integral part of the Consolidated Financial Statements

As per our report of even date

For **K.P.Rao & Co**
Chartered Accountants
ICAI Firm Registration number: 003135S

Prashanth.S
Partner
Membership Number: 228407

Place: Bengaluru
Date: 14 May 2025

For and on behalf of the Board of Directors of Zuari Agro Chemicals Limited

Nitin M. Kantak
Executive Director
DIN: 08029847

Athar Shahab
Director
DIN: 01824891

Manish Malik
Chief Financial Officer

Asheeba Pereira
Company Secretary
Membership Number: A48097

Date: 14 May 2025

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

1. Corporate Information

The Consolidated Financial Statements comprises financial statements of "Zuari Agro Chemicals Limited" ("the Parent Company" or "ZACL") and its subsidiaries (collectively, the Group) and its joint ventures for the year ended 31 March 2025.

The Parent Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The registered office of the Parent Company is located at Jai Kisaan Bhawan, Zuarinagar, Goa 403726.

The Group is in the business of manufacturing, trading and marketing of chemical fertilizers, water soluble fertilizers, seeds, pesticides and fertilizer products.

These Consolidated Financial Statements were approved for issue in accordance with a resolution of the Board of Directors of the Parent Company in their meeting held on 14 May 2025.

2.A. Summary of Significant Accounting Policies

i) Basis of Preparation

The Consolidated Financial Statements of the Group 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 Consolidated Financial Statements.

The Consolidated Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value-

– Derivative financial instruments,

– 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 Consolidated Financial Statements of the Group are presented in Indian Rupee (INR) and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

ii) Basis of consolidation

The Consolidated Financial Statements comprise the financial statements of the Parent Company and its subsidiaries as at 31 March 2025. Control is achieved when the Group has power over the investee, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the Consolidated Financial Statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on 31 March.

Consolidation procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the Consolidated Financial Statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. However, the non-controlling interests have been restricted to zero on the transition date i.e. 1 April 2015 using the exemption provided by the Ind AS 101 and the accumulated losses attributable to the non-controlling interest holders in excess of their equity on the transition date, in the absence of the contractual obligation on the non-controlling interest holders, the same has been accounted for by the Parent Company.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

iii) Business combinations and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured on the basis of indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed off, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

iv) Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investment in its associate and joint ventures are accounted for using the equity method from the date on which it becomes an associate or a joint venture. On acquisition of the investment, any difference between the cost of the investment and the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as follows:

a) Goodwill relating to an associate or a joint venture is included in the carrying amount of the investment. Amortisation of that goodwill is not permitted.

b) Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is recognised directly in equity as capital reserve in the period in which the investment is acquired.

The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss includes the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

v) **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 Group'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 Group'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 Group 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 Group has identified twelve months as its operating cycle.

vi) **Foreign Currency Translation**

a) Functional and presentation currency

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

b) Initial recognition

Transactions in foreign currencies are initially recorded by the Group 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).

e) Translation of a foreign operation

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation on or after 1 April 2015 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/ acquisitions, which occurred before the date of transition to Ind AS (1 April 2015), are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items which are already expressed in the functional currency of the

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Parent and no further translation differences occur.

Cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition, viz., 1 April 2015. Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

vii) Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

viii) Fair value measurement

The Group 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 Group.

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 Group 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 Consolidated 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 Consolidated Financial Statements on a recurring basis, the Group 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 Group'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 Group'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 Group'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 Group 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.

ix) Non-current assets classified as held for sale

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

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

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

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Cost to sell are the incremental cost directly attributable to the disposal of an asset, excluding finance cost and income tax expenses. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

x) Property, plant and equipment

On transition to Ind AS i.e. 1 April 2015, the Group has elected to continue with the carrying value of all of its property, plant and equipment (PPE) recognised as at 1 April 2015 measured as per the Indian GAAP and use that carrying value as the deemed cost of the 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 price.

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 Group 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.

Gains or losses arising from derecognition 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.

xi) Depreciation on property, plant and equipment

Depreciation on property, plant and equipment (other than specific asset referred under Para (a) to (d) below is calculated using the straight-line basis using the rates arrived at, based on the useful lives estimated by the management. 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 Group 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

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	Useful lives estimated by the management (years)
Roads and Culverts	3 to 30 years
Office equipment	3 to 6 years
Vehicles	8 and 10 years
Railway Siding	15 years

(a) In case of the Group Company, 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.

(b) In case of the Parent Company, the management has estimated, supported by independent assessment by professionals, the useful lives of the following classes of assets -

i. The useful lives of certain plant and equipment are estimated as 30 to 40 years. These lives are higher than those indicated in schedule II.

ii. The useful lives of certain buildings are estimated as 5 to 15 years. These lives are lower than those indicated in schedule II.

(c) 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.

(d) 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.

xii) Intangible Assets

On transition to Ind AS, the Group has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost.

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 accounting estimates. 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.

The following are the acquired intangible assets:

Software

Management of the Group 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 Group 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 Group 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 Parent Company, has got merged with the Parent Company. Pursuant to business transfer agreement (BTA) executed on 31 March 2020 between the Parent Company and Zuari FarmHub Limited (ZFL), said goodwill has been transferred to ZFL.

xiii) Investment Property

The Group has elected to continue with the carrying value for all of its investment property as recognized in its previous GAAP Consolidated Financial Statements as deemed cost at the transition date, viz., 1 April 2015.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

xiv) Impairment of non-financial assets

The Group 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 Group 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 Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group'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 Group 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.

xv) Leases

The Group 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.

Group as a lessee

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

a) Right-of-use assets

The Group 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

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depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Land 3 to 30 years
- Building 2 to 10 years

If ownership of the leased asset transfers to the Group 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.

b) Lease liabilities

At the commencement date of the lease, the Group 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 Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

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

c) Short-term leases and leases of low-value assets

The Group 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.

Group as a lessor

Leases in which the Group 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.

During the year ended 31 March 2020, The Group applies, for the first time, Ind AS 116 Leases retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application.

The nature and effect of these changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in April 2019, but do not have an impact on the Consolidated Financial Statements of the Group. The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

Ind AS 116:

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Group adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. Accordingly, comparatives for the year ended 31 March 2019 have not be retrospectively adjusted. The Group elected to apply the standard to contracts that were previously identified as leases applying Ind AS 17. The Group also elected to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value.

a. Nature of the effect of adoption of Ind AS 116

The Group has lease contracts for various guest house, retail outlets and land. Before the adoption of Ind AS 116, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in the statement of profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Prepayments and Trade and other payables, respectively.

Upon adoption of Ind AS 116, the Group applied a single recognition and measurement approach for all leases that it is the lessee, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Group.

Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 was applied to these leases from 1 April 2019.

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease

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xvi) 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 Group commits to purchase or sell the asset.

Subsequent measurement

Debt Instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. For the purposes of subsequent measurement, debt instruments are classified in three categories:

- Debt instruments at amortised cost;
- Debt instruments at fair value through other comprehensive income (FVTOCI);
- Debt instruments at fair value through profit or loss (FVTPL).

Debt instruments at amortised cost

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

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

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

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

Debt instrument at FVTOCI

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

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

b) The asset's contractual cash flows represent sole payments of principal and interest (SPPI).

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

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity Instruments-

Investments in subsidiaries are subsequently measured at cost.

For the purposes of subsequent measurement of other equity instruments classification is made into below two categories:

- Equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Equity investments other than investments in subsidiaries are measured at fair value. The Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

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

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 Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Parent 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 Group 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 Group 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 Group 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 Group categorizes them into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1 : When financial assets are first recognized, the Group 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 Group 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 Group 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 Group'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.

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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.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 109 Financial instruments and the amount initially recognised less cumulative amortisation, where appropriate. The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

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.

xvii) 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.

xviii) Dividend to equity holders of the Parent Company

The Group recognises a liability to make dividend distributions to equity holders of the Parent Company when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

xix) 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.

xx) 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.

xxi) 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 Group expects to be entitled in exchange for those goods or services. The Group 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.B.

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.

Revenue from sale of goods, including concession in respect of Urea, DAP, MOP and Complex Fertilizers receivable from the Government of India under the New Pricing Scheme/Concession Scheme, is recognized when the significant risk and rewards of ownership of the goods have passed to the customers, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

Concessions in respect of Urea as notified under the New Pricing Scheme is recognized with adjustments for escalation/ de–escalation in the prices of inputs and other adjustments as estimated by the management in accordance with the known policy parameters in this regard.

Subsidy for Phosphatic and Potassic (P&K) fertilisers are recognized as per rates notified by the Government of India in accordance with Nutrient Based Subsidy Policy from time to time.

Uniform freight subsidy on Urea, Complex fertilisers, Imported DAP and MOP has been accounted for in accordance with the parameters and notified rates.

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

i) Variable consideration

If the consideration in a contract includes a variable amount, the Group 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.

(a) Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The Group 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 Group 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 Group 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.

(b) Volume rebates

The Group 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 Group 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 Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

ii) Significant financing component

Occasionally, the Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group 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 Group 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 Group'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 xvi) 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 Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group 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 Group performs under the contract.

Assets and liabilities arising from rights of return

Right of return assets

Right of return asset represents the Group'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 Group 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 Group ultimately expects it will have to return to the customer. The Group 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 Group 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 Group 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.

Dividend

Dividend is recognized when the shareholders' right to receive payment is established by the balance sheet date.

xxii) Retirement and other employee benefits

a) Provident Fund

Retirement benefits in the form of Provident Fund in respect of the Parent Company is a defined benefit contribution scheme. The Company has no obligation other than the contribution payable to the Provident Fund. The Company recognizes the contribution payable to the Provident Fund scheme as an 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.

Till surrender of its exemption to hold contribution in Employees' Provident Fund Trust of the Company (Zuari Industries Limited Employee Provident Fund Trust – ZIL EPF Trust) to Employees' Provident Fund Organisation (EPFO) based on the statutory obligation as at January 31, 2025 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.

Retirement benefits in the form of Provident Fund in case of a subsidiary and other units of the Parent Company is a defined contribution scheme. The Group recognizes contribution payable to the fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme 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.

b) Superannuation and Contributory Pension Fund

The Parent Company has approved Superannuation Fund and Contributory Pension Fund whereas one subsidiary company have only approved Superannuation Fund, which are defined contribution schemes. Retirement benefit in the form of Superannuation Fund and Contributory Pension Fund are defined contribution scheme. The Group has no obligation, other than the contribution payable to the Superannuation Fund and Contributory Pension Fund to Life Insurance Corporation of India (LIC) against the insurance policy taken with them. The Group recognizes contribution payable to the Superannuation Fund and Contributory 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.

c) 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 Parent Company and a subsidiary have 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.

d) Post-Retirement Medical Benefit

In respect of the Parent Company post-retirement medical benefit is a defined benefit obligation which is provided for based on actuarial valuation on projected unit credit method made at the end of each financial year. Remeasurement, comprising of actuarial gains and losses, are recognised in the period in which they occur, directly in statement of profit & loss.

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

e) **Leave Encashment**

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit. The Group 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. Remeasurement, comprising of actuarial gains and losses, are recognised in the period in which they occur, directly in statement of profit and loss.

The Group 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 Group 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 Group 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.

f) **Pension Fund**

In respect of the Parent Company, retirement benefit in the form of family pension fund and National Pension Scheme are defined contribution scheme. The Parent Company has no obligation, other than the contribution payable to the pension fund. The Parent 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.

g) **Voluntary Retirement Scheme**

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

h) **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.

xxiii) 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.

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.

The Group offsets deferred tax assets and deferred tax 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 taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

In case of subsidiary Company, minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss a current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable the subsidiary company will pay normal income tax during the specified year, i.e., the year for which MAT credit is allowed to be carried forward. In the year in which the subsidiary company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The subsidiary company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

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.

xxiv) 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 Parent Company by the weighted average number of the equity shares outstanding during the year.

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

xxv) Government grants and subsidies

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

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

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

xxvi) Provisions

A provision is recognized when the Group 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.

In case of seeds division, the Parent Company makes an estimation of probable sales return out of the sales booked during the financial year, considering the terms and condition of the sale and past tendency of such sales return. A provision is made for loss on account of such estimated sales return which is approximate to the amount of profit originally booked on such sale.

xxvii) Segment Reporting Policies

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. Chief Operating Decision Maker review the performance of the Group 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.

Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Consolidated Financial Statements of the Group as a whole.

2.B. Significant accounting judgements, estimates and assumptions

The preparation of the Group's Consolidated 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 – Group as lessee

The Group 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 Group has several lease contracts that include extension and termination options. The Group 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 Group 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).

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. Further details about the defined benefit obligations are given in Note 34.

c) Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and coverage by deposits or others instruments).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 40.

d) 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. Refer Note 39 for further disclosures.

e) 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.

f) 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 Group 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 Group.

g) Revenue from contracts with customers

The Group 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 Group 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 Group 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 Group 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 Group considers whether the amount of variable consideration is constrained. The Group 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 Group estimates variable considerations to be included in the transaction price for the sale of goods with rights of return and volume rebates.

The Group 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 Group.

The Group's expected volume rebates are analysed on a per customer basis for contracts that are subject to a single volume threshold. Determining whether a

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

customer will be likely entitled to rebate will depend on the customer's historical rebates entitlement and accumulated purchases to date.

The Group 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 Group.

The Group 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 Group's past experience regarding returns and rebate entitlements may not be representative of customers' actual returns and rebate entitlements in the future.

h) 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.

i) Leases - Estimating the incremental borrowing rate

The Group 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 Group 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 Group '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 Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

2.C. Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

2.D. New and amended standards

The company has applied the following amendments for the first time for their annual reporting period commencing April 1, 2024

(i) New and amended standards adopted by the Company:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024.

The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

3A. Property, plant and equipment

(INR in lakhs)

Particulars	Freehold land (Refer Note 45 and Note i below)	Leasehold land (Refer Note ii below)	Buildings	Railway siding	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Total	Capital work in progress
Cost										
As at 1 April 2023	**67,472.15**	**-**	**10,741.39**	**726.32**	**126,027.14**	**1,893.52**	**1,188.71**	**683.06**	**208,732.30**	**1,467.41**
Additions	-	-	65.59	-	7,896.95	370.53	260.91	661.26	**9,255.24**	8,481.95
Disposals	-	-	0.04	-	1,884.38	4.14	12.84	197.11	**2,098.51**	8,472.80
Impairment	-	-	-	-	-	-	-	-	-	120.20
As at 31 March 2024	**67,472.15**	**-**	**10,806.94**	**726.32**	**132,039.71**	**2,259.91**	**1,436.78**	**1,147.21**	**215,889.03**	**1,356.36**
Additions	-	36.49	82.59	-	1,875.48	82.44	91.21	353.02	2,521.23	**4,439.78**
Disposals	-	-	321.72	-	1,416.80	21.06	113.39	35.46	1,908.43	**2,241.88**
Impairment	-	-	-	-	-	-	-	-	-	-
Assets classified as held for disposal	6,817.79	-	5,580.79	726.32	128,179.38	346.68	482.82	1,204.95	**143,338.73**	**3,104.52**
As at 31 March, 2025	**60,654.36**	**36.49**	**4,987.02**	**-**	**4,319.01**	**1,974.61**	**931.77**	**259.82**	**73,163.10**	**449.74**
Depreciation and Impairment										
As at 1 April 2023	**-**	**-**	**2,973.40**	**381.26**	**29,180.03**	**794.58**	**806.67**	**505.24**	**34,641.17**	
Charge for the year	-	-	341.30	59.45	6,879.18	184.06	166.53	94.11	**7,724.63**	
Disposals	-	-	-	-	1,123.14	1.87	10.58	177.20	**1,312.79**	-
Assets classified as held for disposal	-	-	-	-	-	-	-	-	-	
As at 31 March 2024	**-**	**-**	**3,314.70**	**440.71**	**34,936.07**	**976.77**	**962.62**	**422.15**	**41,053.01**	-
Charge for the year*	-	1.04	349.18	57.68	7,256.12	196.73	170.36	191.95	**8,223.06**	-
Disposals	-	-	219.37	-	594.85	19.63	105.31	33.35	**972.51**	-
Assets classified as held for disposal	-	-	1,818.36	498.39	39,408.37	244.97	344.20	470.58	**42,784.87**	-
As at 31 March, 2025	**-**	**1.04**	**1,626.15**	**-**	**2,188.97**	**908.90**	**683.47**	**110.17**	**5,518.69**	**-**
Net book value										
As at 31 March, 2025	**60,654.36**	**35.45**	**3,360.87**	**-**	**2,130.04**	**1,065.71**	**248.30**	**149.65**	**67,644.41**	**449.74**
As at 31 March 2024	**67,472.15**	**-**	**7,492.24**	**285.61**	**97,103.64**	**1,283.14**	**474.16**	**725.06**	**174,836.03**	**1,356.36**
As at 1 April 2023	**67,472.15**	**-**	**7,767.99**	**345.06**	**96,847.11**	**1,098.94**	**382.04**	**177.82**	**174,091.12**	**1,467.41**

*includes INR 7446.06 Lakh (31 March 2024 : INR Nil) pertaining to Assets classfied as held for sale (Refer Note no 10).

3B. Right of use assets

(INR in lakhs)

Particulars	Right to use building	Right to use Land (Refer Note ii below)	Total
As at 1 April 2023	**9,289.52**	**2,807.20**	**12,096.72**
Additions	3,382.73	**-**	**3,382.73**
Disposals	1,177.96	**-**	**1,177.96**
As at 31 March 2024	**11,494.29**	**2,807.20**	**14,301.49**
Additions	871.21	-	**871.21**
Disposals	894.83	-	**894.83**
Assets classified as held for disposal	45.48	1,989.94	**2,035.42**
As at 31 March, 2025	**11,425.19**	**817.26**	**12,242.45**

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(INR in lakhs)

Particulars	Right to use building	Right to use Land (Refer Note ii below)	Total
Depreciation and impairment			
As at 1 April 2023	**2,917.65**	**426.33**	**3,343.98**
Charge for the year*	1,308.86	100.62	**1,409.48**
Disposals	460.29	-	**460.29**
Adjustments	**-**	-	**-**
As at 31 March 2024	**3,766.22**	**526.95**	**4,293.17**
Charge for the year*	1,314.63	100.62	**1,415.25**
Disposals	525.02	-	**525.02**
Adjusment	-	-	**-**
Assets classified as held for disposal	29.14	579.16	**608.30**
As at 31 March, 2025	**4,526.69**	**48.41**	**4,575.10**
Net book value			
As at 31 March, 2025	**6,898.50**	**768.85**	**7,667.35**
As at 31 March 2024	**7,728.07**	**2,280.25**	**10,008.32**
As at 1 April 2023	**6,371.87**	**2,380.87**	**8,752.74**

i. This includes freehold land of INR 6,817.79 lakhs (31 March, 2024 : INR 6,817.79 lakhs) in respect of a subsidiary company acquired by the Parent Company in a past business combination. The said land is fair valued as per the principles of Ind AS 103 and an addition of INR 57,246.18 lakhs, on account of fair valuation, was booked in the year of acquisition of the subsidiary as a part of purchase price allocation.

ii. This includes, in respect of Parent Company, land of INR 396.00 lakhs (31 March 2024 : INR 396.00 lakhs) wherein lease cum sale agreement is for a year of 10 years. Lesser shall sell the property at the end of the lease year or extended year, if any.

iii. Assets pledged as security for borrowings: Refer Note 14 for information on property, plant and equipment pledged as security against borrowings.

iv. Building includes self constructed building with book value of INR 3,357.16 lakhs (31 March 2024 : INR 3,887.05 lakhs) on leasehold land.

v. Contractual obligations: Refer to Note 34 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

vi. Capitalised Expenditure

Borrowing Costs

Plant and machinery and capital work-in-progress additions during the period includes INR Nil Lakhs (March 31, 2024 : INR Nil Lakh) and INR 475.68 Lakhs (March 31, 2024: INR 96.94 Lakhs), respectively, towards capitalisation of borrowing cost. The rate used to determine the amount of borrowing costs eligible for capitalisation was 9.47% (March 31, 2024 : 9.49%), which is the average interest rate of borrowings.

vii. Capital work in progress

In case of the Parent Company, Capital work in progress comprises of expenditure for Research & development centre for agricultural soil investigation and compatible fertilizer at Bangalore.

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

viii. Capital work in progress ageing (Including Intangible assets)

As at 31 March 2025 **(INR in lakhs)**

CWIP	Amount in capital work in progress for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Project work in progress	389.43	289.50	39.93	-	**718.86**
Projects temporarily suspended	-	-	-	-	**-**
Total	**389.43**	**289.50**	**39.93**	**-**	**718.86**

CWIP Completion schedule as at 31 March, 2025 **(INR in lakhs)**

CWIP	To be completed in				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Projects in progress	628.53	-	90.33	-	**718.86**
Projects temporarily suspended	**-**	**-**	**-**	**-**	-

As at 31 March 2024 **(INR in lakhs)**

CWIP	Amount in capital work in progress for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Project work in progress	1,856.40	239.93	250.00	-	**2,346.33**
Projects temporarily suspended	-	-	-	-	**-**
Total	**1,856.40**	**239.93**	**250.00**	**-**	**2,346.33**

CWIP Completion schedule as at 31 March 2024 **(INR in lakhs)**

CWIP	To be completed in				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Projects in progress	2,346.33	-	-	-	**2,346.33**
Projects temporarily suspended	**-**	**-**	**-**	**-**	-

ix. In case of parent Company, Title deeds of Immovable Properties not held in name of the parent Company

Particulars	Description	Gross Carrying Value	Title deed in the name of	Whether title deed holder is promoter, director or relative	Date of property held	Reason for not held in the name of company
Freehold Land	Land	2.97	Jose Robello	NO	2011-12	Mutation is In process

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

4. Investment property

Particulars	(INR in lakhs)
Opening balance at 1 April 2023	**342.44**
Additions (subsequent expenditure)	-
Disposals	-
Closing balance at 31 March 2024	**342.44**
Additions (subsequent expenditure)	-
Disposals	-
Closing balance at 31 March 2025	**342.44**
Depreciation	
Opening balance at 1 April 2023	**-**
Depreciation for the year	-
Closing balance at 31 March 2024	**-**
Depreciation for the year	-
Closing balance at 31 March 2025	**-**
Net book value	
As at 31 March, 2025	**342.44**
As at 31 March 2024	**342.44**
As at 1 April 2023	**342.44**

(INR in lakhs)

Information regarding income and expenditure of Investment property	31 March 2025	31 March 2024
Rental income derived from investment properties	Nil	Nil
Direct operating expenses (including repairs and maintenance) arising from investment property that generating rental income	Nil	Nil
Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income	Nil	Nil
Profit arising from investment properties before depreciation and indirect expenses	Nil	Nil
Less – Depreciation	Nil	Nil
Profit arising from investment properties before indirect expenses	Nil	Nil

Investment property consist of freehold land owned by the Parent Company.

The Ministry of Road Transport and Highways vide their gazette notification dated 02.03.2024 notified compulsory acquisition of 450 sq. mtr land situated at village Pannagudi, Taluka Naggapattim. The Compensation for the same is yet to be awarded to the company

The Parent Company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Parent Company considers information from a variety of sources including :-

1. Current prices in an active market of properties of different nature or recent prices of similar properties in less active market adjusted to reflect those differences.
2. Discounted cash flow projections based on reliable estimates of future cash flows.
3. Capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

As at 31 March, 2025 and 31 March 2024, the fair values of the investment properties are INR 609.12 lakhs and INR 559.20 lakhs respectively. These valuations are based on valuations performed by an accredited independent valuer, who is specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied. The valuation is done based on current prices in active market of properties of different nature.

Details of key inputs used in the valuation of investment properties are as below:

Property description: Land situated in the Pannagudi & Karaikal Village, Tamil Nadu

Significant unobservable Inputs	Inputs	
	31 March 2025	31 March 2024
Land area*	25.38 acre	23.3 acre
Prevailing market rate (per acre)	INR 24 lakhs/acre	INR 24 lakhs/acre
Guidelines rates obtained from registrar office	INR 4.00 lakhs/acre	INR 4.00 lakhs/acre
Assessed / adopted rate for valuation	INR 24.00 lakhs/acre	INR 24.00 lakhs/acre

* Includes 450 sq mtr land notified for compulsory acquisition

Reconciliation of fair value: **(INR in lakhs)**

Opening balance as at 1 April 2023	**489.30**
Fair value difference	69.90
Purchases	-
Closing balance as at 31 March 2024	**559.20**
Fair value difference	49.92
Purchases	-
Closing balance as at 31 March, 2025	**609.12**

The Parent Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

5. Intangible Assets

(INR in lakhs)

Promoter Name	Software	Goodwill (Pursuant to the scheme of amalgamation)*	Goodwill (Pursuant to the scheme of amalgamation)**	Trademark^	Others	Total	Intangible assets under development	Total
Cost								
As at 1 April 2023	**470.45**	**443.60**	**1,533.53**	**11,405.00**	-	**13,852.58**	**450.00**	**14,302.58**
Additions	62.55	-	-	-	-	62.55	540.33	602.88
Disposals	**0.48**	-	-	-	-	0.48	-	0.48
As at 31 March 2024	**532.52**	**443.60**	**1,533.53**	**11,405.00**	-	**13,914.65**	**990.33**	**14,904.98**
Additions	**104.56**	-	-	-	**900.00**	1,004.56	178.79	1,183.35
Disposals	**1.35**	-	-	-	-	1.35	900.00	901.35
Assets classified as held for disposal	**487.51**	-	-	-	-	487.51	-	487.51
As at 31 March, 2025	**148.22**	**443.60**	**1,533.53**	**11,405.00**	**900.00**	**14,430.35**	**269.12**	**14,699.47**
Amortization								
As at 1 April 2023	**377.06**	**412.02**	-	**2,245.10**	-	**3,034.19**	-	3,034.19
Charge for the year*	**62.20**	-	-	**285.13**	-	347.33	-	347.33
Disposals	0.43	-	-	-	-	0.43	-	0.43
As at 31 March 2024	**438.84**	**412.02**	-	**2,530.23**	-	**3,381.09**	-	**3,381.09**
Charge for the year*	**60.54**	-	-	**285.13**	**165.21**	510.88	-	510.88
Disposals	**1.35**	-	-	-	-	1.35	-	1.35
Assets classified as held for disposal	**349.81**	-	-	-	-	349.81	-	349.81
As at 31 March, 2025	**148.22**	**412.02**	-	**2,815.36**	**165.21**	**3,540.81**	-	**3,540.81**
Net book value								
As at 31 March, 2025	**0.00**	**31.58**	**1,533.53**	**8,589.64**	**734.79**	**10,889.54**	**269.12**	**11,158.66**
As at 31 March 2024	**93.68**	**31.58**	**1,533.53**	**8,874.77**	-	**10,533.56**	**990.33**	**11,523.89**
As at 1 April 2023	**93.39**	**31.58**	**1,533.53**	**9,159.90**	-	**10,818.39**	**450.00**	**11,268.40**

^Trademark represents acquisition date fair value of brand in one of the subsidiary of the Group.

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

6. Investment in joint ventures

(INR in lakhs)

Particulars	Non current			
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Investments in unquoted equity instruments				
Investment in joint ventures				
17,98,16,228 (31 March 2024 : 17,98,16,228) Equity shares of INR 10/- each fully paid-up of Zuari Maroc Phosphates Private Limited.	120,468.83		118,235.43	
Add: Share of OCI for the year	(100.18)		(70.38)	
Add: Share of profit for the year	15,032.96	135,401.61	2,303.78	120,468.83
Total		**135,401.61**		**120,468.83**

7. Financial assets

7A. Investments

(INR in lakhs)

Particulars	Non current		Current	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Investments in equity instruments carried at fair value through other comprehensive income (FVTOCI)				
Unquoted equity instruments				
1,44,000 (31 March 2024 : 1,44,000) Equity shares of INR 10/- each fully paid up of Indian Potash Limited (Refer Note (a) below)	7,093.44	6,526.08	-	-
Investments in unquoted preference shares				
Investments at fair value through profit or loss				
Bangalore Beverages Limited 2,00,000 (31 March 2024 : 2,00,000) redeemable cumulative preference shares of INR 1/- each with coupon rate of 10% p.a. repayable after 20 years)	-	20,000.00	-	-
Less:- Provision for diminution in the value of investment	-	(20,000.00)	-	-
Investment in mutual fund				
22.199 units (31 March 2024 : 22.199 units) of Aditya Birla Sun Life Low Duration Fund - Growth Regular Plan	-	-	-	0.10
Total	**7,093.44**	**6,526.08**	**-**	**0.10**
Aggregate value of quoted investments	-	-	-	0.10
Aggregate value of unquoted investments	7,093.44	6,526.08	-	-
Total	**7,093.44**	**6,526.08**	**-**	**0.10**
Aggregate amount of impairment in value of investments	-	20,000.00	-	-
Market Value of quoted Investments	-	-	**-**	**0.10**

(a) The management has assessed fair value of the investment in unquoted shares of Indian Potash Limited based on valuation report of an independent valuer. For detail of method and assumptions used for the valuation, Refer Note 38.

(b) Investments at fair value through OCI (fully paid) reflect investment in quoted and unquoted equity securities. These equity shares are designated as fair value through other comprehensive income (FVTOCI) as they are not held for trading purpose. Thus, disclosing their fair value fluctuation in profit and loss will not reflect the purpose of holding. The Group has not transferred any gain or loss within equity in the current or previous year. Refer Note 38 for determination of their fair values.

7B. Loans

(INR in lakhs)

Particulars	Non current		Current	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Unsecured, considered good, except where otherwise stated				
Other loans and advances				
Unsecured, considered good				
Interest accrued on loans to employees	-	1.08	0.70	-
Total	**-**	**1.08**	**0.70**	**-**

Assets pledged as security for borrowings: Refer Note 14 for information on loans pledged as security against borrowing.

Loans are non-derivative financial assets which generate a fixed or variable interest income for the Group and are measured at amortised cost. The carrying value may be affected by changes in the credit risk of the counterparties.

7C. Other Financial Assets

(INR in lakhs)

Particulars	Non current		Current	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Derivative instruments at fair value through profit or loss				
Derivatives not designated as hedges				
Foreign exchange forward covers	-	-	-	1.54
Other financial assets (Unsecured, considered good)				
Security deposits				
Unsecured, considered good				
- with related parties (Refer Note 35)	-	-	-	-
- with others	622.94	1,227.63	2.50	-
Non-current bank balances	13.05	453.29	-	10.28
Claim receivable	-	-	-	83.97
Rebate/discount receivable from suppliers	-	-	-	233.60
Interest receivable from customers				
- from others	-	-	-	112.01
Interest receivable on bank deposits	-	-	7.27	4.03
Packing scheme incentive grant receivable	91.10	91.10	-	-
Total	**727.09**	**1,772.02**	**9.77**	**445.43**

Assets pledged as Security for borrowings: Refer Note 14 for information on financial assets pledged as security against borrowing.

Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

Break up of financial assets carried at amortised cost

(INR in lakhs)

Particulars	Non current		Current	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Loans (Refer Note 7B)	-	1.08	0.70	-
Trade receivables (Refer Note 11)	-	-	8,614.97	59,799.66
Cash and cash equivalents (Refer Note 12A)	-	-	17,323.06	33,782.46
Other bank balances (Refer Note 12B)	-	-	3,916.70	5,081.08
Other financial assets (Refer Note 7C)	727.09	1,772.02	9.77	445.43
Total financial assets carried at amortised cost	**727.09**	**1,773.10**	**29,865.20**	**99,108.63**

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

8. Other assets

(INR in lakhs)

Particulars	Non current		Current	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Unsecured, considered good, except where otherwise stated				
Capital advances				
- to related parties (Refer Note 35)	155.57	155.57	-	-
- to others (Refer Note (a) below)	605.44	2,846.57	-	-
Advances (other than capital advances)				
- related parties, considered good (Refer Note 35)	-	-	2.40	0.12
- others, considered good	-	-	1,876.10	896.18
	-	**-**	**1,878.50**	**896.30**
	-	**-**	**1,878.50**	**896.30**
Balances with statutory authorities				
- considered good	-	-	1,426.17	2,944.35
	-	**-**	**1,426.17**	**2,944.35**
Advance to employees	-	-	23.29	37.83
Refund receivable Goods and Service Tax (Refer Note (b) below)	-	-	-	11,379.12
Prepaid expenses	0.14	281.09	66.60	1,689.01
Gratuity plan asset (Refer note 33)	-	-	7.40	-
	0.14	**281.09**	**97.29**	**13,105.96**
Total	**761.15**	**3,283.23**	**3,401.96**	**16,946.61**

Assets pledged as security for borrowings: Refer Note 14 for information on other assets pledged as security against borrowing.

(a) The Parent Company had given an advance of INR 4,029.44 lakhs in September 2010 to Karnataka Industrial Area Development Board (KIADB) for allotment of land for setting up of 1.20 Million TPA urea plant in Belgaum district. KIADB failed to acquire the land and after continuous discussion with KIADB for two years, the Parent Company had come out of the project. KIADB had refunded INR 3,425.02 lakhs and retained INR 604.42 lakhs which was to be adjusted in case the Parent Company seek some other land in Karnataka. Based on the details of land subsequently provided by the KIADB, the Parent Company has requested to allot 12 acres land at Belapu industrial estate and adjust the retained amount by KIADB to the cost of the new land. However, KIADB has not yet agreed for the adjustment. Management had filed the writ petition in the Hon'ble High Court of Karnataka at Bengaluru against the State of Karnataka - Industries and Commerce Department and KIADB for not allotting land to the Parent Company for setting up Fertilizer Project in Belapu Industrial Area, Udupi District, Karnataka and illegally withholding a sum of INR 604.42 lakhs. The Hon'ble High Court vide judgement dated 16 September 2019 disposed of the matter and directed the KIADB to consider the application of the Parent Company for the allotment of Land within a period of six weeks from the date of receipt of certified copy of order. Pursuant to the court order, the Parent Company issued a letter to KIADB requesting them to allot alternate land. KIADB vide their order dated 18 November 2019 has refused to adjust the forfeited amount against allotment of land in Belapu. Subsequently, the Parent Company has filed a writ petition with Hon'ble High Court of Karnataka at Bangalore on 10 February 2020 challenging the KIADB order dated 18 November 2019. The Petition was listed for hearing on 23 September 2021. After hearing our counsels briefly on the matter, the Hon'ble court directed for the matter to be listed after two weeks for admission. The matter has not been listed till date. Later the matter came up for hearing on 13th January 2025, wherein the Government advocate was directed to take notice on behalf of respondent no. 1 (State of Karnataka), and ordered to issue notice to respondent no. 2 (Karnataka Industrial Areas Development Board). The matter is listed for reply of respondent no. 1 and 2. Next date is awaited.

Based on previous judgement and legal opinion obtained by the management for this matter, the management is hopeful to get the above amount adjusted against allotment of land or refund of the same.

(b) In case of a Subsidiary Company, The GST authorities have denied and recalled refund of certain GST Credits and the Board of Directors of the company, based on the legal opinion, consider that the refunds are in accordance with the law, the matter is currently sub-judice and no quantification is made.

9. Inventories (valued at lower of cost and net realisable value)

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Raw materials [includes material in transit: INR 4,962.48 lakhs (31 March 2024 : INR 33.36 lakhs)]	1,692.59	14,193.11
Work-in-progress	0.05	1,610.21
Finished goods	704.61	2,108.05
Traded goods [includes material in transit: INR Nil lakhs and (31 March 2024 : Nil)	14,707.17	10,040.46
Stores and spares [includes material in transit: INR 194.39 lakhs (31 March 2024 : INR 100.00 lakhs)]	125.75	3,654.43
Total	**17,230.17**	**31,606.26**

Assets pledged as security for borrowings: Refer Note 14 for information on inventories pledged as security against borrowing.

10. Assets held for sale/ liabilities directly associated with the assets held for sale

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
(a) Assets held for sale		
- Land at Sancoale Goa (Refer Note i below)	37.75	40.72
- Others	-	578.12
- Assets of Subsidiary held for sale (Refer Notes iv below)	218,887.00	-
	218,924.75	**618.84**
(b) Liabilities directly associated with Assets held for sale		
- Liabilities of Subsidiary held for sale (Refer Notes iv below)	126,784.45	-
Total (a-b)	**92,140.30**	**618.84**

i. During the year ended 31 March, 2025, the Company had sold few lands at Sancoale, Goa and the management is intended to sale the balance parcels of land at Sancoale, Goa. The sale of the asset is expected to be executed within 12 months. Accordingly, the said parcel of lands have been classified from property, plant and equipment's to Assets classified as held for sale.

ii. During the year ended 31 March 2025, the company had sold its Pune office premises.

iii. The board of directors of the Company have at their meeting dated November 25, 2024 approved the revised number of equity shares of Mangalore Chemicals and Fertilizers Limited to be transferred by the Company to Zuari Maroc Phosphates Private Limited ("ZMPPL") from 3,92,06,000 to 2,90,37,000, pursuant to and as an integral part of the composite scheme of arrangement by and amongst Mangalore Chemicals and Fertilizers Limited, Paradeep Phosphates Limited and their respective shareholders and creditors, for an aggregate cash consideration of INR 41,813.28 lakhs. In connection with this, ZMPPL has provided INR 25,000.00 lakhs to the Company as performance security to secure ZMPPL's obligations.

The Company anticipates completion of the sale within 12 months from the year ended March 31, 2025 and accordingly, assets and liabilities of Mangalore Chemicals and Fertilizers Limited under group have been reclassified under "Assets/ Liabilities held for sale".

Assets classified as held for sale during the reporting period are measured at lower of its carrying amount and fair value less cost to sell at the time of reclassification. Fair value of the assets were determined using the market approach.

iv. The major classes of assets and liabilities as at 31 March 2025

(INR in lakhs)

Particulars	31 March 2025
Assets	
Property, plant and equipment and intangible assets (including capital work in progress)	1,05,223.20
Non-current financial assets	597.75
Other non-current assets	6,905.16
Inventories	27,343.43
Trade receivables	47,521.72
Cash and cash equivalents	6,077.65
Bank balances other than above	7,172.10
Other current financial assets	366.35
Other current assets	17,573.10
Income tax assets	106.54
Assets held for sale (I)	**2,18,887.00**
Liabilities	
Non-current financial liabilities	24,904.31
Non-current provisions	1,306.36
Current borrowings	49,223.69
Trade payables	21,883.29
Other Current Financial liabilities	14,932.37
Other Current Liabilities	1,776.99
Current provisions	1,179.31
Income tax liabilities	652.03
Deferred tax liabilities	10,926.10
Liabilities directly associated with assets held for sale (II)	**1,26,784.45**
Net assets (I-II)	**92,102.55**

11. Trade receivables (at amortised cost)

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Trade receivables - related parties (Refer Note 35)	2,098.82	32.17
Trade receivables - others	6,516.15	59,767.49
Total	**8,614.97**	**59,799.66**

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

Break-up for security details: **(INR in lakhs)**

Particulars	31 March 2025	31 March 2024
From Related Parties (Refer Note 35)		
Unsecured, considered good	2,098.82	32.17
Trade Receivables		
Secured, considered good	-	4,544.63
Unsecured, considered good [including subsidy receivable from government of INR 641.69 lakhs (31 March 2024 : INR 46,587.57 lakhs)	6,516.15	55,222.86
Trade receivables- credit impaired	37.94	1,276.49
Total	**8,652.91**	**61,076.15**
Less : Trade receivables- credit impaired	(37.94)	(1,276.49)
Total	**8,614.97**	**59,799.66**

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person, other than those mentioned in Note 47. 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.

For terms and conditions relating to related party receivables, refer Note 35.

Trade receivables from dealers are non-interest bearing during the normal credit years and are generally on terms of 15 to 120 days.

Assets pledged as Security for borrowings: Refer Note 14 for information on trade receivables pledged as security against borrowing.

Trade receivables ageing as at 31 March 2025 **(INR in lakhs)**

Particulars	Outstanding for following periods from due date of payment						
	Current but not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(I) Undisputed trade receivables-Considered good	6,187.60	2,226.77	79.34	62.24	59.02	-	8,614.97
(ii) Undisputed trade receivables-which have significant increase in credit risk	-	-	0.02	0.00	0.26	37.66	37.94
Total	**6,187.60**	**2,226.77**	**79.36**	**62.24**	**59.28**	**37.66**	**8,652.91**

Trade receivables ageing as at 31 March 2024 **(INR in lakhs)**

Particulars	Outstanding for following periods from due date of payment						
	Current but not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(I) Undisputed trade receivables-Considered good	-	56,182.11	278.16	5.75	31.47	388.18	56,885.66
(ii) Undisputed trade receivables - which have significant increase in credit risk	-	45.11	87.16	25.60	23.93	37.66	219.46
(iii) Undisputed trade receivables - Credit impaired	-	-	-	-	15.22	1,041.81	1,057.03
(iv) Disputed trade receivables - Considered good	-	-	-	-	2,914.00	-	2,914.00
Total	**-**	**56,227.22**	**365.32**	**31.35**	**2,984.62**	**1,467.65**	**61,076.15**

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

12A. Cash and Cash Equivalent

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Balances with banks:		
- on current accounts	2,142.44	12,031.72
- Deposits with original maturity of less than 3 months	15,180.50	21,748.59
Cash on hand	0.12	2.15
Total	**17,323.06**	**33,782.46**

12B. Other Bank balances

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Other Bank Balances :		
- on Unpaid dividend accounts (repatriation restricted)*	-	2.10
Balances with banks-current account- escrow account	-	142.91
Deposits with original maturity for more than 3 months but less than 12 months	3,838.00	1,100.00
Margin money deposits**	78.70	3,836.07
Total	**3,916.70**	**5,081.08**

*The Group can utilise these balances only towards settlement of the respective unpaid dividend.

**Margin money deposits are provided as margin for letter of credits and as interest service coverage reserve for long term borrowings. The same are restricted for use till settlement of corresponding liability.

13. Share capital

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Authorised share capital		
12,25,00,000 (31 March 2024 : 12,25,00,000) Equity Shares of INR 10/- each	12,250.00	12,250.00
3,45,00,000 (31 March 2024 : 3,45,00,000) Preference Shares of INR 10/- each	3,450.00	3,450.00
	15,700.00	**15,700.00**
Issued and subscribed share capital*		
4,20,58,006 (31 March 2024 : 4,20,58,006) Equity Shares of INR 10/- each fully paid	**4,205.80**	**4,205.80**

a. Reconciliation of shares outstanding at the beginning and end of the reporting period

Equity Shares	31 March 2025		31 March 2024	
	In numbers	INR in lakhs	In numbers	INR in lakhs
At the beginning of the year	42,058,006	4,205.80	42,058,006	4,205.80
Issued during the year	-	-	-	-
Outstanding at the end of the year	**42,058,006**	**4,205.80**	**42,058,006**	**4,205.80**

b. Terms/rights attached to equity shares

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

c. Details of equity shares of INR 10 each fully paid up held by promoters as at:

Promoter Name	As at 01 April 2024	Changes during the year	As at 31 Mar 2025	% of Total Shares	% change during the year
Promoters					
Zuari Industries Limited (Formerly Zuari Global Limited)	8,411,601	-	8,411,601	20.00	-
Zuari Management Services Limited	5,078,909	-	5,078,909	12.08	-
Texmaco Infrastructure & Holdings Limited	3,000,125	-	3,000,125	7.13	-
Globalware Trading And Holding Limited	7,491,750	-	7,491,750	17.81	-
Promoter Group					
Adventz Finance Private Limited	1,545,842	-	1,545,842	3.68	-
New Eros Tradecom Limited	1,196,767	-	1,196,767	2.85	-
Jeewan Jyoti Medical Society	138,550	-	138,550	0.33	-
Duke Commerce Limited	111,000	-	111,000	0.26	-
Adventz Securities Enterprises Limited	98,804	-	98,804	0.23	-
Saroj Kumar Poddar as Trustee of Saroj and Jyoti Poddar Holdings Private Trust	150,000	-	150,000	0.36	-
Saroj Kumar Poddar	29,406	-	29,406	0.07	-
Jyotsna Poddar	21,621	-	21,621	0.05	-
Akshay Poddar	150,585	-	150,585	0.36	-
Basant Kumar Birla	30,000	-30,000	-	-	-100.00
Total	**27,454,960**	**-30,000**	**27,424,960**	**65.21**	

*During the year, 30,000 Equity Shares of Late Mr. Basant Kumar Birla forming part of 'Promoter Group' were transmitted to Mr. Kumar Mangalam Birla (Executor to the Estate of Late Mr. Basant Kumar Birla) and the same shares were disposed in the open market.

Details of equity shares of INR 10 each fully paid up held by promoters as at:

Promoter Name	As at 01 April 2023	Changes during the year	As at 31 Mar 2024	% of Total Shares	% change during the year
Promoters					
Zuari Industries Limited (Formerly Zuari Global Limited)	8,411,601	-	8,411,601	20.00	-
Zuari Management Services Limited	5,078,909	-	5,078,909	12.08	-
Texmaco Infrastructure & Holdings Limited	3,000,125	-	3,000,125	7.13	-
Globalware Trading And Holding Limited	7,491,750	-	7,491,750	17.81	-
Promoter Group					
Adventz Finance Private Limited	1,545,842	-	1,545,842	3.68	-
New Eros Tradecom Limited	1,196,767	-	1,196,767	2.85	-
Jeewan Jyoti Medical Society	138,550	-	138,550	0.33	-
Duke Commerce Limited	111,000	-	111,000	0.26	-
Adventz Securities Enterprises Limited	98,804	-	98,804	0.23	-
Saroj Kumar Poddar as Trustee of Saroj and Jyoti Poddar Holdings Private Trust	150,000	-	150,000	0.36	-
Saroj Kumar Poddar	29,406	-	29,406	0.07	-
Jyotsna Poddar	21,621	-	21,621	0.05	-
Akshay Poddar	150,585	-	150,585	0.36	-
Basant Kumar Birla	30,000	-	30,000	0.07	-
	27,454,960	**-**	**27,454,960**	**65.28**	-

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

d. Details of shareholders holding more than 5% of equity shares in the Company

Name of shareholder	31 March 2025		
	No. of shares held	% Holding in class	% change during the period
Zuari Industries Limited (Formerly Zuari Global Limited)	8,411,601	20.00	-
Globalware Trading and Holdings Limited	7,491,750	17.81	-
Zuari Management Services Limited	5,078,909	12.08	-
Texmaco Infrastructure & Holdings Limited	3,000,125	7.13	-

Name of shareholder	31 March 2024		
	No. of shares held	% Holding in class	% change during the period
Zuari Industries Limited (Formerly Zuari Global Limited)	8,411,601	20.00	-
Globalware Trading and Holdings Limited	7,491,750	17.81	-
Zuari Management Services Limited	5,078,909	12.08	-
Texmaco Infrastructure & Holdings Limited	3,000,125	7.13	-

As per records of the Company including its register of share holders/members and other declarations received from share holders regarding beneficial interest, the above share holding represents both legal and beneficial ownership of shares.

*Pursuant to the Scheme of Arrangement and Demerger ("the Scheme") between the Company (Zuari Agro Chemicals Limited) and Zuari Industries Limited (Formely Zuari Global Limited), the Company had issued 2,94,40,604 equity shares of INR 10/- each aggregating to INR 2,944.06 lakhs to the existing shareholders of Zuari Industries Limited (Formely Zuari Global Limited) in the ratio of 1 fully paid up Equity share of INR 10/- each of Zuari Agro Chemicals Limited during the financial year ending 31 March 2013. Out of the above shares issued pursuant to the Scheme, 8,051 (31 March 2021: 8,051) Equity Shares entitlements have been kept in abeyance pursuant to Section 206A of the Companies Act, 1956 in accordance with instructions from the Special Court (Trial of Offences relating to Transactions in Securities) Act, 1992 and in respect of shareholders who could not exercise their rights in view of disputes, mistakes, discrepancy in holdings, etc.

No shares has been issued for consideration other than cash during the period of five years immediately preceding the reporting date.

13A. Other Equity

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Business Restructuring Reserve		
Balance as per last financial statements	65,404.84	65,404.84
Add: Received during the year	-	-
Closing balance	**65,404.84**	**65,404.84**
Capital Reserve		
Balance as per the last financial statements	127,823.90	127,823.90
Add: Amount transferred on consolidation	-	-
Add: Adjustment of Capital reduction in subsidiary	-	-
Closing balance	**127,823.90**	**127,823.90**
General Reserve		
Balance as per last financial statements	6,150.00	6,150.00
Add: Received during the year	-	-
Closing balance	**6,150.00**	**6,150.00**
(Deficit) in the statement of profit and loss		
Balance as per last financial statements	(39,599.68)	(49,452.49)
Adjustment on Reclassification of Joint Venture to financial assets	-	-
Profit/(Loss) for the year	16,476.54	9,982.93
Other comprehensive gain/(loss)	(193.42)	(130.12)

13A. Other Equity (Contd...)

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Less: Appropriations		
Cash dividend	(817.37)	-
Net (Deficit) in the statement of profit and loss	**(24,133.93)**	**(39,599.68)**
Share Based Payment Reserve		
Balance as per last financial statements	266.52	-
Add: Movement during the year	159.40	266.52
Closing balance	**425.92**	**266.52**
Equity instruments through Other Comprehensive Income		
Balance as per last financial statements	5,142.72	3,984.77
Add: Movement during the year	567.36	1,157.95
Closing balance	**5,710.08**	**5,142.72**
Total reserves and surplus	**181,380.81**	**165,188.30**

Nature and purpose of reserves

Business Restructuring Reserve

In the finance year 2012-13, Pursuant to the Scheme of Arrangement and Demerger ("The Scheme") between Zuari Industries Limited and Zuari Holdings Limited (now known as Zuari Agro Chemicals Limited) the Parent Company, approved by the Hon'ble High Court of Bombay at Goa, on 2 March 2012, all the assets and liabilities pertaining to fertilizer undertaking as on 1 July 2011 of Zuari Industries Limited had been transferred to the Parent Company at their book values and accordingly the surplus of assets over the liabilities of the fertiliser undertaking so demerged, resulted in creation of Business Restructuring Reserve of INR 65,404.84 lakhs in terms of the Order of the Hon'ble High Court of Bombay at Goa which was filled with the Registrar of Company on 21 March 2012. The said reserve be treated as free reserve and be restricted and not utilised for declaration of dividend by the Parent Company.

Capital Reserve

Capital reserve includes INR 35,300.77 lakhs as excess of parent company's share in joint venture entity viz. Zuari Maroc Phosphates Private Limited over its investment on date of transition to Ind AS. Also, includes INR 22,366.74 lakhs as bargain purchase on acquisition of subsidiary.

During the year ended 31 March 2020, capital reserve of INR 259.65 lakhs was created, pursuant to a settlement agreement dated 17 June 2019 which was entered into between Parent Company, McDowells Holdings Limited (MHL) and Mangalore Chemicals and Fertilisers Limited (MCFL), on account of part settlement of dues receivable by Parent Company from MHL. As per the terms of the aforesaid agreement, MHL has transferred its share holding rights of 11,85,151 equity shares of MCFL (subsidiary company), in favour of the Parent Company, accordingly the share holding of Parent Company has increased by 1% in shareholding in MCFL.

General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

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

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

Foreign Currency Translation Reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

Share Based Payment Reserve

The Company has established share based payment plan for certain categories of employees of the Company. Also refer Note 43 for further details on these plans.

Equity instruments through Other Comprehensive Income

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

13B. Components of other comprehensive income (OCI):

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended 31 March 2025 **(INR in lakhs)**

Particulars	Foreign Currency Translation Reserve	Equity instruments through Other Comprehensive Income	Surplus/ (deficit) in the statement of profit and loss	Non controlling interest
Re-measurement gain on defined benefit plans	-	-	(128.58)	(57.95)
Income tax effect	-	-	35.34	14.60
Net income on equity instruments through other comprehensive income	-	567.36	-	-
Income tax effect	-	-	-	-
Share of OCI of joint ventures (net of tax)	-	-	(100.18)	-
	-	**567.36**	**(193.42)**	**(43.35)**

During the year ended 31 March 2024 **(INR in lakhs)**

Particulars	Foreign Currency Translation Reserve	Equity instruments through Other Comprehensive Income	Surplus/ (deficit) in the statement of profit and loss	Non controlling interest
Re-measurement gain on defined benefit plans	-	-	(81.94)	(38.41)
Income tax effect	-	-	22.20	13.41
Net income on equity instruments through other comprehensive income	-	1,157.95	-	-
Income tax effect	-	-	-	-
Share of OCI of joint ventures (net of tax)	-	-	(70.38)	-
	-	**1,157.95**	**(130.12)**	**(25.00)**

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

14A. Borrowings

(INR in lakhs)

Non Current Borrowings (at amortised cost)	31 March 2025	31 March 2024
TERM LOAN		
From Banks		
Secured		
Indian Rupee loans (Refer Note 1 below)	-	35,735.69
Vehicle loans (Refer Note 2 below)	204.48	437.04
From financial Institutions		
Secured		
Indian Rupee loans (Refer Note 3 below)	7,968.72	7,463.41
Non Convertible Debentures (Refer Note 4 below)	4,953.82	4,898.63
From Others		
Unsecured		
Lease liabilities (Refer Note 6 below)	8,351.12	10,925.13
Intercorporate Deposits (Refer Note 5 below and Note 35)	7,850.00	1,000.00
Total	**29,328.14**	**60,459.90**
Less: Amount disclosed under “Short Term Borrowings”		
- Current maturities of long term borrowings (Refer Note 14B)	(7,509.51)	(6,125.36)
- Current maturities of lease liabilities (Refer Note 14B)	(1,037.63)	(1,097.54)
Total	**20,781.00**	**53,237.00**

1 (a) In case of a subsidiary, Term loan from a bank of INR 13,334.18 Lakhs (including current maturities of INR 2,425.06 Lakhs) has been reclassified as Assets/ Liabilities held for sale [March 31, 2024: INR 15,756.30 Lakhs (including current maturities of INR 2,424.47 Lakhs)] carries interest in the range of 9.95% p.a to 10.75% p.a. [March 31, 2024 : 9.50% p.a. to 10.45% p.a.] The loan is repayable in 28 quarterly installments starting from November 2023 with the last instalment due on August 2030. The loan is secured by first pari-passu first charge on movable fixed assets of the Ammonia Energy Efficiency Project of the urea plant, with other participating lenders and first pari passu charge over all movable and immovable fixed assets of the Company excluding those exclusively charged to other term lenders.

1 (b) In case of a subsidiary, Term loan from a bank of INR 5,005.46 Lakhs (including current maturities of INR 1,061.50 Lakhs) has been reclassified as Assets/ Liabilities held for sale [March 31, 2024: INR 6,055.45 Lakhs (including current maturities of INR 1,059.49 Lakhs)] carries interest in the range of 9.90% p.a to 10.40% p.a. [March 31, 2024 : 10.00% p.a. to 11.50% p.a.] The loan is repayable in 28 quarterly installments starting from March 2023 with the last instalment due on December 2029. The loan is secured by first pari-passu first charge on movable fixed assets of the Ammonia Energy Efficiency Project of the urea plant, with other participating lenders and first pari passu charge over all movable and immovable fixed assets of the Company excluding those exclusively charged to other term lenders.

1 (c) In case of a subsidiary, Term loan from a bank of INR 2,746.46 Lakhs (including current maturities of INR 479.48 Lakhs) has been reclassified as Assets/ Liabilities held for sale [March 31, 2024: INR 3,203.40 Lakhs (including current maturities of INR 476.30 Lakhs)] carries interest in the range of 9.80% p.a. to 9.90% p.a. [March 31, 2024 : 9.80% p.a. to 11.20% p.a.] The loan is repayable in 28 quarterly installments starting from January 2024 with the last instalment due on October 2030. The loan is secured by first pari-passu first charge on movable fixed assets of the Ammonia Energy Efficiency Project of the urea plant, with other participating lenders and first pari passu charge over all movable and immovable fixed assets of the Company excluding those exclusively charged to other term lenders.

1 (d) In case of subsidiary, Term loan from a bank of INR 2,419.65 Lakhs (including current maturities of INR 882.02 Lakhs) has been reclassified as Assets/ Liabilities held for sale [March 31, 2024: INR 3,288.95 Lakhs (including current maturities of INR 879.09 Lakhs)] carries interest in the range of 9.80% p.a. to 9.90% p.a. [March 31, 2024: 9.70% p.a. to 10.40% p.a.] The loan is repayable in 18 quarterly installments starting from August 2023 with the last instalment due on November 2027. The loan is secured by first pari-passu first charge over movable and immovable fixed assets of the Company, excluding those exclusively charged to other term lenders (including long term loans availed for the energy efficiency capital expenditure).

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

1 (e) In case of subsidiary, Term loan from a bank of INR 3,981.08 Lakhs (including current maturities of INR 2,492.56 Lakhs) has been reclassified as Assets/ Liabilities held for sale [March 31, 2024: INR 4,954.26 Lakhs (including current maturities of INR 992.94 Lakhs)] carries interest rate at 9.40% p.a. [March 31, 2024 : 8.95% p.a.to 10.40% p.a.] The loan is repayable in 10 quarterly installments starting from April 2024 with the last instalment due on July 2026. The loan is secured by first pari-passu first charge over movable and immovable fixed assets of the Company, excluding those exclusively charged to other term lenders (including long term loans availed for the energy efficiency capital expenditure).

1 (f) In case of subsidiary, Term loan from a bank of INR 2,297.12 Lakhs (including current maturities of INR 435.36 Lakhs) has been reclassified as Assets/ Liabilities held for sale [March 31, 2024: INR 2,477.32 Lakhs (including current maturities of INR 186.18 Lakhs)] carries interest rate at 9.60% p.a. [March 31, 2024 : 9.25% p.a. to 10.25% p.a.] The loan is repayable in 15 quarterly installments starting from September 2024 with the last instalment due on March 2028. The loan is secured by first pari-passu first charge over movable and immovable fixed assets of the Company, excluding those exclusively charged to other term lenders (including long term loans availed for the energy efficiency capital expenditure).

1 (g) In case of subsidiary, Term loan from a bank of INR 938.01 Lakhs (including current maturities of INR NIL) has been reclassified as Assets/ Liabilities held for sale [March 31, 2024: INR NIL (including current maturities of INR NIL)] carries interest rate at 8.75% p.a.. [March 31, 2024 : NIL.] The loan is repayable in 20 quarterly installments starting from June 2027 with the last instalment due on March 2032. The loan is secured by first pari-passu charge over movable fixed assets of the new 300 tpd Sulphuric Acid Plant with other participating lenders and first pari passu charge over all movable and immovable fixed assets of the Company excluding those exclusively charged to other term lenders.

2 (a) In case of subsidiary, Vehicle loans from a bank of INR 206.57 Lakhs (including current maturities of INR 61.27 Lakhs) has been reclassified as Assets/ Liabilities held for sale [March 31, 2024: INR 215.49 Lakhs (including current maturities of INR 51.75 Lakhs)] carry interest at 8.85% p.a. to 9.35% p.a. [March 31, 2024 : 8.85% p.a. to 9.35% p.a.] The loan is repayable in 36 to 60 monthly installments starting from July 2022 with the last instalment due on June 2030 and is secured by first pari-passu charge on moveable fixed assets financed by the said term loans.

2 (b) In case of subsidiary, Vehicle loans from a bank of INR 204.08 Lakhs (including current maturities of INR 55.69 Lakhs) [March 31, 2024: INR 221.55 Lakhs (including current maturities of INR 55.84 Lakhs)] carry interest at 7.40% p.a. to 9.30% p.a. [March 31, 2024 : 8.85% p.a. to 9.35% p.a.] The loan is repayable in 48 to 60 monthly installments and is secured by hypothecation of vehicles.

3 (a) In case of Parent Company, Indian rupee term loan from a financial institution of INR 3,991.25 lakhs (including current maturities of INR 2,500.00 lakhs) carries interest rate of 12% p.a (31 March 2024: INR 7,463.41 lakhs (including current maturities of INR Nil lakhs) carries interest rate of 12.00% p.a. The loan is repayable on December 2026. The loan is secured by exclusive charge over land (including structures) with minimum cover of 1.2 times and pledge of shares of its subsidiary, Mangalore Chemicals and Fertilisers Limited ("MCFL"), with a minimum share security cover of 1.10 times.

3 (b) In case of Parent Company, Indian rupee term loan from a financial institution of INR 3977.47 lakhs (including current maturities of INR Nil) carries interest rate of 12% p.a (31 March 2024: INR Nil lakhs (including current maturities of INR Nil lakhs) carries interest rate of nil. The loan is repayable on September 2027. The loan is secured by exclusive charge over land (including structures) with minimum cover of 1.3 times and pledge of shares of its subsidiary, Mangalore Chemicals and Fertilisers Limited ("MCFL"), with a minimum share security cover of 2 times.

4. In case of Parent Company, Non-Convertible Debentures of INR 4,953.82 Lakhs (including current maturities of INR 4,953.82 lakhs) [31 March 2024: INR 4,898.63 lakhs (including current maturity of INR Nil lakhs)] carries coupon rate of 11.65% p.a. are secured by pledge of shares of its subsidiary, Mangalore Chemicals and Fertilisers Limited ("MCFL"), with a minimum share security cover of 2.00 times. The debentures are redeemable in October 2025.

5. In case of Parent Company, Inter-corporate deposit of INR 7,850.00 lakhs (31 March 2024: INR 1,000.00 lakhs) carries interest rate of 12.00%-12.50% (31 March 2024: 15.00% p.a). The loan is repayable after 12 months from the date of disbursement.

In case of Parent Company, 3,33,55,907 (31 March 2024: 3,34,75,907) number of shares of Mangalore Chemicals and Fertilisers Limited are pledged as security for total secured loans taken from bank/ FI's (Refer Note 14A & 14B) including 60,50,000 shares are released subsequently.

6. In respect of Group, set out below are the carrying amounts of lease liabilities and the movements during the year:

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Opening	**10,925.13**	**9,360.86**
Additions	871.21	3,382.71
Disposal	(470.34)	(879.87)
Accretion of interest	1,021.96	1,072.76
Payments	(2,136.28)	(2,011.32)
Reclassified as assets/ liabilities held for sale	(1,860.79)	-
Closing	**8,350.89**	**10,925.13**
Current	1,037.63	1,097.54
Non-current	7,313.26	9,827.59

The maturity analysis of lease liabilities are disclosed in Note 39.

The effective interest rate for lease liabilities is 9% - 10%, with maturity between 2024-2042.

14B. Borrowings

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Current Borrowings		
Secured*		
From Banks		
Working capital demand loans (Refer Note 1 below)	6,500.00	2,000.00
Buyers/ Suppliers credit		
(The rate of Interest on buyers/ suppliers credit varies between 4.78% to 5.99% p.a. (31 March 2024 : 5.01% to 5.89% p.a.) (Refer Note 2 below)	-	10,931.19
Bills discounted		
(Local bills discounted with banks repayable over a period of 180 days at the rate of 7.05% to 7.25% p.a. (31 March 2024: 6.55% to 7.75% p.a. (Refer Note 2 below)	-	54,157.33
Current maturities of long term loans (Refer Note 14A)	7,509.51	6,125.36
From Others		
Inter-corporate deposits (Refer Note 3 below)	6,400.00	7,500.00
Unsecured		
From banks		
Indian currency short-term loans from banks (Refer Note 4 below)	-	904.88
From Others		
Inter corporate deposits		
The rate of Interest is 9.25% - 15.00 % p.a. (31 March 2024: 9.25% - 15.00 % p.a.) and are repayable over a period of 180 - 365 days	29,500.00	42,350.00
Current Maturity of Lease liabilities (Refer Note 14A)	1,037.63	1,097.54
Total	**50,947.14**	**1,25,066.30**

1. (a) In respect of the Subsidiary Company, working capital demand loan of INR 3,000 lakhs (31 March 2024: INR Nil lakhs) secured by hypothecation by way of first charge over current assets and movable fixed assets of the Company carries interest rate I-MCLR 1Y +0.40% p.a and payable in 5 equal monthly instalments (i.e., Rs 600.00 lakhs) commenced from October 2025.

   (b) In respect of the Subsidiary Company, working capital demand loan of INR 3,500 lakhs (31 March 2024: INR 2,000 lakhs) 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 carries interest rate I-MCLR 6M +1.75% p.a and payable within 90 days.

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

2. In respect of a subsidiary, Buyers/Suppliers credit facilities of INR 8607.87 lakhs has been reclassified as Assets/ Liabilities held for sale (31 March 2024 : INR 10931.19 lakhs), bill discounting of INR 32,728.55 lakhs has been reclassified as Assets/ Liabilities held for sale (31 March 2024 : INR 54,157.33 lakhs) are secured by first pari-passu charge on all current assets (both present and future) and second pari passu charge on all property, plant and equipment of the Company, excluding assets which are exclusively charged to other lenders. These facilities are repayable within 12 months period.
3. In case of Parent Company, Inter-corporate deposit of INR 6,400.00 lakhs (31 March 2024: INR 7,500.00 lakhs) carries interest rate of 12.00% - 14.00% (31 March 2024: 13.00% -14.00% p.a). The loan is repayable after 12 months from the date of disbursement and the same are secured by pledge of 1,04,00,000 No. of Equity Shares of its subsidiary, Mangalore Chemicals and Fertilisers Limited ("MCFL").
4. In respect of a subsidiary, The short-term loans are repayable over a maturity period of 45 to 180 days and carry floating interest rate of 7.92% to 8.69% p.a. has been reclassified as Assets/ Liabilities held for sale (March 31, 2024 : 7.84% to 9.48% p.a.)

15. Trade payables

(INR in lakhs)

Particulars	Non current		Current	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Trade payables				
- Outstanding dues to related parties (Refer Note 35)	-	-	7,167.91	11,585.86
- Outstanding dues to micro and small enterprises (Refer Note 31)	-	-	47.56	14,275.81
- Outstanding dues to others	-	-	8,685.25	7,976.74
Total	**-**	**-**	**15,900.72**	**33,838.41**

Trade payables ageing schedule as at 31 March 2025: **(INR in lakhs)**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	24.25	14.38	8.93	-	47.56
(ii) Others	13,597.52	374.94	1,159.41	721.29	15,853.16
Total	**13,621.77**	**389.32**	**1,168.34**	**721.29**	**15,900.72**

Trade payables ageing schedule as at 31 March 2024: **(INR in lakhs)**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	1,580.78	1.87	0.56	5.41	1,588.62
(ii) Others	30,897.92	1,228.77	92.86	78.24	32,297.79
Total	**32,478.70**	**1,230.64**	**93.42**	**83.65**	**33,886.41**

16. Other Financial Liabilities

(INR in lakhs)

Particulars	Non current		Current	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Financial liabilities at fair value through profit or loss				
Derivatives not designated as hedges				
Foreign exchange forward covers	-	-	-	4.80
Total financial liabilities at fair value through profit or loss (a)	**-**	**-**	**-**	**4.80**
Other financial liabilities at amortised cost				
Trade deposits - dealers and others				
- from others	-	-	1,862.65	7,048.12
Other deposits (earnest money)	-	-	600.00	600.00
Performance security received (Refer Note 35 & 50)	-	-	25,000.00	-
Employee benefits payable	-	-	788.89	884.49
Payable towards capital goods	-	-		
- to related parties	-	-	-	17.22
- to others	-	-	22.26	745.36
Gas pool operator payable	-	-	-	4,492.05
Interest accrued but not due on borrowings	-	-	266.51	509.83
Other interest payable*	-	-	8.33	318.68
Unclaimed dividends/Unpaid Dividends	-	-	-	145.01
Other dues	-	-	-	3,658.49
Total other financial liabilities at amortised cost (b)	**-**	**-**	**28,548.64**	**18,419.25**
Total other financial liabilities (a+b)	**-**	**-**	**28,548.64**	**18,424.05**

Foreign exchange forward contracts

While the Group entered into other foreign exchange forward contracts with the intention of reducing the foreign exchange risk of expected sales and purchases, these other contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

Terms and conditions of the above financial liabilities:

Trade payables are normally non-interest bearing. For maturity profile of trade payables and other financial liabilities, Refer Note 39.

For terms and conditions relating to related party payables, Refer Note 35.

For explanations on the Group's credit risk management processes, Refer Note 39.

Break up of financial liabilities carried at amortised cost (INR in lakhs)

Particulars	Non current		Current	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Non current borrowings (Refer Note 14A)	20,781.00	53,237.00	-	-
Current borrowings (Refer Note 14B)	-	-	50,947.14	125,066.30
Trade payables (Refer Note 15)	-	-	15,900.72	33,838.41
Other financial liabilities (Refer Note 16)	-	-	28,548.64	18,424.05
Total financial liabilities carried at amortised cost	**20,781.00**	**53,237.00**	**95,396.50**	**177,328.76**

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

17. Other Liabilities

(INR in lakhs)

Particulars	Non current		Current	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Statutory Liabilities	-	-	258.36	515.69
Contract Liabilities - Advances received from customers	-	-	3,115.64	2,206.31
Deferred income	-	17.06	-	-
Other advances	-	-	3,908.01	3,603.15
Total	**-**	**17.06**	**7,282.01**	**6,325.16**

Revenue recognized from amounts included in contract liabilities at the beginning of the year is INR 667.49 Lakhs (31 March 2024 : INR 930.92 Lakhs)

Deferred income **(INR in lakhs)**

Particulars	31 March 2025	31 March 2024
Opening	**17.06**	**34.12**
Released to the statement of profit and loss	(17.06)	(17.06)
Closing	**-**	**17.06**

18. Provisions

(INR in lakhs)

Particulars	Non current		Current	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Provision for employee benefits				
Gratuity (Refer Note 33)	-	1,563.53	-	73.47
Provision for post retirement medical benefit (Refer Note 33)	37.45	44.78	4.69	5.50
Leave encashment (unfunded)	537.29	613.28	69.46	1,090.33
Bonus	-	-	-	547.50
Total	**574.74**	**2,221.59**	**74.15**	**1,716.80**

19A. Income tax

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

Profit or loss section **(INR in lakhs)**

Particulars	31 March 2025	31 March 2024
Current income tax:		
Current income tax charge	6,278.37	4,310.00
Adjustment of tax relating to earlier years	131.10	33.30
	6,409.47	**4,343.30**
Deferred tax:		
Adjustments in respect of deferred tax of earlier years	-	-
Relating to origination and reversal of temporary differences	807.83	3,618.90
	807.83	**3,618.90**
Income tax expense reported in the statement of profit or loss	**7,217.30**	**7,962.20**

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

OCI section **(INR in lakhs)**

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

Particulars	31 March 2025	31 March 2024
Net loss/(gain) on remeasurements of defined benefit plans	186.53	120.36
Deferred tax charged/(credit) to OCI	(49.95)	(35.62)
Net (gain)/loss on equity instruments through Other Comprehensive Income	(567.36)	(1,157.95)
Deferred tax charged/(credit) to OCI	-	-

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for 31 March, 2025 and 31 March 2024

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Accounting (loss) before Income tax	30,312.90	25,057.15
Income tax rate	25.168%	25.168%
At statutory income tax rate	7,629.15	6,306.38
Adjustment in respect of tax related to earlier years	332.19	(33.30)
Tax impact of Share of profit of joint ventures	(3,783.50)	(579.81)
Non-deductible expenses for tax purposes:		
CSR expenditure	63.43	126.67
Mat Credit utilisation/ written off	794.82	-
Unrecognized deferred tax asset	1,839.82	-
Effect of higher tax rates in case of a subsidiary company	-	2,209.81
Others adjustments	341.39	(67.98)
Income tax (income)/ expense reported in the statement of profit and loss	**7,217.30**	**7,961.77**
Income tax expense reported in the statement of profit and loss	7,217.30	7,962.20
Income tax (income)/ expense reported in the statement of profit and loss	**7,217.30**	**7,962.20**

Deferred tax: **(INR in lakhs)**

Particulars	As at 31 March 2023	Provided during the year	As at 31 March 2024	Provided during the period	As at 31 March 2025
Deferred tax liability:					
Property, plant and equipment impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	12,978.59	283.83	13,262.41	(13,222.52)	39.89
Others	162.01	(27.38)	134.63	(134.63)	-
Total deferred tax liability (A)	**13,140.60**	**256.45**	**13,397.05**	**(13,357.15)**	**39.89**
Deferred tax assets:					
Provision for doubtful debts and advances	456.90	(66.85)	390.05	(344.43)	45.62
MAT credit entitlement	4,979.26	(4,184.44)	794.82	(794.82)	-
Expenses allowable in Income tax on payment basis and deposition of Statutory dues	620.00	221.86	841.86	(697.66)	144.20
Others	1,122.25	702.58	1,824.83	(1,352.02)	472.81
Total deferred tax assets (B)	**7,178.41**	**-3,326.85**	**3,851.56**	**(3,188.93)**	**662.63**
Deferred Tax Asset (B - A)	**(5,962.19)**	**(3,583.30)**	**(9,545.48)**	**10,168.22**	**622.74**
Disclosed in the Financial Statements					
Deferred Tax Assets	187.67		850.78		622.74
Deferred Tax Liabilities	(6,149.86)		(10,396.26)		-

*Including deferred tax liabilities has been reclassified as assets/ liabilities held for sale

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

The Group 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.

During the year ended 31 March, 2025, the Parent Company has made assessment regarding the recognition criteria in relation to deferred tax asset and tax balances on the basis of future profitability projections.

In respect of Subsidiary Company, Management has assessed the utilization of Minimum Alternate Tax (MAT) on the basis of future profitability projections. Further, the management also assessed it to be probable that post utilization of MAT the Company will be exercising option to pay Income Tax at reduced rates as per the provisions/conditions defined in the new Section 115BAA in the Income Tax Act, 1961, inserted vide the Taxation Laws (Amendment) Ordinance 2019.

Deferred tax on unabsorbed business losses have not been recognised to the extent there are no tax planning opportunities or other evidence of recoverability for the same in the next future.

The temporary differences associated with investments in subsidiaries and joint venture, for which a deferred tax liability has not been recognised. The Group has determined that undistributed profits of its subsidiaries and joint venture will not be distributed in the foreseeable future, until it obtains the consent from the Parent Company and all the joint venture partners respectively.

19B. Income tax assets (net)

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Income tax assets- related parties (Refer Note 35 and Note 46)	522.15	522.15
Income tax assets- others (net)	827.04	2,219.26
Total	**1,349.19**	**2,741.41**

19C. Liabilities for current tax (net)

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Income tax Liabilities- others (net)	-	1,769.46
Total	**-**	**1,769.46**

20. Revenue From Operations

(INR in lakhs)

Revenue from contracts with customers	31 March 2025	31 March 2024
Sale of products		
Finished products	323,400.00	320,964.28
Traded products	119,557.15	138,215.87
Other operating revenues		
Rendering of Services	56.18	29.72
Scrap sales	595.37	335.98
Revenue from operations	**443,608.70**	**459,545.85**

(INR in lakhs)

Timing of revenue recognition	31 March 2025	31 March 2024
Goods transferred to the customers at a point in time	443,552.52	459,516.13
Service rendered at a point in time	56.18	29.72
Total revenue from contracts with customers	**443,608.70**	**459,545.85**

(INR in lakhs)

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price	31 March 2025	31 March 2024
Revenue as per contracted price	**4,56,102.75**	**477,465.33**
Adjustments		
Discount	(12,494.05)	(17,919.48)
Revenue from contract with customers	**443,608.70**	**459,545.85**

Performance obligation

The Group 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 performance obligation is satisfied upon delivery of the goods and payment is generally due within 15 to 120 days from delivery.

The Group also recognises the subsidy income receivable from the Government of India as per New Pricing Scheme for Urea and as per Nutrient Based Subsidy Policy for Phosphatic and Potassic (P&K) fertilisers at the time of sale of goods to its customers. The Direct Benefit Transfer (DBT) Scheme entails 100% payment of subsidy to the Group on the basis of actual sales by the retailer to the beneficiary, however the performance obligation of the Group is satisfied upon delivery of the goods to its customer.

The Group does not have any other performance obligation in respect of its supply of goods to the customers.

a. Sales of Finished Products and Traded Products include Government subsidies of INR 2,23,602.39 lakhs (31 March 2024 : INR 2,53,961.62 lakhs).

b. Government of India has notified the pooling of Gas in Fertiliser (Urea) sector effective from June 2015. As per the notification domestic gas is pooled with Re-gasified Liquefied Natural Gas (RLNG) to provide natural Gas at uniform delivered price to all Natural Gas Grid connected Urea manufacturing plants.

c. The subsidy on Phosphatic and Potassic fertilizers has been accounted for as per concession price notified by the Government of India under Nutrient Based Subsidy Policy, from time to time.

d. In respect of a Subsidiary Company, during the year ended March 31, 2021 recognised urea subsidy income of INR 2,914 Lakhs without benchmarking its cost of production using naphtha with that of gas-based urea manufacturing units recently converted to natural gas, as notified by the Department of Fertilizers [DoF] for subsidy income computation, against which the Company had filed a writ petition against the DoF before the Hon'ble High Court of Delhi [DHC]. Pending finalization of writ petition before the DHC, the management, based on legal opinion and considering the fact that the energy cost is always a pass through in subsidy computation, believes that artificial benchmarking is arbitrary and discriminatory and is confident of realisation of the aforesaid subsidy income.

21. Other income

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Interest Income on		
Bank deposits	1,721.56	2,697.86
Income tax refund	16.14	-
Others	0.86	-
Dividend Income on		
Dividend income on non-current investments	10.80	10.08
Other non-operating income		
Profit on sale of property, plant and equipment	1,646.70	11,490.74
Rental income	87.72	-
Excess provision/unclaimed liabilities/unclaimed balances written back	685.07	2,304.43
Incentive under packing scheme incentive	17.06	17.06
Insurance Claims	1,112.20	-
Miscellaneous income	129.54	1,221.26
Total	**5,427.65**	**17,741.43**

Total interest income (calculated using the effective interest method) for financial assets that are not at fair value through profit or loss.

Particulars	31 March 2025	31 March 2024
In relation to Financial assets classified at amortised cost	1,721.56	2,697.86
Total	**1,721.56**	**2,697.86**

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

22. Cost of raw materials and components consumed

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Inventory at the beginning of the year	13,047.38	16,507.82
Add : Purchases	191,666.37	196,808.65
	204,713.75	**213,316.47**
Less: Inventory at the end of the year	(13,915.46)	(13,156.65)
Cost of raw materials and components consumed	**190,798.29**	**200,159.82**

23. Purchase of Stock-in-Trade

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Traded goods purchase details		
Imported Muriate of potash (IMOP)	9,570.24	11,314.78
Complex fertilisers	-	34,425.00
Pesticides	87,628.92	49,264.61
Others	1,906.06	1,312.21
Cost of traded goods purchased	**99,105.22**	**96,316.60**

24. Changes in inventories of finished goods, traded goods and work-in- progress

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Inventories at the end of the year		
Finished goods	9,057.91	2,108.05
Traded goods	16,173.60	10,239.91
Work-in-progress	2,054.62	1,610.52
	27,286.13	**13,958.48**
Inventories at the beginning of the year		
Finished goods	2,108.05	3,140.03
Traded goods	10,239.91	14,603.22
Work-in-progress	1,610.52	824.17
	13,958.48	**18,567.42**
Total	**(13,327.65)**	**4,608.94**

25. Employee Benefits Expense

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Salaries, wages and bonus	12,037.65	11,262.63
Contribution to provident and other funds (Refer Note 53)	995.50	929.06
Post-retirement medical benefit (Refer Note 33)	3.61	2.71
Gratuity expense (Refer Note 33)	271.64	263.83
Staff welfare expenses	375.17	365.10
Employee Benefits (ESOP)	159.40	266.52
Total	**13,842.97**	**13,089.85**

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

26. Finance Costs

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Interest expense	15,554.10	19,336.82
Interest on income tax	46.07	80.00
Exchange difference to the extent considered as an adjustment to borrowing cost	61.93	141.14
Other borrowing cost	1,168.67	1,567.80
Total	**16,830.77**	**21,125.76**

Total interest expense (calculated using the effective interest method) for financial liabilities that are not at fair value through profit or loss

Particulars	31 March 2025	31 March 2024
In relation to Financial liabilities classified at amortised cost	15,554.10	19,336.82
Total	**15,554.10**	**19,336.82**

27. Depreciation and amortization expense

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Depreciation of property, plant and equipment (Refer Note 3A & 3B)	9,638.31	9,134.11
Amortisation of intangible assets (Refer Note 5)	510.88	347.33
Total	**10,149.19**	**9,481.44**

28. Other expenses

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Stores and spares consumed	1,280.30	1,266.65
Power, fuel and water	76,613.25	70,725.10
Bagging and other contracting charges	1,427.74	1,384.87
Outward freight and handling charges	15,241.36	19,145.58
Rent	502.02	564.54
Rates and taxes	248.03	183.71
Insurance	1,066.91	920.52
Repairs and maintenance		
Plant & machinery	2,993.43	3,187.28
Buildings	187.94	151.15
Others	929.66	840.96
Payment to statutory auditors (Refer details below)	69.13	65.15
Provision for doubtful debts	-	1,247.13
Travelling and conveyance	1,098.27	1,159.92
Legal and professional charges	490.84	487.18
Consultants Charges	93.68	101.32
Sales promotion expenses	2,241.84	1,062.12
Foreign exchange variation (net)	387.67	693.07
Loss on disposal of property, plant and equipment	927.20	577.78
CSR expenditure (Refer details below)	307.01	398.38
Labour charges	133.06	1,268.55
Inventories Written Off	192.42	-
Miscellaneous expenses	9,924.97	4,320.54
Total	**116,356.73**	**109,751.50**

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

***Payments to statutory auditors** **(INR in lakhs)**

Particulars	31 March 2025	31 March 2024
As statutory auditors		
Audit fees	39.50	31.50
Tax audit fee	4.50	4.50
Limited review fees	13.75	13.75
In other capacity		
Other services (includes certification fees)	8.80	11.15
Reimbursement of expenses	2.58	4.25
Total	**69.13**	**65.15**

CSR Expenditure: **(INR in lakhs)**

Particulars	31 March 2025	31 March 2024
Gross amount required to be spent by the Group during the year (under Section 135 of the Companies Act, 2013)	400.42	280.80
Amount spent during the year (other than on construction/ acquisition of any asset)	307.01	377.52
Total	**307.01**	**377.52**

29. Distributions made and proposed

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Cash dividends on equity shares declared and paid:		
Final equity dividends: INR 1.50 per equity share (31 March 2024 : INR 1.50 per equity share)	817.30	817.30
Dividend distribution tax on equity dividend	-	-
	817.30	**817.30**
Proposed dividends on equity shares:		
Proposed equity dividends: INR 1.50 per equity share (31 March 2024 : INR 1.50 per equity share)	817.37	817.30
	817.37	**817.30**

Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognized as a liability as at 31 March 2025.

30. 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 Parent 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:

(INR in lakhs)

Profit/(Loss) attributable to equity holders of the Parent Company:	31 March 2025	31 March 2024
Continuing operations (INR in lakhs) (a)	16,476.54	9,982.93
Discontinued operations (INR in lakhs) (b)	-	-
Profit attributable to equity holders of the Parent Company (INR in lakhs) (c=a+b)	16,476.54	9,982.93
Weighted average number of shares used in computing earnings per share	42,058,006	42,058,006
Basic and diluted from continuing operations (in INR)	39.18	23.74
Basic and diluted from discontinued operations (in INR)	-	-
Basic and diluted from continuing and discontinued operations (in INR)	39.18	23.74
Face value per share (in INR)	10.00	10.00

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

31. Dues to Micro, Small and Medium Enterprises#

The Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act is as follows:

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
- Principal amount due to micro and small enterprises	1,673.61	1,587.95
- Interest due on above	1.54	42.72
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	Nil	Nil
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 2006	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year#	8.33	74.76
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	1.54	2.61

32. Group Information

Information about subsidiaries

The consolidated financial statements of the Group includes subsidiaries and joint ventures, listed in the table below:

(INR in lakhs)

Name of Subsidiary Company	Country of Incorporation	Ownership Interest (%)	
		31 March 2025	31 March 2024
Mangalore Chemicals and Fertilizers Limited	India	54.03%	54.03%
Zuari Farmhub Limited	India	99.54%	99.54%

(INR in lakhs)

Name of Joint Ventures	Country of Incorporation	Ownership Interest (%)	
		31 March 2025	31 March 2024
Zuari Maroc Phosphates Private Limited (ZMPPL) (including its 56.05% (31 March 24 : 56.08%) subsidiary - Paradeep Phosphates Limited)	India	50.00%	50.00%

32A. Material partly-owned subsidiary

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

(INR in lakhs)

Name	Country of Incorporation and operation	31 March 2025	31 March 2024
Mangalore Chemicals and Fertilisers Limited	India	45.97%	45.97%

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

Information regarding non-controlling interest **(INR in lakhs)**

Particulars	31 March 2025	31 March 2024
Accumulated balances of material non-controlling interest:	65,288.07	59,541.33

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Total Comprehensive Income allocated to material non-controlling interest:	6,564.04	7,092.64
Dividend distributed and paid to non-controlling interest:	817.30	817.30

The summarised financial information of the subsidiary is provided below. This information is based on amounts before inter - company eliminations.

Summarised statement of profit and loss for the year ended: **(INR in lakhs)**

Particulars	31 March 2025	31 March 2024
Revenue from operations	3,33,189.59	3,79,544.16
Other Income	3,664.74	4,126.20
Cost of raw material and components consumed	1,85,975.43	1,85,488.98
Purchases of traded goods	11,476.30	47,051.99
Change in inventories of finished goods, work-in-progress and traded goods	-7,958.93	3,483.78
Employee benefit expenses	7,147.65	6,782.89
Finance costs	7,639.58	10,492.99
Depreciation and amortization expense	7,611.68	7,157.77
Other expenses	1,04,357.93	99,144.94
Profit before tax	**20,604.69**	**24,067.02**
Income tax	6,233.42	8,585.50
Profit for the year	**14,371.27**	**15,481.52**
Other Comprehensive income/ (loss) for the year	(93.72)	(54.19)
Total comprehensive income	**14,277.55**	**15,427.33**
Attributable to non-controlling interests	6,564.04	7,092.64
Dividends paid to non-controlling interests	817.30	817.30

Summarised balance sheet as at: **(INR in lakhs)**

Particulars	31 March 2025	31 March 2024
Inventories and cash and cash equivalents	33,421.08	44,798.79
Property, plant and equipment, other non-current financial assets and other non-current assets	1,12,726.12	1,12,456.34
Trade Receivable, other financial assets and other current assets	86,998.88	85,687.94
Trade and other payable	(40,317.45)	(33,444.02)
Non current liabilities	(1,306.36)	(1,272.19)
Lease Liabilities	(1,860.79)	(1,917.55)
Interest-bearing loans and borrowing and deferred tax liabilities (non-current)	(83,193.31)	(1,12,340.99)
Total equity	**1,06,468.17**	**93,968.32**
Attributable to:		
Non-controlling interest *	65,288.07	59,541.33

*Includes impact of fair valuation at the time of acquisition of controlling stake in May 2015.

Summarised cash flow information for the year ended: **(INR in lakhs)**

Particulars	31 March 2025	31 March 2024
Operating	27,133.60	49,626.43
Investing	(9,793.85)	(8,243.71)
Financing	(39,205.04)	(46,419.73)
Net increase in cash and cash equivalents	**(21,865.29)**	**(5,037.01)**

32B. Material partly-owned subsidiary

(INR in lakhs)

Name	Country of Incorporation and operation	31 March 2025	31 March 2024
Zuari Farmhub Limited	India	99.54%	99.54%

The summarised financial information of the subsidiary is provided below. This information is based on amounts before inter - company eliminations.

Summarised statement of profit and loss for the year ended: **(INR in lakhs)**

Particulars	31 March 2025	31 March 2024
Revenue from operations	1,10,735.83	78,167.61
Other Income	283.18	372.05
Cost of raw material and components consumed	2,203.46	9,163.23
Purchases of traded goods	92,670.72	55,629.10
Change in inventories of finished goods, work-in-progress and traded goods	(6,354.16)	(508.71)
Employee benefit expenses	6,179.71	5,998.17
Finance costs	1,349.73	1,251.33
Depreciation and amortization expense	1,937.10	1,713.15
Other expenses	9,565.02	7,115.33
(Loss) before tax	**3,467.43**	**(1,821.94)**
Income tax	852.78	(623.30)
(Loss) for the year	**2,614.65**	**(1,198.64)**
Other Comprehensive income/ (loss) for the year	-54.61	(19.34)
Total comprehensive (loss)	**2,560.04**	**(1,217.98)**

Summarised balance sheet as at: **(INR in lakhs)**

Particulars	31 March 2025	31 March 2024
Inventories and cash and cash equivalents	20,164.58	15,825.65
Property, plant and equipment, other non-current financial assets and other non-current assets	15,927.28	16,895.61
Trade Receivable, other financial assets and other current assets	15,225.53	7,310.17
Trade and other payable	(23,372.88)	(18,242.33)
Non current liabilities	(512.01)	(902.51)
Lease Liabilities	(8,351.12)	(9,007.58)
Interest-bearing loans and borrowing and deferred tax liabilities (non-current)	(6,704.48)	(2,221.55)
Total equity	**12,376.90**	**9,657.46**

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

Summarised cash flow information for the year ended: **(INR in lakhs)**

Particulars	31 March 2024	31 March 2023
Operating	595.78	(484.67)
Investing	(312.07)	(1,236.44)
Financing	2,071.71	35.33
Net increase/ (decrease) in cash and cash equivalents	**2,355.42**	**(1,685.78)**

32C. Interest in Joint Ventures

a) Zuari Maroc Phosphate Private Limited

The Group has a 50% interest in Zuari Maroc Phosphate Private Limited, a joint venture engaged in the business as an investment company and to acquire and hold and otherwise deal in shares, stocks, debentures. The Group's interest in Zuari Maroc Phosphates Private Limited is accounted for using the equity method in the consolidated financial statements.

Summarised financial information of the joint venture, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Summarised balance sheet as at: **(INR in lakhs)**

Particulars	31 March 2025	31 March 2024
Current assets, including cash and cash equivalents: INR 87,428.21 lakhs (31 March 2024 : INR 9,121.40 lakhs)	7,42,938.03	5,80,920.12
Non-current assets, including advance tax: INR 5,286.19 lakhs (31 March 2024 : INR 5,956.78 lakhs)	4,38,321.40	4,26,487.64
Current liabilities	(6,22,792.21)	(5,24,311.76)
Non controlling Interest	(1,79,210.10)	(1,56,542.05)
Non-current liabilities, including borrowing: INR 87,103.42 lakhs (31 March 2024 : INR 67,650.58 lakhs)	(1,10,355.37)	(87,654.44)
Equity	**2,68,901.75**	**2,38,899.51**
Proportion of the Group's ownership	50%	50%
Proportionate value the Group's ownership	1,34,450.88	1,19,449.76
Add: Capital reserve provided in consolidation	923.82	923.82
Add: Adjustment on account of sale of equity shares	-	-
Less: ESOP Reserve	(38.00)	(38.00)
Less: Elimination of unrealised profit on closing inventory	(408.40)	(408.40)
Carrying amount of the investment in consolidation	**1,34,928.30**	**1,19,927.18**

Summarised statement of profit and loss for the year ended: **(INR in lakhs)**

Particulars	31 March 2025	31 March 2024
Revenue from operations	13,88,904.86	11,59,421.98
Other income	11,483.59	7,063.11
Cost of raw material and components consumed	(8,66,041.19)	(7,60,903.84)
Purchases of traded goods	(1,72,110.24)	(1,07,185.07)
Changes in inventories of finished goods, traded goods and work in progress	8,265.18	(33,431.87)
Depreciation and amortization expense	(24,910.05)	(21,067.03)
Finance costs	(36,269.46)	(36,620.37)
Employee benefits expense	(25,181.23)	(22,978.77)
Other expense	(2,08,434.80)	(1,69,970.48)
Profit before share of loss from associate and tax	**75,706.66**	**14,327.66**
Share of loss from associate	(71.79)	66.70

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Profit before tax	**75,634.87**	**14,394.36**
Income tax expense	21,319.14	5,327.44
Profit for the year	**54,315.73**	**9,066.92**
Other comprehensive (loss) / income	-357.46	(250.97)
Total comprehensive income for the year	**53,958.27**	**8,815.95**
Share of non controlling interest in total comprehensive income	24,092.71	4,277.61
Total comprehensive income	**29,865.56**	**4,538.34**
Proportion of the Group's ownership	50%	50%
Group's share of total comprehensive income for the year before profit elimination	**14,932.78**	**2,269.17**
Less: Elimination of unrealised profit on closing inventory	-	(35.77)
Group's share of total comprehensive income for the year	**14,932.78**	**2,233.40**

Contingent Liabilities and Capital Commitments* (INR in lakhs)

Particulars	31 March 2025	31 March 2024
Claims/demand raised by Government Authorities**		
a. Claims/demand raised by Income Tax Authorities	1,414.21	108.97
b. Claims/demand raised by Sales Tax Authorities	2,774.24	7,421.13
Other Claims against the Company not acknowledged as debts**	8,107.35	7,574.90
Estimated amount of contracts remaining to be executed on capital account not provided for	12,312.06	7,471.48

* Being share of the Group in the Joint Company.

**Based on discussions with the solicitors / favourable decisions in similar cases / legal opinions taken by the Group, the management believes that the Group has a good chance of success in the above mentioned cases and hence, no provision is considered necessary. The above has been compiled based on the information and records available with the Group.

33. Gratuity and other post-employment benefit plans

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
- Gratuity Plan- Asset/ (Liability)	(840.81)	(1,254.32)
- Provident Fund -Asset*	-	44.37
- Post Retirement Medical Benefit Plan - (Liability)	(42.55)	(50.69)
Total	**(883.36)**	**(1,260.65)**

* During the year, the Parent Company along with Zuari Industries Limited (Related party of the company) has surrendered its exemption to hold contribution in Employees' Provident Fund Trust of the Company (Zuari Industries Limited Employee Provident Fund Trust – ZIL EPF Trust) to Employees' Provident Fund Organisation (EPFO) based on the statutory obligation as at January 31, 2025 by availing the option of depositing entire corpus of Zuari Industries Limited Employee Provident Fund trust in liquid cash to EPFO.

Till 31st January, 2025 Plan assets of INR Nil (31 March 2024 : INR 44.37 lakhs) have not been recognised in the financial statements, as the surplus of the trust, is distributable among the beneficiaries of the provident fund trust. The above includes amount contributed by Zuari Industries Limited (related party of the Parent Company).

W.e.f. 31st January, 2025 due to surrender of exemption of Zuari Industries Limited Employee Provident Fund Trust to the Employees' Provident Fund Organization (EPFO), Government of India, the Parent Company has no obligation other than the contribution payable to the Provident Fund. The Parent Company recognizes contribution payable to the Provident Fund scheme as an 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.

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

a) Gratuity

Gratuity (being administered by a Trust) 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 for the Group 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 Group makes provision of such gratuity asset/liability in the books of account on the basis of actuarial valuation carried out by an independent actuary.

b) Provident Fund

As per Ind-AS 19, Employee Benefits, provident funds setup by employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan. Actuarial valuation of Provident Fund was carried out in accordance with the guidance note issued by Actuary Society of India.

During the year, the Parent Company along with Zuari Industries Limited (Related party of the Parent company) has surrendered its exemption to hold contribution in Employees' Provident Fund Trust of the Company (Zuari Industries Limited Employee Provident Fund Trust – ZIL EPF Trust) to Employees' Provident Fund Organisation (EPFO) based on the statutory obligation as at January 31, 2025 by availing the option of depositing entire corpus of Zuari Industries Limited Employee Provident Fund trust in liquid cash to EPFO.

W.e.f. 31st January, 2025 due to surrender of exemption of Zuari Industries Limited Employee Provident Fund Trust to the Employees' Provident Fund Organization (EPFO), Government of India, the Parent Company has no obligation other than the contribution payable to the Provident Fund. The Parent Company recognizes contribution payable to the Provident Fund scheme as an 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.

As per the arrangement, the Trust has liquidated the investment portfolio and other assets from Zuari Industries Limited Employee Provident Fund Trust and the shortfall/ deficit between the value of investment portfolio held by ZIL EPF Trust and ZIL EPF Trust obligation to EPFO was made good by the Companies. Accordingly, net loss of INR 176.18 lakhs (94.54% share of the company) is accounted under Employee benefit expenses in the financial statements for the year ended March 31, 2025 and the past accumulations of PF contributions (with interest) as on 31st January, 2025 amounting to INR 1174.07 Lakhs transferred to EPFO.

c) Post Retirement Medical Benefit Plan

The Parent Company has a defined benefit post retirement medical benefit plan, for its employees. The Parent Company provides medical benefit to those employees who leave the services of the Parent Company on retirement. As per the plan, retired employee and the spouse will be covered till the age of 85 years and the dependent children till they attain the age of 25 years. In case of death of retired employee, the spouse will be covered till the age of 85 years and the dependent children till they attain the age of 25 years. The plan is not funded by the Parent Company.

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:

Net employee benefits expense (recognized in Employee Cost) for the year **(INR in lakhs)**

Particulars	Gratuity	
	31 March 2025	31 March 2024
Current Service Cost	159.08	150.59
Net Interest Cost	147.73	125.43
Return on plan assets	(27.93)	(5.73)
Total	**278.88**	**270.29**

(INR in lakhs)

Particulars	Post Retirement Medical Benefit Plan	
	31 March 2025	31 March 2024
Net Interest Cost	3.61	2.71
Total	**3.61**	**2.71**

Amount recognised in other comprehensive income for the year **(INR in lakhs)**

Particulars	Gratuity	
	31 March 2025	31 March 2024
Actuarial (gain)/ loss		
- change in demographic and financial assumptions	178.51	(31.81)
- experience variance (i.e. Actual experience vs assumptions)	33.34	(33.24)
Return on plan assets (excluding amounts included in net interest expense)	(12.59)	3.69
Total	**199.26**	**(61.36)**

(INR in lakhs)

Particulars	Post Retirement Medical Benefit Plan	
	31 March 2025	31 March 2024
Re-measurement (or Actuarial) (gain) / loss arising from :		
- change in demographic assumptions	-	-
- change in financial assumptions	0.83	0.64
- experience variance (i.e. Actual experiences assumptions)	(12.58)	10.57
Total	**(11.75)**	**11.21**

Changes in the present value of the defined benefit obligation for the year:
Gratuity: **(INR in lakhs)**

Particulars	31 March 2025	31 March 2024
Opening defined obligation	**1,885.30**	**1,724.72**
Current service cost	159.08	170.10
Interest cost	147.73	145.18
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	61.16	49.87
- change in financial assumptions	117.35	55.18
- experience variance (i.e. Actual experiences assumptions)	33.34	3.89
Benefits paid	(312.88)	(284.56)
Net transfer liability in	-	24.18
Net transfer liability out	-	(3.25)
Defined benefit obligation	**2,091.08**	**1,885.30**

Provident Fund: **(INR in lakhs)**

Particulars	31 March 2025	31 March 2024
Opening defined obligation*	**10,125.20**	**11,054.14**
Current service cost	-	45.85
Interest cost	-	751.80
Contributions by Employee/ plan participants	-	59.63
Benefits Paid out of funds	-	(2,021.11)
Re-measurement (or Actuarial) (gain)/ loss arising from :		
- experience variance	-	216.71
- change in financial assumptions	-	28.15
Settlements / transfer in	(10,125.20)	(9.97)
Defined benefit obligation	**-**	**10,125.20**

*Also Refer Note no. 53

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

Post Retirement Medical Benefit Plan: **(INR in lakhs)**

Particulars	31 March 2025	31 March 2024
Opening defined obligation	**50.69**	**36.77**
Interest cost	3.61	2.71
Re-measurement (or Actuarial) (gain) / loss arising from :		
- change in demographic assumptions	-	-
- change in financial assumptions	0.83	0.64
- experience variance (i.e. Actual experiences assumptions)	(12.58)	10.57
Defined benefit obligation	**42.55**	**50.69**

Changes in the fair value of plan assets for the year ended:
Gratuity: **(INR in lakhs)**

Particulars	31 March 2025	31 March 2024
Opening fair value of plan assets	**630.97**	**414.95**
Interest income	6.18	6.16
Return on plan assets (excluding amounts included in net interest expense) - OCI	22.39	6.37
Contribution by Employer	671.70	276.14
Benefits paid	(176.02)	(158.79)
Transfer In/(Out)	82.45	82.45
Actuarial gain/(loss)	12.59	3.69
Service cost (Transfer in/Out)	-	-
Closing fair value of plan assets	**1,250.26**	**630.97**

Provident Fund: **(INR in lakhs)**

Particulars	31 March 2025	31 March 2024
Opening fair value of plan assets*	**10,169.57**	**11,071.50**
Interest income	-	753.37
Return on plan assets (excluding amounts included in net interest expense) - OCI	-	263.10
Employer Contribution	-	44.69
Plan participants/ Employee contribution	-	59.63
Benefits paid	-	(2,021.11)
Settlements / Transfer in	(10,169.57)	(1.62)
Closing fair value of plan assets	**-**	**10,169.57**

*Also Refer Note no. 53

Gratuity: **(INR in lakhs)**

Particulars	31 March 2025	31 March 2024
Investment with insurer (Life Insurance Corporation of India)	1,010.84	474.01

Provident Fund (Managed Through Trust) **(INR in lakhs)**

Particulars	31 March 2025	31 March 2024
Equities and related investments	-	732.21
Other Government Securities	-	4,444.10
Other Debt instruments	-	4,993.26
Others	-	0.01

The overall expected rate of return is determined based on the market prices prevailing at that date, applicable to the year over which the obligation is to be settled. These rates are change different from the actual rate of return during the current year.

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

Investment pattern in plan assets: **(INR in lakhs)**

Particulars	Gratuity		Provident fund	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Funds managed by insurance companies	100%	100%	0%	0%
Funds managed by trust	0%	0%	0%	100%

* As the provident fund trust has surrendered to EPFO by Parent Company

The principal assumptions used in determining benefit obligation for the Group's plans are shown below:

Particulars	Gratuity		Provident Fund		Post Retirement Medical Benefit Plan	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Discount rate (in %)	6.80%	7.20%	N.A.	7.20%	6.80%	7.20%
Salary Escalation (in %)	8% for first 2 years and 6.5% there after	8% for first 2 years and 6.5% there after	N.A.	-	-	-
Mortality rate(Upto Normal Retirement Age)	100%	100%	N.A.	100%	100% of IALM 2012-14	100% of IALM 2012-14
Withdrawal rate (per annum)	1%-3%	1%-3%	N.A.	1%-3%	-	-

* As the provident fund trust has surrendered to EPFO by Parent Company

A quantitative sensitivity analysis for significant assumption for the Group is as shown below:
Gratuity Plan (in case of parent company)

	31 March 2025		31 March 2025		31 March 2025		31 March 2025	
Assumptions	**Discount rate**		**Future salary increases**		**Attrition rate**		**Mortality rate (in %)**	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease	50% increase of attrition rate	50% decrease of attrition rate	10% increase of mortality rate	10% decrease of mortality rate
	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs
Defined benefit obligation	(3.19)	3.70	3.67	(3.22)	(0.04)	0.05	-	0.00

	31 March 2024		31 March 2024		31 March 2024		31 March 2024	
Assumptions	**Discount rate**		**Future salary increases**		**Attrition rate**		**Mortality rate (in %)**	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease	50% increase of attrition rate	50% decrease of attrition rate	10% increase of mortality rate	10% decrease of mortality rate
	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs
Defined benefit obligation	(2.57)	2.96	2.94	(2.60)	0.01	(0.03)	0.00	(0.01)

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

Gratuity Plan (in case of a subsidiary-Mangalore Chemicals and Fertilizers Limited)

Assumptions	31 March 2025 Discount rate		31 March 2025 Future salary increases		31 March 2025 Attrition rate		31 March 2025 Mortality rate (in %)	
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs
Defined benefit obligation	(75.19)	81.73	81.26	(75.44)	1.76	(2.01)	0.10	(0.10)

Assumptions	31 March 2024 Discount rate		31 March 2024 Future salary increases		31 March 2024 Attrition rate		31 March 2024 Mortality rate (in %)	
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs
Defined benefit obligation	(64.65)	70.23	69.98	(64.99)	4.81	(5.38)	0.25	(0.25)

Gratuity Plan (in case of a subsidiary-Zuari Farmhub Limited)

Assumptions	31 March 2025 Discount rate		31 March 2025 Future salary increases		31 March 2025 Attrition rate	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease	50% increase of attrition rate	50% decrease of attrition rate
	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs
Defined benefit obligation	(538.93)	664.49	654.74	(544.19)	611.50	(584.53)

Assumptions	31 March 2024 Discount rate		31 March 2024 Future salary increases		31 March 2024 Attrition rate	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease	50% increase of attrition rate	50% decrease of attrition rate
	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs
Defined benefit obligation	(491.84)	602.28	596.40	(495.58)	543.42	(540.69)

A quantitative sensitivity analysis for significant assumption for the Group is as shown below:

Provident Fund

Assumptions	31 March 2025 Interest Rate Guarantee	
Sensitivity Level	NA	NA
	INR in lakhs	INR in lakhs
Defined benefit obligation	NA	NA

Assumptions	31 March 2024 Interest Rate Guarantee	
Sensitivity Level	1% increase	1% decrease
	INR in lakhs	INR in lakhs
Defined benefit obligation	320.98	(167.86)

* As the provident fund trust has surrendered to EPFO by Parent Company

Post Retirement Medical Benefit Plan

Assumptions	31 March 2025		31 March 2024	
	Discount rate		Mortality rate (in %)	
Sensitivity Level	1% increase	1% decrease	10% increase of mortality rate	10% decrease of mortality rate
	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs
Defined benefit obligation	(2.47)	2.62	(1.18)	1.18

Assumptions	31 March 2024		31 March 2024	
	Discount rate		Mortality rate (in %)	
Sensitivity Level	1% increase	1% decrease	10% increase of mortality rate	10% decrease of mortality rate
	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs
Defined benefit obligation	(2.95)	3.12	(1.42)	1.40

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

Maturity Profile of Defined benefit obligation:

Expected cash flows over the next (valued on undiscounted basis):

Particulars	Gratuity		Post Retirement Medical Benefit Plan	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs
Within the next 12 months (next annual reporting period)	306.79	282.80	5.50	5.50
Between 1 and 5 years	557.18	619.52	19.47	19.47
Between 5 and 10 years	951.68	860.30	17.88	17.88
Beyond 10 years	3,472.24	3,242.56	17.53	17.53

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (31 March 2024 : 10 years).

34. Commitments and contingencies

A. Contingent liabilities:

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
I Demands / Claims from Government Authorities		
(A) Demands from Income Tax Authorities		
1 Demand in respect of assessment year 2018-19 for disallowances of depreciation on Goodwill and claim u/s 115JB(2C)	12.95	12.95
2 Income-tax advance to Zuari Industries Limited against earlier years demand pertains to Fertiliser Business in relation to Demerger happened in financial year 2011-12	522.16	522.16
3 Demands in respect of assessment year 2020-21 for disallowance of Interest, disallowance under section 14A, advances written off & depreciation disallowance for which an appeal is pending with CIT (Appeals)	636.32	636.32

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(INR in lakhs)

Particulars		31 March 2025	31 March 2024
4	Demands in respect of assessment year 2022-23 for disallowance of Interest u/s 36(1)(iii), addition on account of LTCG & addition u/s 50C.	4,102.53	4,102.53
5	Disputed income tax liability in respect of a subsidiary company for Assessment Year 2014-15	358.04	358.04
6	Disputed income tax liability in respect of a subsidiary company for Assessment Year 2022-23	96.31	96.31
7	Disputed income tax liability in respect of a subsidiary company for Assessment Year 2023-24	14.61	-
(B)	**Demands from Sales Tax and Other Authorities**		
1	Demand Notice from Commercial Tax Department, Maharashtra towards suppression of sale, disallowance of ITC on purchases for the year 2016-17	290.36	290.36
2	Demand Notice from Commercial Tax Department, Maharashtra towards suppression of sale, disallowance of ITC on purchases & non submission of supporting documents for F Form for the year 2017-18	15.27	15.27
3	Demand notice from UP State GST Department for disallowance of ITC availed for FY 2017-18 to 2020-21	35.95	90.94
4	Demand notice from Maharashtra GST Department for disallowance of ITC availed for FY 2017-18	46.14	47.63
5	Demand notice from Telagana GST Department for disallowance of ITC availed for FY 2017-18	34.83	34.83
6	Demand notice from Assam GST Department for disallowance of ITC availed for FY 2018-19 & 2019-20	15.38	15.38
7	Demand notice from West Bengal GST Department for disallowance of ITC availed for FY 2017-18 to 2018-19	11.28	11.28
8	Demand notice from Chattisgarh GST Department for disallowance of ITC availed for FY 2017-18	33.24	33.24
9	Demand notice from Bihar GST Department for disallowance of ITC availed for FY 2018-19	31.55	31.55
10	Demand notice from Odisha GST Department for disallowance of ITC availed for FY 2017-18 & FY 2019-20	11.88	10.29
11	Demand notice from Haryana GST Department for disallowance of ITC availed for FY 2017-18	9.13	9.13
12	Demand notice from Custom Department for Short levy of import duty on goods for FY 2019-20	0.45	-
13	Demand notice from Commissioner of Central Excise towards classification of micronutrients for the period April 2012 to March 2016 in respect of subsidiary company	638.96	638.96
14	Demand notice from Authority on Advance Ruling(AAR), Bangalore towards entry tax on DG sets, WHRB and auxiliaries for the period January 2012 to July 2014 in respect of subsidiary company	-	382.70
15	Disputed customs duty liability under appeal by a subsidiary company before CESTAT	409.03	499.63
16	Classification dispute of Outdoor catering service as “Man Power Supply” and demanding service tax thereon for financial year 2014-15 in respect of subsidiary company	9.27	9.27

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
17 Service tax payable under Reverse Charge Mechanism on Transportation of Micronutrients classifying them as non fertilisers for financial year 2013-14, 2014-15 and 2015-16 in respect of subsidiary company	6.22	6.22
II Other claims against the Group not acknowledged as debts*		
1 Claims against the Group not acknowledged as debts	346.66	1,414.56

* Based on discussions with the solicitors/ favourable decisions in similar cases/ legal opinions taken by the Group, the management does not expect these claims to succeed and hence, no provision there against is considered necessary.

III Financial Guarantees: **(INR in lakhs)**

Particulars	31 March 2025	31 March 2024
Aggregate amount of guarantees issued by the banks to various Government Authorities and Others**	1,285.52	1,184.16

** In respect of Parent Company, Bank guarantees of INR 84.21 lakhs (31 March 2024 : INR 126.00 lakhs) are secured by a 100% cash margin.

IV Commitments: **(INR in lakhs)**

Particulars	31 March 2025	31 March 2024
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	18,910.01	19,703.49

35. 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 exits and with whom transactions have taken place during reported periods are:

(i) Joint ventures of the Group

1) Zuari Maroc Phosphates Private Limited
2) Paradeep Phosphates Limited – Subsidiary of Zuari Maroc Phosphates Private Limited

(ii) Key management personnel of the Group

1) Mr. Saroj Kumar Poddar - Chairman, Non-Executive Director
2) Mr. Nitin M Kantak - Executive Director
3) Mr. Akshay Poddar - Non-Executive Director
4) Mr. Dipankar Chatterji - Independent Director
5) Ms. Reena Suraiya - Independent Director
6) Mr. Amandeep - Independent Director
7) Mr. Sanjeev Lall - Independent Director
8) Mr. Athar Shahab - Non Executive Director
9) Mr. Manish Malik - Chief Financial Officer
10) Mr. Manoj Dere - Company Secretary (Up to 30 September 2024)
11) Ms. Asheeba Pereira - Company Secretary (w.e.f. 01 October 2024)

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(iii) Parties having significant influence

1) Zuari Industries Limited (formerly Zuari Global Limited)
2) Indian Furniture Products Limited (IFPL)
3) Forte Furniture Products (India) Private Limited (Joint Venture of Zuari Global Limited)
4) Simon India Limited
5) Zuari Management Services Limited
6) Zuari Infraworld India Limited
7) Zuari Finserv Limited
8) Zuari International Limited (formerly Zuari Investments Limited)
9) Zuari Iav Private Limited (formerly Zuari Indian Oil Tanking Private Limited) {Joint Venture of Zuari Industries Limited}
10) Adventz Finance Private Limited

(iv) Details of Post employment benefit plans managed through separate trusts (para 9 (b) (v) of Ind AS 24)

1) Zuari Industries Limited Employee Provident Fund
2) Zuari Industries Limited Senior Staff Superannuation Fund
3) Zuari Industries Limited Non Management Employees Pension Fund
4) Zuari Industries Limited Gratuity Fund
5) MCF Ltd Employees Gratuity Fund Trust ("MCF Gratuity Trust")
6) MCF Ltd Employees Superannuation Trust ("MCF Superannuation Trust")

Following transactions were carried out amongst the related parties in the ordinary course of business for the year ended :-#

(INR in lakhs)

S. No.	Transaction details	31 March 2025			31 March 2024		
		Joint Ventures	Enterprises having Significant Influence	Key Management Personnel	Joint Ventures	Enterprises having Significant Influence	Key Management Personnel
1	**Expenses incurred on their behalf**						
	- Paradeep Phosphates Limited	-	-	-	121.56	-	-
2	**Expenses incurred on our behalf**						
	- Paradeep Phosphates Limited	51.26	-	-	18.62	-	-
	- Zuari Industries Limited	-	34.92	-	-	5.16	-
	- Adventz Finance Private Limited	-	12.05	-	-	-	-
3	**Service charges paid**						
	- Zuari Management Services Limited	-	1,478.84	-	-	1,685.05	-
	- Zuari Finserv Limited	-	7.94	-	-	21.68	-
4	**Transfer of employee benefits**						
	- Paradeep Phosphates Limited	-	-	-	6.38	-	-
5	**Purchase of traded goods**						
	- Paradeep Phosphates Limited	23,191.83	-	-	20,620.04	-	-
6	**Purchase of raw materials**						
	- Paradeep Phosphates Limited	-	-	-	4,617.41	-	-
7	**Rebate received on purchase of traded goods**						
	- Paradeep Phosphates Limited	18,941.11	-	-	12,302.50	-	-
	- Zuari Maroc Phosphates Private Limited	6,884.06	-	-	1,910.00	-	-

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(INR in lakhs)

S. No.	Transaction details	31 March 2025			31 March 2024		
		Joint Ventures	Enterprises having Significant Influence	Key Management Personnel	Joint Ventures	Enterprises having Significant Influence	Key Management Personnel
8	**Sale of finished goods**						
	- Paradeep Phosphates Limited	1,261.70	-	-	114.89	-	-
9	**Sale of Traded Goods**						
	- Paradeep Phosphates Limited	5,905.85	-	-	-	-	-
10	**Sales Promotion expenses**						
	- Paradeep Phosphates Limited	1,583.96	-	-	-	-	-
11	**Other expenses**						
	- Zuari International Limited	-	0.39	-	-	-	-
	- Lionel India Limited	-	362.33	-	-	256.26	-
12	**Interest paid**						
	- Paradeep Phosphates Limited (net of reversal of INR 498.31 lakhs (31 March 2024 : INR Nil lakhs))	(318.35)	-	-	262.71	-	-
13	**Inter corporate deposits taken**						
	- Adventz Finance Private Limited	-	8,500.00	-	-	10,000.00	-
14	**Inter corporate deposits paid**						
	- Adventz Finance Private Limited	-	10,000.00	-	-	10,000.00	-
	- Zuari Industries Limited	-	1,200.00	-	-	1,450.00	-
	- Zuari Management Services Limited	-	4,800.00	-	-	4,550.00	-
15	**Interest paid on Inter corporate deposits**						
	- Zuari Industries Limited	-	3,531.97	-	-	4,397.79	-
	- Zuari Management Services Limited	-	689.49	-	-	1,046.19	-
	- Adventz Finance Private Limited	-	886.13	-	-	912.46	-
16	**Rent paid**						
	- Adventz Finance Private Limited	-	-	-	-	10.70	-
	- Simon India Limited	-	6.54	-	-	6.00	-
17	**Rent received**						
	- Paradeep Phosphates Limited	0.40	-	-	51.10	-	-
18	**Dividend paid**						
	- Mr. Akshay Poddar	-	-	21.04	-	-	21.04
	- Zuari Industries Limited	-	4.59	-	-	4.59	-
	- Adventz Finance Private Limited	-	65.25	-	-	65.25	-
19	**Advance received against sale of land**						
	- Paradeep Phosphates Limited	-	-	-	346.45	-	-
20	**Purchases for PPE**						
	- Zuari Infraworld India Limited	-	4.80	-	-	25.20	-
21	**Sale for PPE**						
	- Paradeep Phosphates Limited	1,205.00	-	-	-	255.00	-
22	**Miscellaneous**						
	- Paradeep Phosphates Limited	18.52	-	-	-	-	-

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(INR in lakhs)

S. No.	Transaction details	31 March 2025			31 March 2024		
		Joint Ventures	Enterprises having Significant Influence	Key Management Personnel	Joint Ventures	Enterprises having Significant Influence	Key Management Personnel
23	**Performance Security received**						
	- Zuari Maroc Phosphates Private Limited	25,000.00	-	-	-	-	-
24	**Contribution to Gratuity Fund**	-	671.12	-	-	280.25	-
25	**Contribution to Superannuation Fund**	-	82.17	-	-	74.42	-
26	**Contribution to Provident Fund**	-	19.38	-	-	24.98	-
27	**Contribution to Contributory Pension Fund**						
	(including employees contribution)	-	4.48	-	-	4.82	-

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. Interest is charged as per terms of the contract with the related parties which is at arm's length. The net outstanding balances are settled generally in cash.

There have been no guarantees provided or received for any related party receivables or payables.

Compensation of key management personnel of the group*

Particulars	**31 March 2025**	**31 March 2024**
	(INR in lakhs)	**(INR in lakhs)**
Short-term employee benefits	803.16	763.32
Retirement benefits	3.76	76.10
Sitting Fee	59.41	57.30
Total compensation paid to key management personnel	**866.33**	**896.72**

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

Balance Outstanding as on :# (INR in lakhs)

S. No.	Transaction details	31 March 2025			31 March 2024		
		Joint Ventures	Enterprises having Significant Influence	Key Management Personnel	Joint Ventures	Enterprises having Significant Influence	Key Management Personnel
1	**Trade payables :**						
	- Zuari Management Services Limited	-	142.86	-	-	91.36	-
	- Paradeep Phosphates Limited	7,055.21	-	-	10,397.16	-	-
	- Zuari Finserv Limited	-	0.33	-	-	13.64	-
	- Lionel India Limited	-	15.31	-	-	15.64	-
	- Zuari Infraworld India Limited	-	-	-	-	17.22	-
	- Simon India Limited	-	-	-	-	6.48	-
2	**Trade receivable/ Other receivable :**						
	- Lionel India Limited	-	2.40	-	-	-	-
	- Paradeep Phosphates Limited	2,200.14	-	-	-	-	-
	- Zuari Industries Limited	-	24.13	-	-	20.71	-

Balance Outstanding as on :# **(INR in lakhs)**

S. No.	Transaction details	31 March 2025			31 March 2024		
		Joint Ventures	Enterprises having Significant Influence	Key Management Personnel	Joint Ventures	Enterprises having Significant Influence	Key Management Personnel
3	**Capital advance :**						
	- Indian Furniture Products Limited	-	155.57	-	-	155.10	-
	- Paradeep Phosphates Limited	-	-	-	1,191.45	-	-
4	**Advance given for income tax liability :**						
	- Zuari Industries Limited	-	522.16	-	-	522.16	-
5	**Inter corporate deposits:**						
	- Zuari Industries Limited	-	27,350.00	-	-	28,550.00	-
	- Zuari Management Services Limited	-	-	-	-	4,800.00	-
	- Adventz Finance Private Limited	-	8,500.00	-	-	10,000.00	-
6	**Interest payable :**						
	- Paradeep Phosphates Limited	-	-	-	318.34	-	-
7	**Performance Security**						
	- Zuari Maroc Phosphate Private Limited	25,000.00	-	-	-	-	-
8	**Gratuity fund balance :**	-	86.54	-	-	85.90	-
9	**Provident fund balance* :**	-	-	-	-	10,169.58	-

*Includes amount contributed by Zuari Industries Limited (related party of the Parent Company).

36. Segment Information:

Information regarding primary segment reporting as per Ind AS-108

The Group is engaged in the business of manufacturing, trading and marketing of seeds, pesticides, chemical fertilizers and fertilizer products which according to the management, is considered as the only business segment.

Accordingly, no separate segmental information has been provided herein.

Geographical Segments

The Group 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.

Revenue from single customer i.e. Government of India amounted to INR 2,23,602.39 lakhs (31 March 2024 : INR 2,53,961.62 lakhs) arising from sales in the fertilizers segment.

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

37. Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(INR in lakhs)

Particulars	Carrying value		Fair value	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Financial assets				
Investments:				
Investment in quoted equity share at FVTOCI	-	-	-	-
Investment in unquoted equity share at FVTOCI	7,093.44	6,526.08	7,093.44	6,526.08
Investment in mutual fund	-	-	-	-
Others:				
Employee loans and interest thereon	0.70	1.08	0.70	1.08
Security deposits	1,223.19	1,227.63	1,223.19	1,227.63
Foreign exchange forward covers	26.62	1.54	26.62	1.54
Packing scheme incentive grant receivable	91.10	91.10	91.10	91.10
Other financial assets	360.05	897.18	360.05	897.18
Total financial assets	**8,795.10**	**8,744.61**	**8,795.10**	**8,744.61**
Financial Liabilities				
Borrowings				
Long term borrowings	36,558.79	43,409.41	36,558.79	43,409.41
Short term borrowings	99,085.44	123,968.76	99,085.44	123,968.76
Others:				
Foreign exchange forward covers	43.79	4.80	43.79	4.80
Performance security received	25,000.00	-	25,000.00	-
Other financial liabilities	18,437.22	18,419.25	18,437.22	18,419.25
Total financial liabilities	**179,125.24**	**185,802.22**	**179,125.24**	**185,802.22**

The management assessed that cash and cash equivalents, trade receivables and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

Borrowings are primarily Indian domestic long-term rupee loans wherein interest rates are linked to benchmark rates (Marginal Cost of Lending Rates/Prime Lending Rates) of respective lenders. These benchmark rates are determined based on cost of funds of the lenders, as well as, market rates. The benchmark rates are periodically revised by the lenders to reflect prevalent market conditions. Accordingly, effective cost of debt for Borrowings at any point of time is in line with the prevalent market rates. Due to these reasons, management is of the opinion that they can achieve refinancing, if required, at similar cost of debts, as current effective rates. Hence, the discontinuing rate for calculating the fair value of Borrowings has been taken in line with the current cost of debt.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The following methods and assumptions were used to estimate the fair values:

(i) Derivative financial instruments - The fair value of forward foreign exchange contracts is determined using the forward exchange rates at the balance sheet date. The fair value of foreign currency option contracts is determined using the Black Scholes valuation model. The derivatives are entered into with the banks counterparties with investment grade credit ratings.

(ii) Security deposits / Employee loans - The fair value of security deposits / employee loans approximates the carrying value and hence, the valuation technique and inputs have not been given.

(iii) The fair values of the unquoted equity shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

(iv) The fair values of the remaining FVTOCI financial assets are derived from quoted market prices in active markets.

(v) Performance security: The Company considers that the performance security received does not include a significant financing component. The performance security receipt is intended to protect the interest of the company, from the counter party obligations under the contract. Accordingly, transaction cost of performance security deposit is considered as fair value at initial recognition and subsequently measured at amortised cost.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis are as shown below:

Particulars	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
As on 31 March 2025 Investment in Unquoted equity share of Indian Potash Limited	DCF Method	WACC and Long Term Growth Rate (LTGR)	WACC 14.19% & LTGR 5.00%	Decrease in LTGR by 0.50% would result in decrease in fair value by INR 112 lakhs and Increase in LTGR Dby 0.50% would result in increase in fair value by INR 122 lakhs respectively.
As on 31 March 2024 Investment in Unquoted equity share of Indian Potash Limited	DCF Method	WACC and Long Term Growth Rate (LTGR)	WACC 18.04% & LTGR 5.00%	Increase in WACC and decrease in LTGR by 0.50% would result in decrease in fair value by INR 142 lakhs and Decrease in WACC and increase in LTGR by 0.50% would result in increase in fair value by INR 159 lakhs respectively.

Reconciliation of fair value measurement of unquoted equity shares classified as FVTOCI assets:

(INR in lakhs)

As at 1 April 2023	**5,537.00**
Re-measurement loss recognised in OCI	989.08
As at 31 March 2024	**6,526.08**
Re-measurement gain recognised in OCI	567.36
As at 31 March 2025	**7,093.44**

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

38. Fair value measurements

(i) Financial instruments by category **(INR in lakhs)**

Particulars	31 March 2025			31 March 2024		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investments-						
Investment in unquoted equity share at FVTOCI	-	7,093.44	-	-	6,526.08	-
Loans and interest thereon	-	-	0.70	-	-	1.08
Security deposits	-	-	1,223.19	-	-	1,227.63
Trade receivables	-	-	56,136.68	-	-	59,799.66
Cash and cash equivalents	-	-	23,400.71	-	-	33,782.46
Bank balances other than above	-	-	11,088.80	-	-	5,081.08
Foreign exchange forward covers	26.62	-	-	1.54	-	-
Other financial assets	-	-	451.15	-	-	988.28
Total Financial assets	**26.62**	**7,093.44**	**92,301.23**	**1.54**	**6,526.08**	**100,880.19**
Financial liabilities						
Borrowings	-	-	135,644.23	-	-	167,378.16
Lease liabilities	-	-	10,211.91	-	-	10,925.13
Trade payables	-	-	37,784.01	-	-	33,838.41
Foreign exchange forward covers	43.79	-	-	4.80	-	-
Payable for capital goods	-	-	537.92	-	-	745.36
Performance security received	-	-	25,000.00	-	-	-
Others	-	-	17,899.30	-	-	17,673.89
Total Financial liabilities	**43.79**	**-**	**227,077.37**	**4.80**	**-**	**230,560.95**

(ii) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2025 : **(INR in lakhs)**

Particulars	Fair value measurement using				
	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Investment in unquoted equity share at FVTOCI	31 March 2025	7,093.44	-	-	7,093.44
Assets for which fair values are disclosed					
Employee loans and interest thereon	31 March 2025	0.70	-	0.70	-
Security deposits	31 March 2025	1,223.19	-	1,223.19	-
Foreign exchange forward covers	31 March 2025	26.62	-	26.62	-
Packing scheme incentive grant receivable	31 March 2025	91.10	-	91.10	-
Other financial assets	31 March 2025	360.05	-	360.05	-

There have been no transfers between level 1, level 2 and level 3 during the year.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2025 : **(INR in lakhs)**

Particulars	Fair value measurement using				
	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value					
Foreign exchange forward covers	31 March 2025	43.79	-	43.79	-
Liabilities for which fair values are disclosed					
Long term borrowings	31 March 2025	36,558.79	-	36,558.79	-
Short term borrowings	31 March 2025	99,085.44	-	99,085.44	-
Performance security received	31 March 2025	25,000.00	-	25,000.00	-
Other financial liabilities	31 March 2025	18,437.22	-	18,437.22	-

There have been no transfers between level 1, level 2 and level 3 during the year.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2024 : **(INR in lakhs)**

Particulars	Fair value measurement using				
	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Investment in quoted equity share at FVTOCI	31 March 2024	-	-	-	-
Investment in unquoted equity share at FVTOCI	31 March 2024	6,526.08	-	-	6,526.08
Investment in mutual fund	31 March 2024	-	-	-	-
Assets for which fair values are disclosed					
Employee loans and interest thereon	31 March 2024	1.08	-	1.08	-
Security deposits	31 March 2024	1,227.63	-	1,227.63	-
Foreign exchange forward covers	31 March 2024	1.54	-	1.54	-
Packing scheme incentive grant receivable	31 March 2024	91.10	-	91.10	-
Other financial assets	31 March 2024	897.18	-	897.18	-

There have been no transfers between level 1, level 2 and level 3 during the year.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2024 : **(INR in lakhs)**

Particulars	Fair value measurement using				
	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value					
Foreign exchange forward covers	31 March 2024	4.80	-	4.80	-
Liabilities for which fair values are disclosed					
Long term borrowings	31 March 2024	43,409.41	-	43,409.41	-
Short term borrowings	31 March 2024	123,968.76	-	123,968.76	-
Performance security received	31 March 2024	-	-	-	-
Other financial liabilities	31 March 2024	18,419.25	-	18,419.25	-

There have been no transfers between level 1, level 2 and level 3 during the year.

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39. Financial risk management objectives and policies

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

The Group'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 Group's operating units. The Board of Directors (Committee of directors for Banking and Finance) provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include borrowings, investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at 31 March 2025 and 31 March 2024.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations, provisions, and other non-financial assets.

The following assumptions have been made in calculating the sensitivity analysis:

-The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2025 and 31 March 2024.

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.

Interest rate sensitivity

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

(INR in lakhs)

Particulars	Increase/ decrease in basis points	Effect on profit before tax
For the year ended 31 March 2025		
INR Borrowings	+50	(470.50)
USD Borrowings	+50	-
INR Borrowings	-50	470.50
USD Borrowings	-50	-
For the period ended 31 March 2024		
INR Borrowings	+50	(771.13)
USD Borrowings	+50	(54.66)
INR Borrowings	-50	771.13
USD Borrowings	-50	54.66

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

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 Group uses foreign exchange forward contracts to manage its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one to seven months.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates of various currencies with INR, with all other variables held constant. The impact on the Group's profit/(loss) before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives.

For the year ended 31 March 2025 **(INR in lakhs)**

Particulars	Change in foreign currency rate	Effect on profit before tax
USD	+5%	(0.31)
	-5%	0.31
EURO	+5%	(6.66)
	-5%	6.66

For the year ended 31 March 2024 **(INR in lakhs)**

Particulars	Change in foreign currency rate	Effect on profit before tax
USD	+5%	(178.29)
	-5%	178.29
Euro	+5%	-
	-5%	-

c) Commodity price risk

(i) The Group's operating activities require the ongoing purchase of natural gas. Natural gas being an international commodity is subject to price fluctuation on account of the change in the crude oil prices, demand supply pattern of natural gas and exchange rate fluctuations. The Group is not affected by the price volatility of the natural gas as under the Urea pricing formula the cost of natural gas is pass through if the consumption of natural gas is with in the permissible norm for manufacturing of Urea.

(ii) The Group deals in purchase of imported fertilisers (i.e. DAP and MOP), which are imported by the Group 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.

(iii) The Group also deals in purchase of imported raw materials (i.e. P2O5, Ammonia, Potash and Urea), which are imported by the Group and used in the manufacturing of NPK. The import prices of these materials are governed by international prices. There is a price and material availability risk.

Equity price risk

The Group's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities at fair value was INR 7,093.44 lakhs (31 March 2024 : INR 6,526.08 lakhs). Sensitivity analyses of these investments have been provided in Note 38.

At the reporting date, the exposure to listed equity securities at fair value was INR Nil lakhs (31 March 2024 : INR Nil lakhs). A decrease of 5% on the BSE market price could have an impact of approximately INR Nil lakhs (31 March 2024 : INR Nil lakhs) on the other comprehensive income or equity attributable to the Group. An increase of 5% in the value of the listed securities would also impact other comprehensive income and equity. These changes would not have an effect on profit or loss.

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

Credit risk

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 Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

a) Trade receivables

The Group receivables can be classified into two categories, one is from the customers into the market and second one is from the Government in the form of subsidy. As far as Government portion of receivables are concerned, credit risk is Nil. For market receivables from the customers, the Group extends credit to customers in normal course of business. The Group considers factors such as credit track record in the market and past dealings for extension of credit to customer. The Group monitors the payment track record of the customer. Outstanding customer receivables are regularly monitored. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. The Group has also taken security deposits from its customers, which mitigate the credit risk to some extent. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 11. The Group holds collateral as security for many of its customers. In case of Parent Company, at 31 March 2025 , 32.88% (31 March 2024 : 8.06%) of the Parent Company's trade receivables are covered by collateral security. In case of Subsidiary Company, at 31 March 2025, 8.47% (31 March 2024 : 9.49%) of the Subsidiary Company's trade receivables are covered by collateral security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several geographical areas and are having long term business relationship with the Group.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The Group adjusts the receipts from customer on first in first out basis. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than five years and are not subject to enforcement activity. Security collaterals obtained by the Parent Company resulted in a decrease in the ECL of INR 0.06 lakhs as at 31 March 2025 (31 March 2024 : INR 3.63 lakhs). During the year ended 31 March 2025 , the Parent Company had performed certain key steps for recoverability of trade receivables including but not limited to reconciliation with its customers, filing of legal cases with customers, recoverability assessment of aged receivables and etc. Basis these steps taken by the management, the Parent Company is carrying provision of INR 37.94 lakhs (31 March 2024 : INR 38.19 lakhs) based on their best estimate.

Set out below is the information about the credit risk exposure of the Parent Company's trade receivables and contract asset using provision matrix:

(INR in lakhs)

	Contract Asset	<1 Yr	1-2 Yr	2-3 Yr	3-4 Yr	4-5 Yr	>5 Yr	Grand Total
	ECL Rate	**0.09%**	**2.43%**	**5.37%**	**0.00%**	**0.00%**	**100.00%**	
31 March 2025	Estimated total gross carrying amount at default	24.36	0.01	4.82	-	-	37.66	66.84
	ECL- simplified approach	0.02	0.00	0.26	-	-	37.66	37.94
	Net carrying amount	**24.34**	**0.01**	**4.56**	**-**	**-**	**-**	**28.90**
	ECL Rate	**0.04%**	**3.24%**	**-**	**-**	**-**	**100.00%**	
31 March 2024	Estimated total gross carrying amount at default	1,069.11	4.82	-	-	-	37.66	**1,111.58**
	ECL- simplified approach	0.38	0.16	-	-	-	37.66	**38.19**
	Net carrying amount	**1,068.73**	**4.66**	**-**	**-**	**-**	**-**	**1,073.39**

As As on March 31, 2025 the group is carrying ECL provision of INR 1239.74 Lakhs on conservative basis including the amount assets classified as held for sale.

Reconciliation of provision for doubtful debts, loans, other financial assets and other advances falling under stage 3 of impairment testing:

(INR in lakhs)

Particulars	Trade receivables	Loans	Other financial assets	Other advances	Total
Provision as on 1 April 2023:	**1,687.12**	**-**	**-**	**2,823.42**	**4,510.54**
Add: Provision made during the period	1,276.49	-	-	311.82	1,588.31
Less: Provision utilized during the period	(1,854.93)	-	-	-	(1,854.93)
Provision as on 31 March 2024 :	**1,108.69**	**-**	**-**	**3,135.24**	**4,243.92**
Add: Provision made during the period	37.94	-	-	-	37.94
Less: Provision utilized during the period	(74.69)	-	-	-	(74.69)
Provision as on 31 March 2025 :	**1,071.93**	**-**	**-**	**3,135.24**	**4,207.17**

Reconciliation of impairment allowance on investment in equity securities at fair value through profit and loss (FVTPL):

(INR in lakhs)

Particulars	Total
Impairment allowance as on 1 April 2023:	**11,943.77**
Add: Provision made during the period	-
Less: Provision reversed during the period	-
Impairment allowance as on 31 March 2024 :	**11,943.77**
Add: Provision made during the period	-
Less: Provision reversed during the period	-
Impairment allowance as on 31 March 2025 :	**11,943.77**

b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the guidelines framed by the board of directors of the Group. Guidelines broadly covers the selection criterion and over all exposure which the Group can take with a particular financial institution or bank. Further the guideline also covers the limit of overall deposit which the Group can make with a particular bank or financial institution. The Group does not maintain the significant amount of cash and deposits other than those required for its day to day operations.

Liquidity risk

The Group's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Group relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/ long term expansion needs. The Group monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

(INR in lakhs)

Particulars	Less than 1 Year	1-3 Years	3-5 years	> 5 years	Total
Year ended 31 March 2025					
Borrowings	99,101.75	26,573.16	8,151.77	1,854.40	135,681.08
Lease Obligation	2,101.64	4,075.04	3,164.24	6,115.17	15,456.09
Performance security received	25,000.00	-	-	-	25,000.00
Other financial liabilities	24,278.27	-	-	-	24,278.27
Trade and other payables	46,503.07	-	-	-	46,503.07
Foreign exchange forward covers	-	-	-	-	-
	196,984.73	**30,648.20**	**11,316.01**	**7,969.57**	**246,918.51**

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(INR in lakhs)

Particulars	Less than 1 Year	1-3 Years	3-5 years	> 5 years	Total
Year ended 31 March 2024					
Borrowings	123,969.61	28,406.50	9,850.59	5,151.62	167,378.32
Lease Obligation	2,087.90	4,080.64	3,650.84	7,075.60	16,894.98
Performance security received	-	-	-	-	-
Other financial liabilities	21,863.07	-	-	-	21,863.07
Trade and other payables	42,387.38	-	-	-	42,387.38
Foreign exchange forward covers	-	-	-	-	-
	190,307.95	**32,487.14**	**13,501.43**	**12,227.22**	**248,523.74**

40. Key financial ratios#

Particulars	31 March 2025	31 March 2024	% Change	Reasons for variance
1. Current Ratio (Current Assets/Current Liabilities)	0.81	0.79	(3%)	Not applicable
2. Debt - Equity Ratio (Debt/Equity)	0.58	0.78	26%	Decreased due to decrease in borrowing as compare to previous year
3. Debt Service Coverage Ratio (Net profit after tax + Non cash operating expenses)/(Interest & Lease repayments + Principal Repayments)	1.02	0.89	(14%)	Not applicable
4. Return on Equity Ratio (Net profit after taxes/Average Shareholder's equity)	0.10	0.08	24%	Not applicable
5. Inventory turnover ratio (Cost of goods sold/Average Inventory)	7.26	8.42	14%	Not applicable
6. Trade Receivables turnover ratio (Net sales/Average Trade Receivables)	7.65	6.67	(15%)	Not applicable
7. Trade payables turnover ratio (Total Purchase/ Average Trade Payable)	8.12	7.13	(14%)	Not applicable
8. Net capital turnover ratio (Total Sales/ Working Capital)	(12.41)	(11.83)	(5%)	Not applicable
9. Net profit ratio (Profit after tax/Revenue)	0.05	0.04	40%	Increased due to increase in profitability
10. Return on Capital employed (EBIT/ (Total Assets- Total Current Liabilities))	0.19	0.16	20%	Not applicable

#includes amount related to assets held for sale (Refer Note 10)

41. Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors its capital using gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

(INR in lakhs)

Particulars	31 March 2025	31 March 2024
Total Borrowings (Refer Note 14A and Note 14B)	145,856.14	178,303.30
Trade payables (Refer Note 15)	37,784.01	33,838.41
Other payables (Refer Note 16)	43,481.01	18,424.05
Less: Cash and cash equivalents (Refer Note 12)	(23,400.71)	(33,782.46)
Net debts	**203,720.46**	**196,783.30**
Total equity	185,586.61	169,394.10
Capital and net debt	**389,307.07**	**366,177.40**
Gearing ratio(%)	**52.33%**	**53.74%**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2025 and 31 March 2024.

The Parent Company has various covenants to be complied in respect of its borrowings. The primary covenants are total outstanding liabilities to tangible net worth ratio, debt service coverage ratio, interest coverage ratio, fixed assets coverage ratio, current ratio, debt to EBITDA ratio, current assets to current liabilities ratio and total debt to equity ratio.

42. Disclosure required under Section 186 (4) of the Companies Act, 2013

(i) The Board of Directors of the Parent Company at its meeting held on 31st March, 2023 has approved the liquidation and winding up of Adventz Trading DMCC ('DMCC'), a wholly owned subsidiary of the Parent Company subject to the approval of Reserve Bank of India and other Regulatory Authorities as DMCC was not conducting any business since May, 2021. Further, the Parent Company does not envisage any viable business in the near future as well. The Board of DMCC at its meeting held on 31st March, 2023 has also approved the liquidation and winding up of DMCC.

To give effect to the above, during the Financial year 2022-23 the Company has written off 100% of carrying value of its investment also written off the loans given to Adventz DMCC of INR 230.88 lakhs and interest receivable thereon of INR 113.11 lakhs.

(ii) The Company has not given any loans or guarantee or security under section 186(4) of the Companies Act, 2013

(iii) Details of Investments made are given under Note 6 & 7A.

43. Employee stock option plan

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

(INR in lakhs)

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	171,535	343,069	514,604	686,138
Exercise price (Amount in ₹)	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.

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

Inputs in the pricing model **(INR in lakhs)**

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 ₹)	70.59	70.59	70.59	70.59
Expected Volatility	51.85%	50.99%	50.01%	49.58%
Options Life (Number of Years)	3.50	4.00	4.50	5.00
Dividend Yield	-	-	-	-
Risk Free Rate	7.35%	7.35%	7.35%	7.35%

Movement in stock options **(INR in lakhs)**

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	1,715,346	70.59	1,715,346
Options exercised during the year	-	-	-	-
Lapsed/ forfeited during the year	-	-	-	-
Options outstanding	70.59	1,715,346	70.59	1,715,346
Options exercisable	-	-	-	-

No Option expired during the year covered in the above tables

44. During the financial year 2013-14, the Parent Company had sold part of freehold land to Zuari Industries Limited (formerly, Zuari Global Limited) at a consideration of INR 16,359.32 lakhs. The possession of the said parcel of land was handed over on 28 March 2014; however the transfer of title of some of the land parcels is under progress. The Parent Company had received full consideration from the buyer in the financial year 2013-14.

45. In terms of demerger of fertilizer undertaking from Zuari Industries Limited in an earlier year, the land records of some of the land parcels are in the process of being mutated in the name of the Parent Company.

46. In case of Parent Compnay, Zuari Industries Limited (formerly, Zuari Global Limited) had demerged its fertilizer undertaking to the Parent Company with effect from 1 July 2011. ZIL has during an earlier year, based on Hon'ble High Court order on demerger of fertilizer undertaking, identified amount of income tax paid under protest pertaining to fertilizer undertaking demerged into the Parent Company.

    The Parent Company has exchanged letter of mutual understanding with ZIL wherein the Parent Company has paid such amount of income tax under protest. The balance carrying value of such amount is INR 522.15 lakhs (31 March 2024: INR 522.15 lakhs) and classified under Income Tax Assets under non-current assets.

47. In case of Parent Company, during the previous years ended 31 March 2017, 31 March 2018 and 31 March 2019, the Parent Company had written off an amount of INR 3885.12 lakhs in books of accounts towards irrecoverable/un-utilisable balance of GST credit on services. During the year ended 31 March 2025, the Parent Company has recovered INR Nil lakhs (31 March 2024: INR 667.36 lakhs) through refund claim of GST paid on Ocean freight and the same has been considered as other income (Refer Other Income Note no. 21).

48. In case of Parent Company, At the 14th Annual General Meeting held on 27th September 2023, the shareholders of the Parent Company, have approved the waiver of recovery of excess remuneration of ₹ 81 Lakh paid to Mr. Sunil Sethy, Ex-Managing Director during the financial year 2019-20. The Parent Company has filed an application under Section 454 read with Section 441 of the Companies Act, 2013 for adjudication of penalties/ compounding of offence under Section 197 of the Companies Act, 2013. Vide Order of Adjudication of Penalty dated 16th August, 2024, a penalty of ₹ 5 Lakh was imposed on the Parent Company which the Parent Company has paid on 10th October, 2024.

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

49. Statutory Group Information:

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income/(loss)		Share in total comprehensive income/(loss)	
	As % of consolidated net assets	Amount in INR lakhs	As % of consolidated profit and loss	Amount in INR lakhs	As % of consolidated other comprehensive income	Amount in INR lakhs	As % of consolidated total comprehensive income	Amount in INR lakhs
Parent Company								
Zuari Agro Chemicals Limited								
31 March 2025	7%	13,562.38	(44%)	(7,310.19)	155%	579.11	(40%)	(6,731.08)
31 March 2024	12%	20,293.46	21%	2,140.05	112%	1,146.74	30%	3,286.79
Subsidiary Companies								
Mangalore Chemicals and Fertilizers Limited								
31 March 2025	57%	106,468.17	87%	14,371.27	(25%)	(93.72)	85%	14,277.55
31 March 2024	55%	93,968.42	155%	15,481.52	(5%)	(54.19)	140%	15,427.33
Zuari FarmHub Limited								
31 March 2025	7%	12,376.91	16%	2,614.66	(15%)	(54.61)	15%	2,560.05
31 March 2024	6%	9,657.45	(12%)	(1,198.64)	(2%)	(19.34)	(11%)	(1,217.99)
Non-controlling interests in all subsidiaries								
31 March 2025	36%	66,160.58	40%	6,619.20	(12%)	(43.34)	39%	6,575.86
31 March 2024	35%	59,584.72	71%	7,112.02	(2%)	(25.00)	64%	7,087.02
Joint Ventures								
31 March 2025	-	-	91%	15,032.96	(27%)	(100.18)	89%	14,932.78
31 March 2024	-	-	23%	2,303.78	(7%)	(70.38)	20%	2,233.40
Eliminations and adjustments due to Consolidation								
31 March 2025	(7%)	(12,982.51)	(90%)	(14,852.44)	23%	86.68	(88%)	(14,765.76)
31 March 2024	(8%)	(14,110.47)	(159%)	(15,856.34)	5%	50.01	(144%)	(15,806.33)
Total								
31 March 2025	**100%**	**185,585.53**	**100%**	**16,475.46**	**100%**	**373.94**	**100%**	**16,849.40**
31 March 2024	**100%**	**169,393.58**	**100%**	**9,982.38**	**100%**	**1,027.84**	**100%**	**11,010.21**

50. During the year the Parent Company at their meeting dated November 25, 2024 has considered and approved the revised proposed transfer of 2,90,37,000 (Two Crores Ninety Lakhs Thirty Seven thousand) equity shares having face value of INR 10/- (Indian Rupees Ten) each of Mangalore Chemicals and Fertilisers Limited ("MCFL"), representing 24.50% of the paid-up equity share capital of MCFL, held by the Company to Zuari Maroc Phosphates Private Limited, pursuant to and as set out in the composite scheme of arrangement by and amongst MCFL, Paradeep Phosphates Limited and their respective shareholders and creditors, subject to the approval of the shareholders of the Company, as may be required under applicable law. Post implementation of the proposed scheme of arrangement, MCFL will be amalgamated with and into Paradeep Phosphates Limited and MCFL will stand dissolved without winding up.

The transfer of the Identified Shares from the Company to Zuari Maroc Phosphates Private Limited is proposed to take place as per the Scheme, at a price of INR 144 (Indian Rupees One Hundred and Forty Four) per Identified Share, and Zuari Maroc Phosphates Private Limited is to pay an aggregate cash consideration of INR 41,813.28 lakhs for such transfer of the Identified Shares, subject to any Taxes that need to be deducted at source, if any. In connection with this, ZMPPL has provided Rs 25,000.00 Lakhs to the Company as performance security to secure ZMPPL's obligations. The arrangement is expected to be executed within 12 Months.

The proposed transfer of the Identified Shares by the Company to Zuari Maroc Phosphates Private Limited may be considered a 'related party transaction' under the SEBI LODR Regulations.The transfer of the Identified Shares by the Company to Zuari Maroc Phosphates Private Limited is proposed to take place pursuant to and in accordance with the price as set out in the Scheme, and will be undertaken on an arm's length basis.

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

51. During the year, the Parent Company along with other noticees (3 former and 1 present Key Managerial Personnels), has received a Show Cause Notice (SCN) dated 14th January, 2025 from the Securities and Exchange Board of India ("SEBI") under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and Regulations issued by SEBI thereunder alleging certain irregularities in the financial statements for earlier years. The Parent Company has filed a joint settlement application on behalf of all the noticees named in the SCN, including the Parent Company, for settlement under the SEBI (Settlement Proceedings) Regulation, 2018, without admitting or denying the finding of fact and conclusions of law. The matter is pending and settlement order from SEBI is awaited.

52. During the major portion of the 4th quarter of the current financial year, the Mahad plant of Parent Compnay was temporarily shut down due to shortage of raw materials. The management expects the production to resume from beginning of June 2025 as raw material is expected to reach the Plant by that time.

53. During the year, the Parent Company along with Zuari Industries Limited (Related party of the company) has surrendered its exemption to hold contribution in Employees' Provident Fund Trust of the Company (Zuari Industries Limited Employee Provident Fund Trust – ZIL EPF Trust) to Employees' Provident Fund Organisation (EPFO) based on the statutory obligation as at January 31, 2025 by availing the option of depositing entire corpus of Zuari Industries Limited Employee Provident Fund trust in liquid cash to EPFO. As per the arrangement, the Trust has liquidated the investment portfolio and other assets from Zuari Industries Limited Employee Provident Fund Trust and the shortfall/ deficit between the value of investment portfolio held by ZIL EPF Trust and ZIL EPF Trust obligation to EPFO was made good by the Companies. Accordingly, net loss of ₹ 176.18 lakhs (94.54% share of the Parent company) is accounted under Employee benefit expenses in the financial statements for the year ended March 31, 2025 and the past accumulations of PF contributions (with interest) as on 31st January 2025 amounting to ₹ 1174.08 lakhs transferred to EPFO.

54. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

55. Other Statutory Information

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) **The Struck off Company details**

Name of the Struck off Company	Nature of transactions with struck off company	Balance Outstanding (INR)
Popular Stock and Share services Private Limited	Shares held by struck off company	4,000.00
Bombay Trading Company Private Limited		4,000.00
Kothari Intergroup Limited		20.00
Vaishak Shares Limited		60.00
Pushkar Financial Services Limited		10.00
Eastcoast Investments Limited		1,000.00
Ingita Financial Services Limited		1,000.00
New Ambadi Investments Private Limited		5,000.00
Usha Holdings Private Limited		500.00

(iii) The Parent Company does not have any charges or satisfaction pending registration with ROC beyond the statutory period except E-Form CHG-9 for modification of charges bearing charge ID 100574422 vide SRN F17273277 dated 27th July 2022. The same was filed by the Parent Company to secure the Non-Convertible Debentures (NCDs) worth ₹ 125 Crore by way of land in addition to earlier charge created by pledge over the equity shares of Mangalore Chemicals & Fertilizers Limited and hypothecation of escrow account. The said form was sent for resubmission by MCA on 3rd August 2022 and again on 15th August 2022. Due to transition from V2 to V3 MCA portal from 15th August 2022 to 30th August 2022, the Parent Company could not resubmit the E-form CHG-9 on the V3 portal. Further, the said E-Form CHG-9 was not made available for resubmission on V3 portal till February 2023. The Parent Company had raised various complaints to MCA and submitted various letters to Registrar of Companies, Goa, Diu and Daman, in this behalf. However, the issue could not resolved and the E-Form CHG-9 remained pending in the time prescribed for resubmission. The Parent Company, thereafter, redeemed the NCDs worth ₹ 25 Crore on 30th June 2023 and ₹ 21 Crore on 17th

January 2024 and relevant E-Forms CHG-9 for modification of charge from ₹ 125 Crore to ₹ 100 Crore and from ₹ 100 Crore to ₹ 79 Crore, respectively, were filed by the Parent Company. Further, the Parent Company redeemed the remaining NCDs amounting to ₹ 79 Crore, for which E-Form CHG-4 for satisfaction of charge was filed vide SRN No. AA7138991 on 4th April 2024. Hence, the Parent Company has fully complied with the relevant provisions of the Companies Act, 2013, in this behalf.

(iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) 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

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Group has not any such 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 or any other relevant provisions of the Income Tax Act, 1961.

(viii) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (restriction on number of layers) Rules, 2017.

56. Previous period/year figures have been regrouped/ re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013.

As per our report of even date

For **K.P.Rao & Co**
Chartered Accountants
ICAI Firm Registration number: 003135S

Prashanth.S
Partner
Membership Number: 228407

Place: Bengaluru
Date: 14 May 2025

For and on behalf of the Board of Directors of Zuari Agro Chemicals Limited

Nitin M. Kantak
Executive Director
DIN: 08029847

Athar Shahab
Director
DIN: 01824891

Manish Malik
Chief Financial Officer

Asheeba Pereira
Company Secretary
Membership Number: A48097

Date: 14 May 2025

ZUARI AGRO CHEMICALS LIMITED
Jai Kisaan Bhawan, Zuarinagar, Goa - 403 726