



साथ बढ़ें समृद्धि की ओर

44th ANNUAL REPORT 2021-22

RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED

(A Government of India Undertaking)



Hon'ble Union Minister of Chemicals and Fertilizers, Dr. Mansukh Mandaviya lays foundation stone for 'Nano Urea project' at the RCF Trombay Unit, Mumbai



Hon'ble Union Minister of Chemicals and Fertilizers, Dr. Mansukh Mandaviya lays foundation stone for 'Phosphate Rich Organic Manure (PROM)-SHEETALA' project at the RCF Trombay Unit, Mumbai

BOARD OF DIRECTORS

WHOLE - TIME DIRECTORS



Shri S. C. Mudgerikar
Chairman & Managing Director



Ms Nazhat J. Shaikh
Director (Finance) (from 01.12.2021)



Shri Milind M. Deo
Director (Technical) (from 27.12.2021)



Shri K. U. Thankachen
Director (Marketing) (upto 31.07.2022)



Shri Umesh Dongre
Director (Finance) (Upto 30.11.2021)

GOVERNMENT NOMINEE DIRECTORS



Shri Satendra Singh, IAS
Addl. Secretary & Financial Advisor,
Dept. of Fertilizers, New Delhi,
(from 20.07.2022 to 18.10.2022)



Ms Aneeta C. Meshram, IAS
Joint Secretary, Dept. of Fertilizers,
New Delhi (from 13.11.2022)



Ms. Alka Tiwari, IAS
Addl. Secretary, Dept. of Fertilizers,
New Delhi (upto 14.01.2022)



Ms Aparna S. Sharma, CSS
Joint Secretary, Dept. of Fertilizers,
New Delhi (upto 12.11.2022)

INDEPENDENT DIRECTORS



Smt. Shashi Bala Bharti



Shri Chandra Bhushan Pandey
(From 29.11.2021)



Shri Gopinathan Nair Anilkumar
(from 27.12.2021)



Shri Kashee Nath Akela
(from 01.12.2021 to 12.08.2022)



Prof. Anil Kumar Singh
(upto 06.03.2022)



Dr. Shambhu Kumar
(upto 06.03.2022)

COMPANY SECRETARY



Shri J.B. Sharma

CHAIRMAN'S MESSAGE



Dear Shareholders,

It gives me immense pleasure to present the 44th Annual Report on the performance of your Company for the year 2021-22. The past year 2021-22 was a period of recovery and new uncertainties in equal measure for both the Indian and the global economies. Indian agriculture sector has registered positive growth in the past three consecutive years. The performance of the agriculture and allied sectors has been resilient in the face of impact of COVID 19 and its effects.

As we look forward, World's geopolitical developments in recent times has affected the supply chain which has also pushed up the prices of all fertilizer related commodities. Both government and industry have spared no efforts in arranging supplies of fertilizers in every nook and corner of the country. Government of India has also increased subsidy on fertilizers so that farmers remain unaffected from the skyrocketing prices of fertilizers.

It is expected that normal monsoon rain during the remaining period of the ongoing kharif season will lead to increase in sown area as well as positive growth in fertilizer consumption. Arranging the increased demand of fertilizers will remain a task both for industry and the government. Industry is making all efforts to maximize production. Government has made utmost efforts to facilitate import of fertilizer raw materials and fertilizer products. This will help to maximize domestic production and fill the gap between demand and indigenous production

Overview of the Economy

The Indian economy grew 8.7% in 2021-22, with the gross domestic product (GDP) expanding 4.1% in the March quarter from a year ago. The GDP growth for 2021-22 takes the economy above its pre-pandemic level and is an improvement after contracting 6.6 % in 2020-21. Incidentally, the economic growth during the entire fiscal of 2021-22 has gradually spiralled downwards with each quarter. In the

first quarter of 2021-22, the economic growth had been a stupendous 20.1%, which however was mainly due to the low base effect.

The fiscal year 2023 has begun on a sombre note, in the backdrop of global challenges such as the Russia-Ukraine conflict, the surge in crude oil and commodity prices and renewed lockdowns in China. The estimate of real GDP growth for financial year 2022-23 at 7.2% at the current juncture, amidst expectations of slowing external demand, a gradual increase in capacity utilisation levels through the year, and a recovery in contact-intensive services. The rise in oil and commodity prices have also heightened macro stability risks for the Indian economy. We expect a deterioration in the CAD and the CPI inflation and a mild overshooting in the GoI's fiscal deficit on account of a larger-than-budgeted subsidy burden in financial year 2022-23. The recent excise duty cut on fuels has mitigated some upside risks to the CPI inflation projection and has distinctly lowered the probability of highly front-loaded rate hikes. We foresee the MPC to hike the repo rate by 35 bps each in the August 2022 and September 2022 reviews, followed by a pause to assess the robustness of growth.

The Budget 2022-23 has maintained continued and increased focus on agriculture. The budget aims at boosting farmer's income and the viability of agriculture as a remunerative economic activity. The Government is set to launch public private partnership (PPP) model to incentivise agri-tech players and other stakeholders in the agriculture value chain. The objective is to deliver digital and hi-tech services to farmers, which would enable them to cut costs, find new markets and gain competitiveness in the global markets.

Overview of the Fertilizer Industry

Overall fertilizers production has increased by 0.79% during financial year 2021-22 as against financial year 2020-21 due to increase in production of DAP & SSP. Imports have

decreased sharply by 10.34% due to by the sharp decrease in Urea, NPK and MOP imports.

Production of urea increased by 1.93% during the financial year 2021-22 as against 2020-21. Urea is largely sourced domestically however, imports were decreased by 7.1% during the year 2021-22.

DAP production increased by 11.80% during financial year 2021-22 as against financial year 2020-21. Imports on the other hand have risen by 11.88% in financial year 2021-22 as against financial year 2020-21.

MOP imports have decreased substantially by 41.80% during financial year 2021-22 as against financial year 2020-21. India meets its Potassium chloride (commonly referred to as Muriate of Potash or MOP) requirements completely through imports from Canada, Russia, CIS+ Belarus, Israel, Jordan and Lithuania.

Production of NPK have decreased by 10.87% during the financial year 2021-22 against financial year 2020-21. NPK imports have decreased by 15.83% during financial year 2021-22 as against financial year 2020-21.

The production of SSP which is an indigenous phosphatic multi-nutrient fertilizer increased by 8.76 % during financial year 2021-22 as against financial year 2020-21. SSP is a cheaper alternative to DAP.

Overall sales of fertilizers have decreased by 5.40% during financial year 2021-22 as against financial year 2020-21. Sales of Urea, DAP, NPKS and MOP have decreased by 2.46%, 22.16%, 2.81% and 28.28% respectively during financial year 2021-22 as against financial year 2020-21. The sales of SSP was increased sharply by 26.57% during the financial year 2021-22 against the financial year 2020-21.

Subsidy budget for financial year 2021-22 is deemed to be adequate to meet the requirements of the industry thus keeping the credit profile healthy. Financial year 2022-23 allocation falls short of requirement although GoI's track record of making additional allocations during the year provide comfort. Industry's business profile to remain stable in financial year 2022 with GoI taking timely steps to support the industry. Outlook for financial year 2022-23 appears to be stable on the expectation of enhanced subsidy support from the GoI.

Corporate Overview of the Company

During the year, your Company achieved Revenue from Operations of Rs. 12812.17 crore as against Rs.8281.18 crore in previous year (PY). Profit Before Tax (PBT) during the year, stood at Rs. 943.91 crore as against Rs.527.98 Crore due to improved energy efficiencies at both Units, better margins of Industrial Chemicals and reduction in finance cost. Profit After Tax (PAT) stood at Rs.704.36 crore as against Rs. 381.94 Crore.

Your Company achieved fertilizer sales volume of 30.80 lakh MT during 2021-22 as compared to 31.42 lakh MT during the previous year. The total sale of manufactured fertilizers during 2021-22 was 27.95 lakh MT as against 28.05 lakh MT during the previous year. Sales of manufactured fertilizers registered decrease of 0.34 % over previous year due to production constraints and less availability of material.

Your Company produced 27.56 lakh MT of fertilizers (21.85 lakh MT of Urea & 5.71 lakh MT of Suphala 15:15:15) during the year as against 27.87 lakh MT of fertilizers (22.50 lakh MT of Urea & 5.37 lakh MT of Suphala 15:15:15) produced during the previous year.

Your Company has been designated as State Trading Enterprise (STE) in October 2019 for Import of Urea on Government Account. Based on the instructions of Department of Fertilizers (DoF), your Company imported approx. 45.41 lakh MT quantity of Urea at approx. Rs 19,087 Crore through issue of total six (6 Global tenders during the year 2021-22.

Your Company achieved revenue of Rs.2423.90 crore during the year from its Industrial Chemicals Segment which is highest ever since inception. The increase in sales of IPD products are due to better realisation of lower RLNG prices and resultant reduction in cost of production coupled with increasing demand and focussed marketing strategies

During the year, your Company has achieved:

- » Highest ever sale of 6.39 lakh MT of Suphala-15 (Indigenous + Imported)
- » Highest ever sale of 410 KL of Microla
- » First time marketed Imported NPK 15:15:15 grade and sold 0.52 lakh MT
- » Highest ever sale of AN melt of 1.619 LMT
- » Highest ever sale of Ammonia of 1.73 LMT
- » Highest ever sale of ABC (Mrudula) of 0.32 LMT

Dividend

Although your Company has lined up a number of capex programmes which will entail substantial expenditure, considering the consistent profits being made by the Company and based on the Company's performance, your Directors are pleased to recommend a final Dividend of Rs. 2.50 per equity share of Rs.10/- each for the financial year 2021-22. Your Board had earlier approved payment of interim dividend of Rs.1.35 per equity share of Rs.10/- each for the financial year 2021-22, at its meeting held on November 10, 2021 and same was paid on December 6, 2021. The total dividend for the financial year 2021-22 amounts to Rs. 3.85 per equity share (Previous year Rs.2.98 per equity share), and would involve a total cash outflow of Rs. 212.40 Crore consisting Rs.74.48 crore as interim dividend and Rs.137.92

crore as final dividend (Rs.164.40 Crore in the previous year). The final dividend pay-out is subject to the approval of members at the ensuing Annual General Meeting.

Atmanirbhar Bharat

Under 'Atmanirbhar Bharat', your Company has restarted Phosphoric Acid Plant at Trombay. Your Company has achieved the highest ever sale of AN Melt Plant. Setting up new AN Melt Plant, NPK Fertilizers Plant & Concentrated Nitric Acid Plant have been proposed. Sale of high volume products like Ammonia, AN(Melt) & DNA will facilitate improvement in turnover as well as profitability.

Projects

I am happy to announce that your Company is planning to undertake major projects in the direction of:

- » improving efficiency in use of energy in production operations;
- » participation in the revival of closed fertilizer units; and
- » making efforts for increasing availability of raw materials / finished fertilizers on consistent basis.

The details of such projects are available in the Directors' Report. Your Company is also looking for opportunities for long term off take agreements for procurement of fertilizers to ensure sustained growth. I am confident that with your continuous support, encouragement and faith in us and support from the Government, your Company would march ahead successfully.

I am delighted to present the Annual Report for the financial year 2021-22 and hope to see you on December 23, 2022 at the 44th Annual General Meeting of the Company.

Going forward

For the year 2022-23, the budget allocation for fertilizer subsidy is Rs. 1,05,222 crores. This is higher by more than ₹ 25,000 crores from the BE of 2021-22. Considering the increase in international prices of raw materials and other essential fertilizers, Government of India provided additional subsidy amount of Rs.1.10 lakh crore, in May 2022, to further cushion the impact on the farmers. The revised subsidy is deemed to be adequate to meet the needs of the Industry.

The industry has been continuously striving for ensuring availability through domestic production and imports even at thin or negative margins. P&K sector is almost entirely dependent on import of raw materials due to lack of natural resources of phosphate and potash. This segment of industry has maximized production in spite of challenges of availability and high prices of inputs in international markets. In spite of multifold increase in pooled price of gas for urea sector this year, average cost of production of domestic urea remained roughly about 50% of price of imported urea. This has helped

not only in ensuring supplies but also in saving huge subsidy on urea for the country.

Fertiliser prices are expected to remain at elevated levels amid rising geo-political tensions constraining availability and elevated energy prices. Energy prices remain firm with natural gas prices rising to record highs. Input prices are expected to remain elevated in the near to medium term. Industry's business profile is expected to remain stable in FY2022-23 on the expectation of enhanced subsidy support from the GoI.

The performance of agriculture sector has been very encouraging so far and it will attain new heights with all the measures implemented and initiated by the central and state Governments. In addition to ensuring food security of this vast nation, agriculture will continue to make progress towards sustainability, remunerative operation and increasing contribution to agri exports. Fertilizer industry will continue to play its crucial role in achieving these objectives and success story of agriculture sector.

On the environmental side, RCF has continued to expand the green belt coverage at the plant locations and its commitment towards society remains firm. Going forward, your Company will continue to strengthen its customer engagement initiatives and leverage technology for developing sustainable, cost-effective solutions for the farmers.

Acknowledgement

Before I conclude, I would like to place on record my appreciation to all my colleagues on the Board, past and present, for their valuable contribution in the growth of the Company. Our employees are the backbone of our operations and it is only because of their support and commitment that your company could achieve good results. I am thankful to all the stakeholders of RCF, our valued customers and service providers for their relentless faith in the company. Finally, on behalf of the Board, I would like to thank each one of you, our valued shareholders, employees of the Company, Trade Unions, Officers Associations and the RCFian family, for your unwavering support in our journey to deliver value to all our stakeholders.

Thank you, ladies and gentlemen.

(S. C. Mudgerikar)

Chairman & Managing Director

Mumbai

Dated: November 04, 2022



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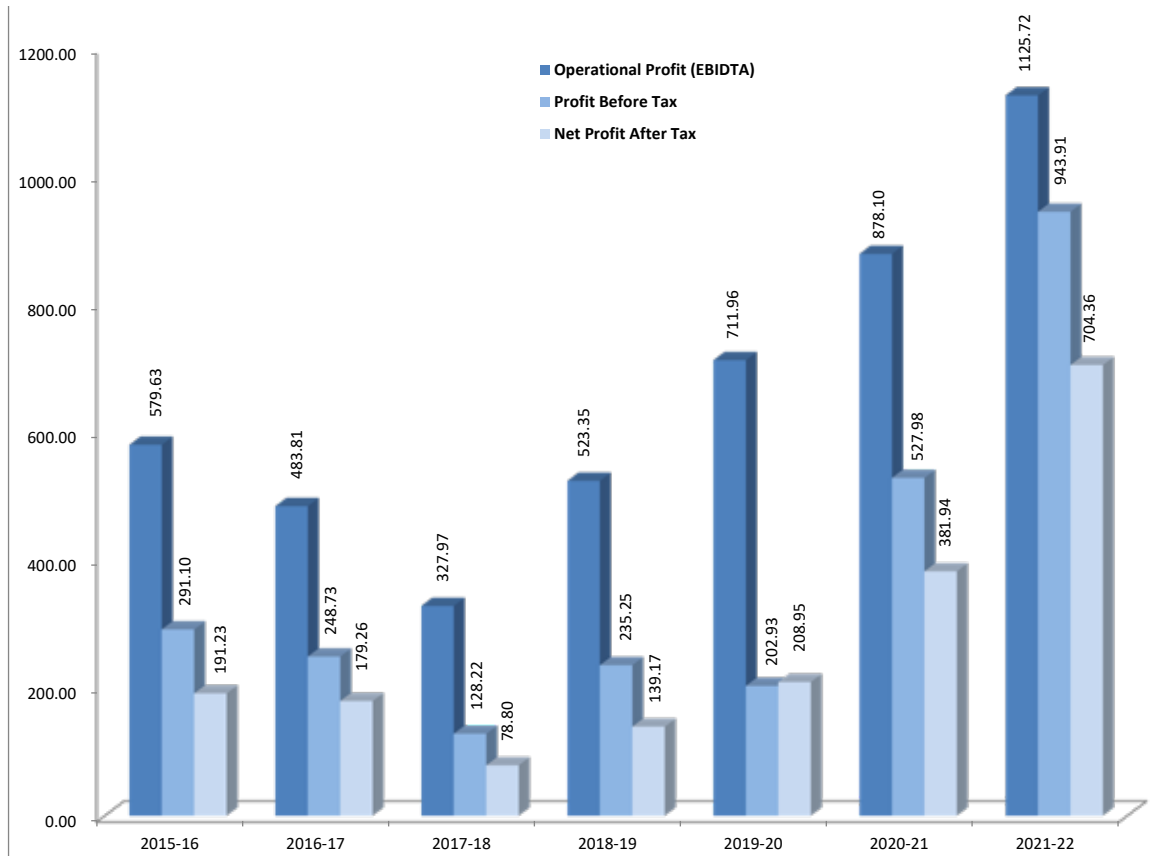
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FINANCIAL HIGHLIGHTS AT A GLANCE

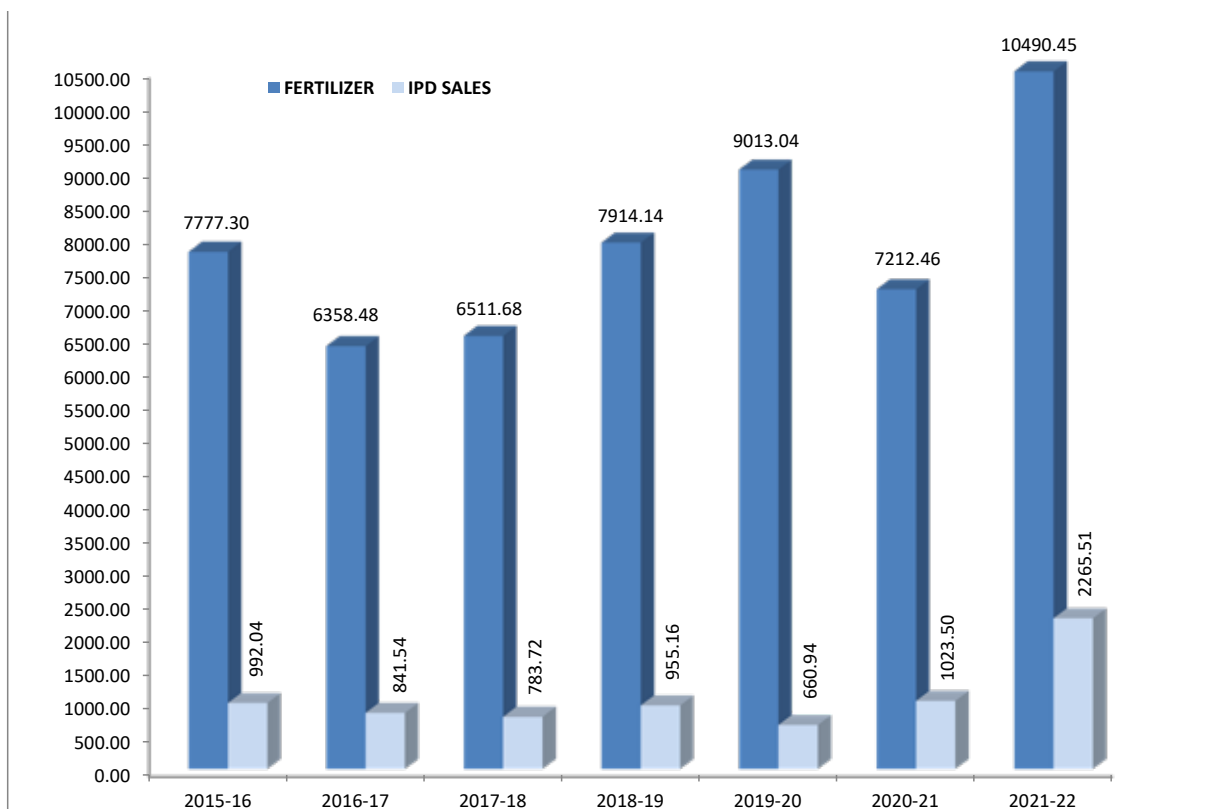
₹ Crore

S. NO	PARTICULARS	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
		As per IND AS							As per revised Schedule VI							
1	Gross Turnover (Gross Sales+ Subsidy + Other Income)	13181.19	8664.63	10017.39	9119.54	7523.42	7456.21	9019.82	8063.22	6889.28	7131.65	6698.94	5671.60	5826.25	8538.43	5325.06
2	Revenue From Operations (Net)	12812.17	8281.18	9697.95	8885.47	7318.63	7223.17	8649.43	7713.45	6587.60	6894.49	6433.71	5507.11	5642.11	8365.98	5140.27
3	"Profit before Interest, Depreciation and Tax (EBIDTA)"	1125.72	878.10	711.96	523.35	327.97	483.81	579.63	892.86	639.98	641.88	567.82	533.19	490.38	523.01	391.24
4	Depreciation	183.55	175.26	171.04	155.69	137.04	141.10	145.13	258.12	141.75	173.15	142.44	112.62	75.60	86.58	86.96
5	Finance Cost	125.89	179.57	237.82	155.85	62.59	93.98	142.32	116.95	131.29	88.25	49.33	66.10	70.55	110.72	66.25
6	Prior year Adj. - Expenses / (Income)	0.00	0.00	0.00	0.00	0.00	0.00	1.08	8.16	(0.38)	0.36	1.59	(0.22)	0.02	0.01	(4.04)
7	Exceptional Items	(127.63)	(4.71)	100.17	(23.44)	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8	Profit / (Loss) Before Tax	943.91	527.98	202.93	235.25	128.22	248.73	291.10	509.63	367.32	380.12	374.46	354.69	344.21	325.70	242.07
9	Tax Provision (Net of Adj.)	239.55	146.04	(5.22)	96.08	49.42	69.47	99.87	187.57	117.43	99.22	125.22	109.57	109.34	114.12	83.92
10	Profit / (Loss) After Tax	704.36	381.94	208.15	139.17	78.80	179.26	191.23	322.06	249.89	280.90	249.24	245.12	234.87	211.58	158.15
11	Dividend Declared						54.78									
	Rate %	38.50	29.80	28.40	7.70	6.00	11.00	11.00	18.00	15.00	15.00	14.00	11.00	11.00	12.00	10.00
	Amount :	212.40	164.40	156.68	51.21	39.91	73.04	73.04	119.52	96.79	96.81	89.77	70.53	70.77	77.45	64.55
	Dividend Payout Ratio %	30.16	43.04	75.27	36.80	50.64	40.75	38.19	37.11	38.73	34.46	36.02	28.77	30.13	36.61	40.82
12	Working Capital	1707.82	1651.92	1416.72	1605.84	1544.05	1607.38	1465.03	1695.06	1378.73	1199.67	1116.04	1036.33	1933.66	1896.01	1418.44
13	Capital Employed	4039.29	4030.50	3770.97	3853.36	3490.07	3165.12	2961.59	3196.10	2998.40	2616.38	2513.19	1831.12	3176.37	2973.17	2472.58
14	Net Worth	3889.23	3356.70	3186.27	3034.70	2929.69	2925.02	2829.12	2710.93	2508.39	2355.29	2171.20	2011.73	1837.14	1672.42	1537.38
15	RATIOS															
	Current Ratio [CA : 1]	1.41	1.79	1.24	1.34	1.64	1.56	1.35	1.62	1.58	1.42	1.40	1.85	2.25	1.93	2.63
	Debt Equity Ratio [Debits : 1]	0.35	0.37	0.23	0.19	0.14	0.08	0.14	0.16	0.16	0.11	0.15	0.11	0.72	0.85	0.81
	Debt Service Coverage Ratio (Times)	3.07	2.29	1.86	1.70	2.36	2.38	1.51	4.78	3.15	4.55	5.29	4.26	6.95	4.72	5.91
	Interest Service Coverage Ratio (Times)	8.94	4.89	2.99	3.36	5.24	5.15	4.07	7.63	4.87	7.27	11.51	8.07	6.95	4.72	5.91
	EBIDTA to capital employed %	27.87	21.79	18.88	13.58	9.40	15.29	19.57	27.94	21.34	24.53	22.59	29.12	13.84	17.59	15.82
	PBT to Capital Employed %	23.37	13.10	5.38	6.11	3.67	7.86	9.83	15.95	12.25	14.53	14.90	19.37	10.84	10.95	9.79
	PAT to Capital Employed %	17.44	9.48	5.52	3.61	2.26	5.66	6.46	10.08	8.33	10.74	9.92	13.39	7.39	7.12	6.40
	PBT to Net Worth %	24.27	15.73	6.37	7.75	4.38	8.50	10.29	18.80	14.64	16.14	17.25	17.63	18.74	19.47	15.75
	PAT to Net Worth %	18.11	11.38	6.53	4.59	2.69	6.13	6.76	11.88	9.96	11.93	11.48	12.18	12.78	12.65	10.29
	PAT to Equity %	127.67	69.23	37.73	25.23	14.28	32.49	34.66	58.38	45.30	50.92	45.18	44.43	42.57	38.35	28.67
	Earning per share After Tax (Rs.)	12.77	6.92	3.77	2.52	1.43	3.25	3.47	5.84	4.53	5.09	4.52	4.44	4.26	3.84	2.87
	EBIDTA to Turnover %	8.54	10.13	7.11	5.74	4.36	6.49	6.43	11.07	9.29	9.00	8.48	9.40	8.42	6.13	7.35

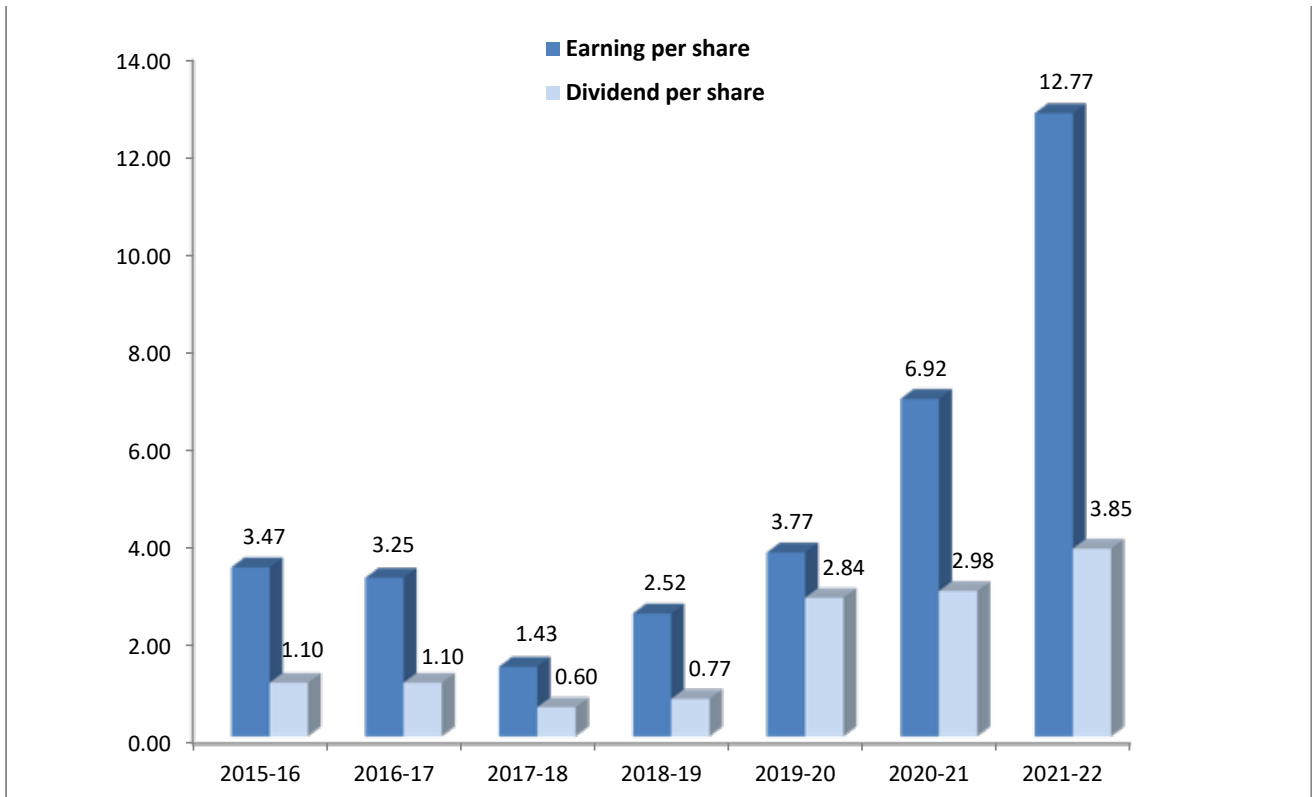
OPERATIONAL PROFIT (EBIDTA), PBT AND PAT (₹ CRORE)



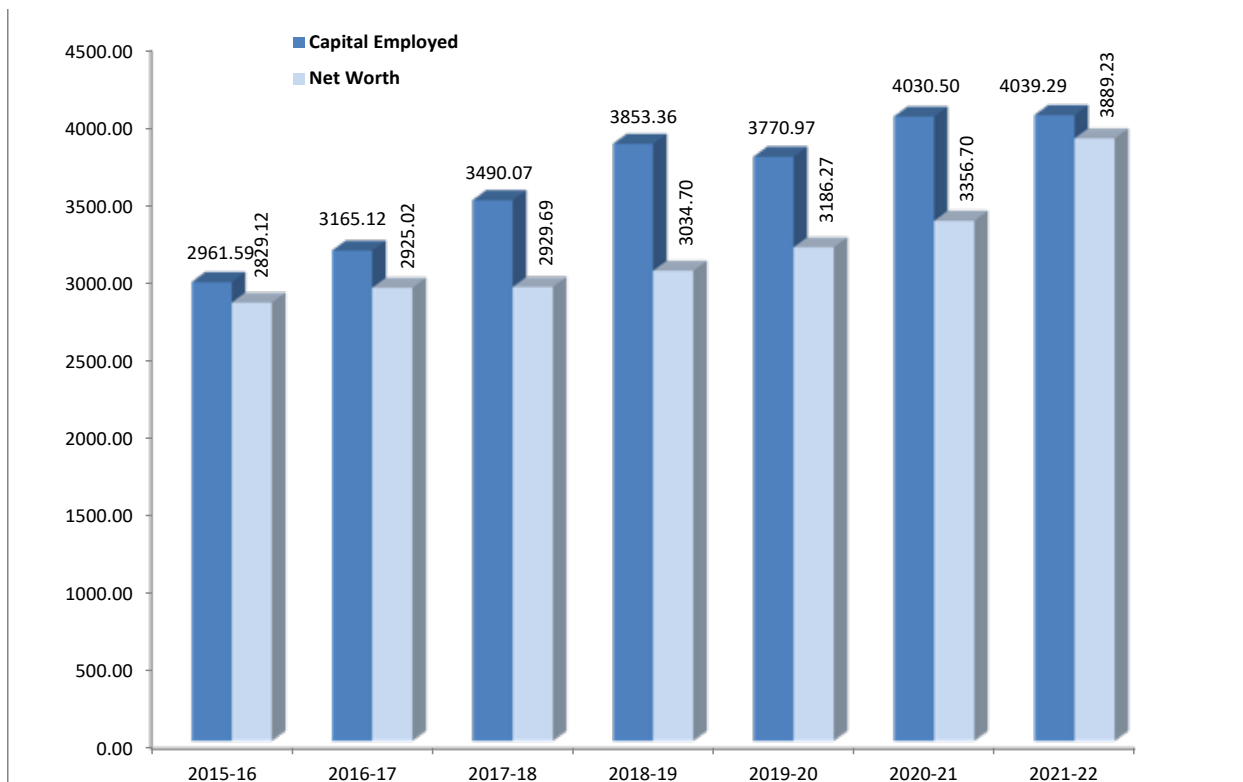
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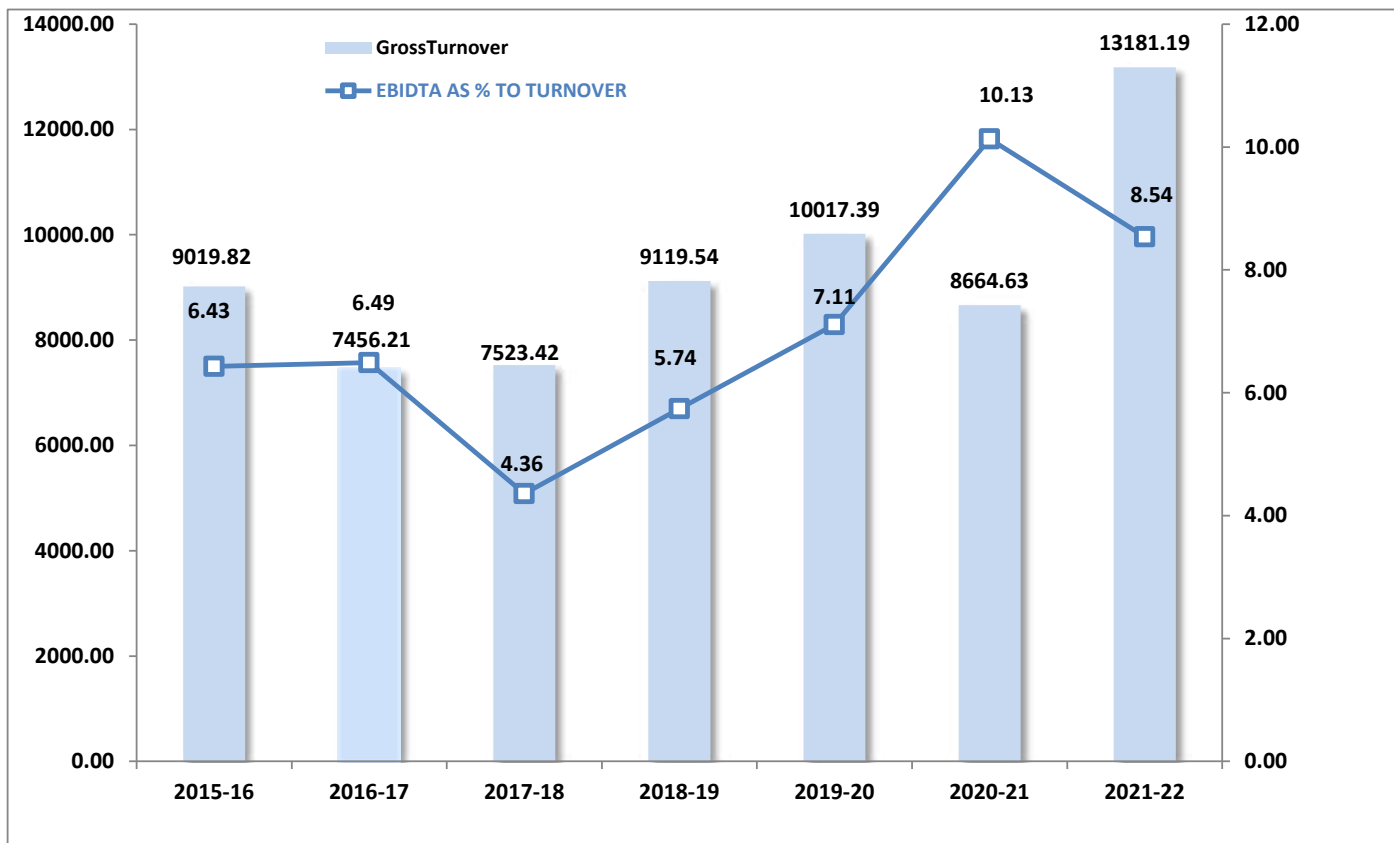
EARNINGS & DIVIDEND PER SHARE (₹)



CAPITAL EMPLOYED & NET WORTH (₹ CRORE)



EBIDTA AS % TO TURNOVER



MISSION STATEMENT

“Exponential growth through business excellence with focus on maximising stakeholder value by manufacturing and selling fertilizers and chemicals in a reliable, ethical and socially responsible manner”.

VISION STATEMENT

“To be a world class corporate in the field of fertilizers and chemicals with dominant position in Indian market, ensuring optimal utilisation of resources, taking due care of environment and maximising value of stake holders”.

VALUE STATEMENT

“RCF shall deal in all aspects of Business with integrity, honesty, transparency and with utmost respect to the stakeholders, by honouring our commitments, providing results and striving for highest quality.”

SENIOR MANAGEMENT TEAM AS ON 01.09.2022

Employee Name	Designation
Sameer Rastogi	Chief Vigilance Officer (Additional charge Talcher Proj)
Nuhu H Kurane	Executive Director (Commercial / HRD)
Jai Bhagwan Sharma	Executive Director (Legal & Company Secretary)
Anil G Mathur	Executive Director (Trombay)
Anil P Dandekar	Executive Director (Finance)
Tushar M Bhagwat	Executive Director (P & PD)
Rajkumar R Kulkarni	Executive Director (Thal)
Ajay M Patil	Executive Director (Projects)
Ms Sunita Shukla	Executive Director (HR, Admn & IT)
Aniruddha M Khadilkar	Executive Director (Operations), Thal
Rajiv Pande	Chief General Manager (HSE Corporate)
Sunil P Thokal	Chief General Manager (Utility, Projects), Thal
Anil Kumar Shrivastava	Chief General Manager (Complex & Maintenance)
Ms Sunetra Kamble	Executive Director (Marketing) I/c.
Shrinivas M Kulkarni	Chief General Manager (HR-A), Thal
Sandeep P Sinkar	General Manager (Operation)
Gopalan Seshadri	General Manager (Corp Proj & Administration)
Ajay Y Bhuchar	General Manager (IA)
Sanjay Arora	General Manager (Talcher)
Niranjan S Sonak	General Manager (Commercial)
Sharad S Sonawane	General Manager (HR) - S
Sanjay R Jagtap	General Manager (IPD)
S Shivkumar	General Manager (Finance)
Shashikant S Ukhalkar	General Manager (Commercial), Thal
Vikram K Jawale	General Manager (Complex/Acids/R&D)
Prashant M Badhe	General Manager (HWP/CGP), Thal
Sushant C Gajbhiye	General Manager (HRD)
Mrs Jyoti V Patil	General Manager (TS), Thal

Bankers :	State Bank of India Swastik Chamber, Chembur, Mumbai.	Website Address :	www.rcfldtd.com
Statutory Auditors :	M/s M M Nissim & Co. LLP, Mumbai M/s Gokhale & Sathe, Mumbai	Email address :	investorcommunications@rcfldtd.com
Cost Auditors :	Shri K. G. Goyal & Associates, Jaipur	Telephone :	022 24045024 / 022 25523114
Solicitor :	M/s M.S. Bodhanwalla & Co., Mumbai.	Registered Office :	“Priyadarshini” Eastern Express Highway Sion, Mumbai 400 022.
Internal Auditors :	M/s Pipara & Co LLP & Co., Chartered Accountants M/s. AMAA & Associates., Chartered Accountants	CIN:	L24110MH1978GOI020185
		Share Transfer Agent :	M/s. Link Intime India Pvt. Ltd., C-101, 247 Park, L.B.S.Marg, Vikh- roli(West), Mumbai 400 083 022 49186000

RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED

(A Government of India Undertaking)

CIN: L24110MH1978GOI020185

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Phone: 022-24045024 Email Id: investorcommunications@rcfld.com, Website: www.rcfld.com

NOTICE

44th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 44th Annual General Meeting of the Members of **Rashtriya Chemicals and Fertilizers Limited** will be held on Friday, December 23, 2022 at 3.00 p.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended March 31, 2022, including Profit & Loss Statement for the year ended March 31, 2022 and Balance Sheet as at that date together with the Reports of Directors and Independent Statutory Auditors and comments thereon of the Comptroller and Auditor General of India.
2. To declare final dividend of ₹ 2.50 per equity share and to confirm the interim dividend of ₹ 1.35 per equity share, already paid during the year, for the financial year ended March 31, 2022.
3. To appoint a Director in place of Ms Nazhat J. Shaikh [DIN: 07348075], who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint a Director in place of Shri Milind M. Deo [DIN: 08715250], who retires by rotation and being eligible, offers himself for reappointment.
5. To fix the remuneration of Statutory Auditors for the Financial Year 2022-23 and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 142 and other applicable provisions, if any, of the Companies Act, 2013, approval of the Members be and is hereby accorded to the Board of Directors to fix the remuneration, as may be reasonable and expedient, of the Statutory Auditors appointed by the Comptroller and Auditor General of India for conducting the Audit of the accounts of the Company for the financial year 2022-23."

SPECIAL BUSINESS:

6. **To appoint Ms Nazhat J. Shaikh, as Director (Finance) of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and 161 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and on the basis of the recommendation of Nomination & Remuneration Committee, Ms Nazhat J. Shaikh [DIN: 07348075] who was appointed by the Board of Directors as an Additional Director and designated as Director (Finance) of the Company w.e.f. December 1, 2021 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as the Director (Finance) of the Company, in the scale of Rs. 1,80,000-3,40,000/- (revised) plus perquisite as applicable to the grade, for a period of five years w.e.f. December 1, 2021, till the date of her superannuation, or until further orders, whichever is the earliest. She shall be liable to retire by rotation."

7. **To appoint Shri Milind M. Deo, as Director (Technical) of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and 161 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and on the basis of the recommendation of Nomination & Remuneration Committee, Shri Milind M. Deo [DIN: 08715250] who was appointed by the Board of Directors as an Additional Director and designated as Director (Technical) of the Company w.e.f. December 27, 2021 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as the Director (Technical) of the Company, in the scale of Rs. 1,80,000-3,40,000/- (revised) plus perquisite as applicable to the grade, for a period of five years w.e.f. December 27, 2021, till the date of his superannuation, or until further

orders, whichever is the earliest. He shall be liable to retire by rotation.”

8. To appoint Shri Chandra Bhushan Pandey, as an Independent Director of the Company

To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re- enactment thereof for the time being in force), Shri Chandra Bhushan Pandey [DIN: 09407412] who was appointed as an Additional Director of the Company and who holds office upto the date of this Annual General Meeting of the Company, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company w.e.f. November 29, 2021 for a period of three years w.e.f. November 5, 2021 or until further orders, whichever is earlier, in terms of letter no. 78/2/2006-HR(PSU) dated November 5, 2021 issued from Ministry of Chemicals & Fertilizers. He shall not be liable to retire by rotation.”

9. To appoint Shri Gopinathan Nair Anilkumar, as an Independent Director of the Company

To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re- enactment thereof for the time being in force), Shri Gopinathan Nair Anilkumar [DIN: 09447818], who was appointed as an Additional Director of the Company and who holds office upto the date of this Annual General Meeting of the Company, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company w.e.f. December 27, 2021 for a period of three years w.e.f. November 5, 2021 or until further orders, whichever is earlier, in terms of letter no. 78/2/2006-HR(PSU) dated November 5, 2021 issued from Ministry of Chemicals & Fertilizers. He shall not be liable to retire by rotation.”

10.0 Approval of Cost Auditor’s remuneration

To consider and if thought fit, to pass with or without modification(s), the following resolutions as an Ordinary Resolutions:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013, read with 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 Dhananjay V Joshi & Associates, Cost Accountants (FRN No.000030), Mumbai, appointed by the Board of Directors as Cost Auditors to conduct the audit of the Cost records of the Company for the financial year ending March 31, 2023, amounting to Rs.2,50,000/- excluding applicable taxes be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

11. To approve offer or invitation to subscribe to Secured or Unsecured Non-Convertible Debentures on private placement.

To consider and if thought fit, to pass with or without modification(s), the following resolutions as a Special Resolutions:

“**RESOLVED THAT** pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to the provisions of the Articles of Association of the Company, the approval of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which terms shall be deemed to include any Committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to offer or invite subscriptions for secured or unsecured non-convertible debentures (NCDs), in one or more series/tranches, aggregating upto to Rs.1,000 Crore (Rupees One Thousand Crore Only), on private placement, from such persons and on such terms and conditions as the Board of Directors of the Company may, from time to time, determine and consider proper and most beneficial to the Company including, without limitation, as to when the said Debentures are to be issued, the consideration for the issue, mode of payment, coupon rate, redemption period, utilization of the issue proceeds and all matters connected therewith or incidental thereto.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto.”

12. To appoint Ms Aneeta C. Meshram, as Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and 161 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms Aneeta C. Meshram (DIN: 097814436) who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. November 13, 2022 and who holds office upto the date of this Annual General Meeting Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company w.e.f. November 13, 2022, in terms of letters no. 95/1/2019-HR-PSU dated July 20, 2022 & July 21, 2022 issued from Ministry of Chemicals & Fertilizers, who shall be liable to retire by rotation.”

By order of the Board of Directors

(J. B. Sharma)

Executive Director

(Legal & Company Secretary)

FCS 5030

Date: November 14, 2022

Place: Mumbai

Notes

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has, vide its circulars nos. 14/2020, 17/2020, 20/2020 & 02/2021 dated April 8, 2020, April 13, 2020, May 5, 2020 & January 13, 2021 respectively (collectively referred to as “MCA Circulars”) and Circular Nos. SEBI/HO/CFD/CMD1/CIR /P/2020/79 dated May 12, 2020 & SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India (collectively referred to as “SEBI Circular”), permitted the holding of the Annual General Meeting of a Company through Video Conferencing (VC) /Other Audio Video Means (OAVM), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA & SEBI Circulars, the AGM of the Company is being held through VC / OAVM on Friday, December 23, 2022, 2022 at 3.00 p.m. The registered office of the Company shall be deemed to be the venue for the AGM.

The procedure for joining the AGM through VC/OAVM is mentioned in this Notice.

2. Since the AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM. The route map, Proxy Form as well as the Attendance Slip are therefore, not annexed to this Notice.

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.

3. Members shall have the option to vote electronically (“e-voting”) either before the AGM (“remote e-voting”) or during the AGM.

In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and any amendments thereto, Secretarial Standard on General Meetings (“SS-2”), Regulation 44 of the SEBI Listing Regulations and MCA Circulars, the facility for remote e-voting and e-voting in respect of the business to be transacted at the AGM is being provided by the Company through Central Depository Services (India) Limited (“CDSL”). Necessary arrangements have been made by the Company with CDSL to facilitate remote e-voting and e-voting during AGM.

4. Members are permitted to join the AGM through VC/OAVM, 15 minutes before the scheduled time of commencement of AGM and during the AGM, by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a 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 any restrictions pertaining to joining the AGM on a first come first served basis. Institutional Investors who are Members of the Company, are encouraged to attend and vote at the AGM.
5. Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act, 2013.
6. Members attending the AGM through VC / OAVM should note that those who are entitled to vote but have not exercised their right to vote by remote e-voting, may vote during the AGM through e-voting for all businesses specified in the Notice. The Members who

have exercised their right to vote by remote e-voting may attend the AGM but cannot vote during the AGM.

7. A statement setting out the material facts pursuant to Section 102(1) of the Companies Act, 2013 and rules notified thereunder (“the Act”), relating to the Special Business to be transacted at the AGM is annexed hereto.
8. Brief profile and other required information about the Directors proposed to be appointed/re-appointed, as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India as approved by the Central Government, is enclosed to this Notice.
9. Any person who becomes a Member of the Company after sending of Annual Report and holding shares as on Friday, December 16, 2022 shall also follow the procedure stated herein.
10. Register of Members and Share Transfer books will remain closed from Saturday, December 17, 2022 to Friday, December 23, 2022 [both days inclusive].
11. The Board of Directors of the Company has recommended a final dividend of Rs. 2.50 per share. The Company has fixed Friday, December 16, 2022 as the ‘Record Date’ for determining entitlement of members to receive final dividend for the year ended March 31, 2022, if approved, at the AGM. The final dividend, once approved by the members in the AGM, will be paid to the eligible shareholders within the stipulated period of 30 days of declaration.
12. The dividend will be paid through electronic mode to those members whose updated bank account details are available. For members whose bank account details are not updated, dividend warrants / demand drafts will be sent to their registered address. To avoid delay in receiving dividend, members are requested to register / update their bank account details.
13. Members may send their requests for change / updation of address, bank account details, email address, nominations, etc.:
 - (i) For shares held in dematerialised form - to their respective Depository Participant;
 - (ii) For shares held in physical form - to the Registrar & Transfer Agents (“RTA”) i.e. Link Intime India Pvt. Ltd., C 101, 247 Park, L. B. S. Marg, Vikhroli West, Mumbai 400 083; Tel No. 022 49186000; E-mail Address: rnt.helpdesk@linkintime.co.in
14. Members may note that the Income Tax Act, 1961, as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company is taxable in the hands of members. The Company shall therefore be required to deduct tax at source (“TDS”) at the time of making the payment of dividend. In order to enable us to determine the applicable TDS rate, members are requested to submit the relevant documents on or before Friday, December 16, 2022. The detailed communication regarding TDS on dividend is provided on the link: www.rcfild.com.
Kindly note that no documents in respect of TDS would be accepted from members after Friday, December 16, 2022.
15. As per Regulation 40 of SEBI (LODR), as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except for request received for transmission or transposition of securities. In view thereof and to eliminate all risks associated with physical shares, members holding shares in physical form are requested to convert their holdings to dematerialised form. Members can contact the Company or the RTA for assistance in this regard.
16. Non-Resident Indian members are requested to inform the RTA immediately about:
 - (i) Change in their residential status on return to India for permanent settlement.
 - (ii) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
17. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market failing which the demat account / folio no. would be suspended for trading. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or its RTA at the address mentioned above.
18. As per the provisions of section 124(5) of the Act the dividend(s) which remains unpaid / unclaimed for a period of 7 years is to be transferred to the Investor Education & Protection Fund (“IEPF”) established by the Central Government at the end of the 7th year. Accordingly, the Company has transferred all unpaid / unclaimed dividend declared upto the financial year 2013-14 to IEPF on the respective due dates. Further, section 124(6) of the Act provide that all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to the demat account of IEPF authority.
The Company had sent reminder letter to all such members, whose dividend had remained unpaid / unclaimed for a consecutive period of 7 years i.e. 2014-

15 to 2020-21, with a request to claim the dividends, failing which the shares would be transferred to the IEPF Authority on the due date. Thereafter, such shares were transferred to the demat account of the IEPF authority on November 18, 2021. The details of such shares are hosted on the website of the Company www.rcfltd.com.

It may please be noted that, upon completion of 7 years, the Company would transfer the unpaid / unclaimed dividend for the financial year 2014-15 on or before October 31, 2022. Further, the shares in respect of which dividend has remained unpaid / unclaimed for a consecutive period of 7 years i.e. from 2014-15 to 2021-22, would also be transferred to the demat account of IEPF authority on or before October 31, 2022. The details of such unpaid / unclaimed dividend(s) as well as shares liable to be transferred to the IEPF are hosted on the website of the Company www.rcfltd.com.

Section 125 of the Act provides that a member whose dividend / equity shares have been transferred to the IEPF shall be entitled to claim refund therefrom. The procedure for claiming the unpaid dividend and equity shares transferred to the IEPF Authority is provided on the following link: <http://www.iepf.gov.in/IEPF/refund.html>.

To avoid transfer of unpaid dividends / equity shares, the members are requested to write to the RTA at the address mentioned above or to the Company for claiming the unpaid / unclaimed dividend.

19. In line with MCA and SEBI circulars, the Notice calling the AGM along with the Annual Report for 2020-21 ("Annual Report") is being sent through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice of AGM and Annual Report will also be available on the website of the Company at www.rcfltd.com under 'Investor Relations' section, the website 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 Notice is also disseminated on the website of CDSL at www.evotingindia.com.
20. All the documents referred in the Notice are available for inspection electronically from the date of dispatch of Notice till Friday, December 23, 2022. Members seeking to inspect such documents are requested to write to the Company at investorcommunications@rcfltd.com
21. A person, whose name is recorded in the Register of Members / Beneficial Owners list maintained by the depositories as on Friday, December 16, 2022 only shall be entitled to avail the facility of remote e-voting or e-voting during the AGM.
22. Members are requested to notify immediately any changes in their address to the Company or its Transfer

Agents: Link Intime India Pvt. Ltd., C 101, 247 Park, L. B. S. Marg, Vikhroli West, Mumbai 400 083.

23. Any clarifications needed by the members of the Company may be addressed to the Company Secretary at the Registered Office of the Company or through e-mail investorcommunications@rcfltd.com at least seven days prior to the date of Annual General Meeting.
24. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ Link Intime (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to cs@rcfltd.com or rcfdiwtax@linkintime.co.in. The aforesaid declarations and documents need to be submitted by the shareholders on or before Friday, December 16, 2022.
25. **Investor Grievance Redressal:** The Company has designated an exclusive e-mail ID i.e. investorcommunications@rcfltd.com to enable the investors to register their complaints / send correspondence, if any.
26. **Webcast:** The Company is providing the facility of live webcast of proceedings of the AGM. Members who are entitled to participate in the AGM can view the proceedings of AGM by logging in the website of CDSL at www.evotingindia.com using the login credentials.

PROCEDURE FOR REMOTE E-VOTING, ATTENDING THE AGM THROUGH VC/ OAVM AND E-VOTING DURING THE AGM:

The voting period begins on Monday, December 19, 2022 from 9:00 a.m. (IST) and ends on Thursday, December 22, 2022 at 5:00 p.m. (IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, December 16, 2022, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter and the same will be enabled during the AGM for the Members who have not casted their vote through remote e-voting.

Members who have casted their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC

/ OAVM but shall not be entitled to cast their vote again.

A.1. Procedure and instructions for individual Members holding shares in dematerialized form

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL 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 URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 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.
	<p>Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p>
	<ol style="list-style-type: none"> If the user is not registered for Easi/ Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 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 or click on https://evoting.cdslindia.com/Evoting/EvotingLogin 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.

<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<ol style="list-style-type: none"> 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. 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
	<ol style="list-style-type: none"> 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 hold 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.

Individual Shareholders (holding securities in demat mode) login through their Depository Participants	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 website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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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 contact at 1800 22 55 33
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 toll free no.: 1800 1020 990 and 1800 22 44 30

2. Procedure and instructions for non-individual Members holding shares in dematerialized form and Members holding shares in physical form

- (i) The shareholders should log on to the e-voting website www.evotingindia.com.
- (ii) Click on “Shareholders” module.
- (iii) 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.
- (iv) Next enter the Image Verification as displayed and Click on Login.

- (v) 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.
- (vi) If you are a first-time user follow the steps given below: For Physical shareholders and other than individual shareholders holding shares in Demat.

	For Physical shareholders and 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) <ul style="list-style-type: none"> • 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. <ul style="list-style-type: none"> • 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.

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) 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.
- (ix) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

- (xi) 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.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvi) 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.
- (xvii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
- 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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - 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 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 and to the Company at the email address viz; investorcommunications@rcfltd.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- (xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800 22 55 33
- (xix) All grievances connected with the e-voting facility may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400 013 or send an email to helpdesk.evoting@cdslindia.com or call 1800 22 5533.
- B. Procedure and instructions for Members attending the AGM through VC / OAVM:**
- (i) Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM through the facility provided by CDSL at www.evotingindia.com by using their remote e-voting login credentials and selecting the EVSN for the Company’s AGM.
- (ii) Members are encouraged to join the AGM through laptops / iPads for better experience.
- (iii) Members connecting through mobile devices or tablets or laptop connecting via mobile hotspot may experience loss of audio / video due to fluctuation in the network.
- Members are requested to use an internet facility with a good bandwidth to avoid facing any disturbance during the AGM.
- (iv) Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID / Folio No., PAN, mobile number along with their queries at investorcommunications@rcfltd.com from Friday, December 16, 2022 from 9:30 a.m. (IST) to Wednesday, December 21, 2022 till 5:00 p.m. (IST). Those Members who have registered

themselves as a speaker will be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

C. Procedure and instructions for Members for e-voting during the AGM are as under:

- (i) The procedure to be followed for e-voting on the day of the AGM will be the same mentioned above for remote e-voting.
- (ii) Only those Members, who are present at the AGM through VC / OAVM 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 during the AGM.
- (iii) If any votes are cast by the Members through the e-voting facility available during the AGM and if the said Members have not participated in the AGM through VC / OAVM facility, then the votes cast by such Members shall be considered invalid as the facility of e-voting during the AGM is available only to the Members attending the AGM.
- (iv) Members who need any technical assistance before or during the AGM, can contact Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400 013 or send an email to helpdesk.evoting@cdslindia.com or call 1800 22 55 33 / 022-2305 8542.

D. Scrutinizer

The Board of Directors has appointed Shri Nrupang Dholakia, Partner of M/s. Dholakia and Associates LLP, Company Secretaries as a Scrutinizer to scrutinize the remote e-voting and ballot process in a fair and transparent manner.

E. Declaration of Results:

- (i) The scrutinizer shall, immediately after the conclusion of voting during the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 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 Chairperson of the Company or the person authorized by him, who shall countersign the same.
- (ii) Based on the scrutinizer's report, the Company will submit within 2 working days of the conclusion of the AGM to the Stock Exchanges, details of the voting

results as required under Regulation 44(3) of the SEBI Listing Regulations.

- (iii) The results declared along with the scrutinizer's report, will be hosted on the website of the Company at www.rcfld.com and on the website of CDSL, immediately after the declaration of the result by the Chairperson or a person authorised by him in writing and communicated to the Stock Exchanges.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company i.e. investorcommunications@rcfld.com /RTA email id rnt.helpdesk@linkintime.co.in
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following statement sets out all the material facts relating to the Special Business mentioned in the accompanying Notice.

Item No.6

Ms Nazhat J. Shaikh has taken over charge of Director (Finance) of Rashtriya Chemicals and Fertilizers Ltd. (RCF) w.e.f. December 1, 2021. Ms Shaikh holds a Bachelor's degree in Commerce from Mumbai University and is a qualified Chartered Accountant. She is a certified SAP FI Consultant. She started her career with RCF in the year 1989 as Accounts Officer. She was selected as Director (Finance) in National Film Development Corporation, a CPSE under the administrative Ministry of Information & Broadcasting and joined on November 2015. She re-joined RCF as Executive Director Finance on August 2019. She was entrusted with various responsibilities relating to Finance in Trombay, Fertilizer Marketing & Corporate during her service period in RCF. She was also given charge of IT responsibilities during the crucial period of SAP ERP implementation/upgrade. She has been a member of Women's Cell and Complaints Committee for prevention of Sexual Harassment. She has a rich experience of more than 29 years in the fertilizer industry. At NFDC, she was holding additional charge of the responsibilities of Managing Director of NFDC for a brief period. Being one of the two Functional Directors, she got an exposure to the non-finance areas including media & production business, film festivals and promotion in addition to HR, legal & administrative functions. She was awarded Best Woman Employee Award in Executive

Category (3rd place) instituted by Forum of Woman in Public Sector (under the aegis of SCOPE) in February 2014 and the CFO100 Next Award 2013 instituted by the CFO institute.

Ms Shaikh is not disqualified from being appointed as Director in terms of section 164 of the Act and has given her consent to act as Director.

The Company has, in terms of Section 160(1) of the Act, received a notice from Member(s) proposing her candidature for the office of Director (Finance).

Ms Shaikh holds 100 equity shares in the Company.

Except Ms Shaikh, to whom the resolution relates, no Director, Key Managerial Personnel of the Company or their relatives, is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors considered that keeping in view her vast expertise and knowledge, it will be in the interest of the Company to appoint her as Director (Finance).

The Directors, therefore, recommend the resolution set forth in item no. 6 for the approval of the members.

Item No.7

Shri Milind Madhukar Deo has taken over charge of Director (Technical) of Rashtriya Chemicals and Fertilizers Ltd. (RCF) w.e.f. December 27, 2021. Shri Deo is a Bachelor of Chemical Engineering from Institute of Chemical Technology, Mumbai (earlier known as UDCT, Mumbai), 1984 batch. He is an Energy Auditor, certified by Bureau of Energy Efficiency (BEE). He was also a Lead Auditor for ISO 14001, OHSAS 18001, ISO 9001 and had conducted internal IMS and safety audits. Prior to elevation to the Director (Technical), he was Executive Director (Coordination) RCF. He joined the Company in July 1984 as a Management Trainee. In his long career spanning more than 37 years, he has worked in various capacities in Ammonia and Urea Plants, Complex Fertilizer Plant, Group of Chemical Plants, Steam Generation Plants, Methanol and Nitric Acid Plants, Product Handling Plant, Technical Services, Health, Safety & Environment Management, Energy Management and Coordination of Performance Improvement Schemes. He was actively involved in commissioning and performance guarantee test run of Urea plants in India and abroad. He was a member of the team deputed to Bangladesh for commissioning of Jamuna Fertilizer Project, undertaken by M/s Mitsubishi Heavy Industries, Japan on turn-key basis. He played a key role in implementing optimization scheme in all three Thal Urea Plants, mainly for reducing energy consumption through updating process technology. He is the recipient of first prize for the best article in production and technology (2002-2003) on 'BFW Production from Urea Process Condensate through MP Hydrolysis', co-written in 'Fertilizer News' (August 2003 issue) of Fertilizer Association of India. He has also presented technical papers on Safety Practices and Energy Schemes in the national level seminars. Apart from technical knowledge and expertise, he loves literature and was honoured with PhD

by Mumbai University in the year 2000 for his thesis related to Marathi literature and philosophy.

Shri Deo is not disqualified from being appointed as Director in terms of section 164 of the Act and has given his consent to act as Director.

The Company has, in terms of Section 160(1) of the Act, received a notice from Member(s) proposing his candidature for the office of Director (Technical).

Shri Deo does not hold any shares in the Company by himself or for any other person on beneficial basis.

Except Shri Deo, to whom the resolution relates, no Director, Key Managerial Personnel of the Company or their relatives, is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors considered that keeping in view his vast expertise and knowledge, it will be in the interest of the Company to appoint her as Director (Technical).

The Directors, therefore, recommend the resolution set forth in item no. 7 for the approval of the members.

Item No.8

Shri Chandra Bhushan Pandey who has been appointed by President of India as an Independent Director on the Board of the Company w.e.f. November 29, 2021, pursuant to Section 161(1) of the Companies Act, 2013 read with Article 81(4) of Articles of Association of the Company, will hold the office till the date of 44th Annual General Meeting.

Shri Pandey holds a degree of Master of Science (Gold Medalist) from Allahabad University. Shri Pandey has served as MP PCS and UP PCS till 2008. He is a social worker and through his work established Mission 'Water for Tomorrow, established Green Earth Ashram in Prayagraj, launched 'Ashta Tree Plantation' campaign, established UP development foundation(UPDF) which is dedicated to goal developed UP with the help of group of expert and citizen through committee of experts, dedicated to organic farming campaign through 'Living Soil Program', agitating for the development and conservation of ponds through 'Aao Talab Chalen' campaign. He was a founder member of the farmers' organization Rashtriya Kisan Panchayat. He was editor of magazine viz "Bagwani" and "Naukarshahi. He has dedicated his whole life to the society.

Shri Pandey is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

The Company has received a declaration from Shri Chandra Bhushan Pandey that he meets with the criteria of independence as prescribed both under sub-section (6) of section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Shri Pandey fulfils the conditions

for his appointment as an Independent Director as specified in the Act.

Pursuant to the provisions of Section 161(1) of the Act, Shri Chandra Bhushan Pandey shall hold office up to the date of this Annual General Meeting and is eligible to be appointed as an Independent Director. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member(s), proposing his candidature for the office of Independent Director.

Shri Pandey does not hold any shares in the Company by himself or for any other person on beneficial basis.

Except Shri Pandey, to whom the resolution relates, no Director, Key Managerial Personnel of the Company or their relatives, is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors considered that keeping in view his vast expertise and knowledge, it will be in the interest of the Company to appoint him as Director.

The Directors, therefore, recommend the resolution set forth in item no. 8 for the approval of the members.

Item No. 9

Shri Gopinathan Nair Anilkumar who has been appointed by President of India as an Independent Director on the Board of the Company w.e.f. December 27, 2021, pursuant to Section 161(1) of the Companies Act, 2013 read with Article 81(4) of Articles of Association of the Company, will hold the office till the date of 44th Annual General Meeting.

Shri.Gopinathan Nair Anilkumar holds LLB Degree from Andhra University.Shri Gopinathan Nair Anilkumar is natural rubber exporter since 1990. He has been awarded four times by Rubber Board,Government of India for natural rubber exporter. He was two-time Nation's first largest exporter of Natural Rubber Sheets and Two Times Second largest exporter. He is also Assessing Officer for Rubber Skill Development Council approved by Skill India Project

Shri Gopinathan Nair Anilkumar is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

The Company has received a declaration from Shri Gopinathan Nair Anilkumar that he meets with the criteria of independence as prescribed both under sub-section (6) of section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Shri Gopinathan Nair Anilkumar fulfils the conditions for his appointment as an Independent Director as specified in the Act.

Pursuant to the provisions of Section 161(1) of the Act, Shri Gopinathan Nair Anilkumar shall hold office up to the date of this Annual General Meeting and is eligible to be appointed as

an Independent Director. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member(s), proposing his candidature for the office of Independent Director.

Shri Gopinathan Nair Anilkumar does not hold any shares in the Company by himself or for any other person on beneficial basis.

Except Shri Gopinathan Nair Anilkumar, to whom the resolution relates, no Director, Key Managerial Personnel of the Company or their relatives, is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors considered that keeping in view his vast expertise and knowledge, it will be in the interest of the Company to appoint him as Director.

The Directors, therefore, recommend the resolution set forth in item no. 9 for the approval of the members.

Item No.10

Pursuant to the recommendation of the Audit Committee, the Board of Directors at their meeting held on May 27, 2022 has considered and approved the appointment of M/s Dhananjay V. Joshi, Cost Accountants (FRN 000030), Mumbai to conduct the audit of the cost records of the Company for the financial year ending March 31, 2023, as set out in the Resolution under this Item of the Notice.

In accordance with Rule 14 of Companies (Audit and Auditors) Rules 2014, remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, requires ratification by the Shareholders and hence this resolution is put for the consideration of the shareholders.

No Director, Key Managerial Personnel of the Company or their relatives, is concerned or interested, financially or otherwise, in the resolution.

The Directors, therefore, recommend the resolution set forth in item no.10 for the approval of the members.

Item No.11

Sub-rule (2) of Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 prescribed under Section 42 of the Act dealing with private placement of securities by a company states that in case of an offer or invitation to subscribe for non-convertible debentures on private placement, the company shall obtain previous approval of its shareholders by means of a special resolution only once in a year for all the offers or invitations for such debentures during the year. Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014 deals with issue of secured debentures.

In order to augment long term resources for financing, inter alia, the ongoing capital expenditure and for general corporate purposes, the Board may, at an appropriate time, offer or invite subscription for secured or unsecured non-convertible

debentures, in one or more series / tranches on private placement, issuable/redeemable at par.

Accordingly, consent of the members is sought for passing the Special Resolution as set out at Item No. 11 of the Notice. This resolution is an enabling resolution and authorises the Board of Directors of the Company to offer or invite subscription for Secured or Unsecured Non-convertible Debentures, as may be required by the Company, from time to time for a year from the date of passing this resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Directors, therefore, recommend the resolution set forth in item no.11 for the approval of the members.

Item No. 12

Ms Aneeta C. Meshram, who has been appointed by President of India as Government Nominee Director on the Board of the Company w.e.f. November 13, 2022, pursuant to Section 161(1) of the Companies Act, 2013 read with Article 81(4) of Articles of Association of the Company, will hold the office till the date of 44th Annual General Meeting.

Ms Meshram is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given her consent to act as Director.

Ms Meshram does not hold any shares in the Company by

herself or for any other person on beneficial basis. The Company has received a notice in writing from a member proposing the candidature of Ms Meshram for the office of Director

Except Ms Meshram, to whom the resolution relates, no Director, Key Managerial Personnel of the Company or their relatives, is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors considered that keeping in view her vast expertise and knowledge, it will be in the interest of the Company to appoint her as Director.

The Directors, therefore, recommend the resolution set forth in item no.12 for the approval of the members.

By Order of the Board of Directors

(J. B. Sharma)

Executive Director

(Legal & Company Secretary)

FCS 5030

Date: November 14, 2022

Place: Mumbai

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE AGM PURSUANT TO SECRETARIAL STANDARD 2 ON GENERAL MEETING

* In line with Regulation 26 of SEBI Listing Regulations, 2015, membership of only Audit committee and Stakeholders Relationship Committee has been considered.

Name	Ms Nazhat J. Shaikh (DIN: 07348075)	Shri Milind M. Deo (DIN: 08715250)	Shri Chandra Bhushan Pandey (DIN: 09407412)	Shri Gopinathan Nair Anilkumar (DIN: 09447818)	Ms Aneeta C. Meshram (DIN: 09781436)
Age	55 years	58 years	50 years	58 years	50 years
Date of birth	27.03.1967	07.09.1963	12.04.1972	28.09.1963	04.12.1971
Date of Appointment	01.12.2021	27.12.2021	29.11.2021	27.12.2021	13.11.2022
Qualification	Bachelor's degree in Commerce from Mumbai University, Chartered Accountant & certified SAP FI Consultant	Bachelor of Chemical Engineering from Institute of Chemical Technology, Mumbai (earlier known as UDCT, Mumbai). Energy Auditor, certified by Bureau of Energy Efficiency (BEE) & Lead Auditor for ISO 14001, OHSAS 18001, ISO 9001.	Master degree in Science (Gold Medalist) from Allahabad University.	LLB Degree from Andhra University	IAS
Terms & Conditions of appointment	Appointed as Director (Finance) by President of India through Ministry of Chemicals & Fertilizers.	Appointed as Director (Technical) by President of India through Ministry of Chemicals & Fertilizers.	Appointed as Independent Director by President of India through Ministry of Chemicals & Fertilizers.	Appointed as Independent Director by President of India through Ministry of Chemicals & Fertilizers.	Appointed as Part-time Official Director by President of India through Ministry of Chemicals & Fertilizers.

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE AGM PURSUANT TO SECRETARIAL STANDARD 2 ON GENERAL MEETING

* In line with Regulation 26 of SEBI Listing Regulations, 2015, membership of only Audit committee and Stakeholders Relationship Committee has been considered.

Name	Ms Nazhat J. Shaikh (DIN: 07348075)	Shri Milind M. Deo (DIN: 08715250)	Shri Chandra Bhushan Pandey (DIN: 09407412)	Shri Gopinathan Nair Anilkumar (DIN: 09447818)	Ms Aneeta C. Meshram (DIN: 09781436J)
Expertise in specific Functional Area	Ms Shaikh has a very rich and varied experience in various facets of Financial Management	Shri Deo has rich experience in Technical Services, Ammonia plants, Urea Plant & Chemical Plants etc. and in development of the projects of the Company	Shri Pandey has served as MP PCS and UP PCS till 2008. He is a social worker and through his work established Mission 'Water for Tomorrow, established Green Earth Ashram in Prayagraj, launched 'Ashta Tree Plantation' campaign, established UP development foundation (UPDF) which is dedicated to goal developed UP with the help of group of expert and citizen through committee of experts, dedicated to organic farming campaign through 'Living Soil Program', agitating for the development and conservation of ponds through 'Aao Talab Chalen' campaign.	Shri Gopinathan Nair Anilkumar is natural rubber exporter since 1990. He has been awarded four times by Rubber Board, Government of India for natural rubber exporter. He was two-time Nation's first largest exporter of Natural Rubber Sheets and Two Times Second largest exporter. He is also Assessing Officer for Rubber Skill Development Council approved by Skill India Project	Ms Meshram is a 1996 Batch IAS officer and is presently Joint Secretary, Department of Fertilizers, Ministry of Chemicals and Fertilizers, Government of India. She has over 26 years of work experience in various Ministerial Government of India and Government of Uttar Pradesh.
Details of remuneration last drawn (Financial year 2021-22)	Rs. 17.68. Lakh	Rs. 14.26 Lakh	Rs. 1.20 Lakh	Rs. 1.20 Lakh	N.A.
Number of Meetings of the Board held during the year and number of Board Meetings attended	3/3	3/3	3/3	3/3	N.A.
Relationship with any other Director, Manager and other KMP of the Company	N.A.	N.A.	N.A.	N.A.	N.A.

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE AGM PURSUANT TO SECRETARIAL STANDARD 2 ON GENERAL MEETING

* In line with Regulation 26 of SEBI Listing Regulations, 2015, membership of only Audit committee and Stakeholders Relationship Committee has been considered.

Name	Ms Nazhat J. Shaikh (DIN: 07348075)	Shri Milind M. Deo (DIN: 08715250)	Shri Chandra Bhushan Pandey (DIN: 09407412)	Shri Gopinathan Nair Anilkumar (DIN: 09447818)	Ms Aneeta C. Meshram (DIN: 09781436f)
Directorship held in other companies	Projects and Development India Limited	Talcher Fertilizers Limited	Nil	Nil	Nil
Memberships/ Chairmanship of Committees in other Companies*	Nil	Nil	Nil	Nil	Nil
No. of Shares held	100	Nil	Nil	Nil	Nil

In line with Regulation 26 of SEBI Listing Regulations, 2015, membership of only Audit committee and Stakeholders Relationship Committee has been considered.

DIRECTORS' REPORT

Dear Members,

The Directors of your Company have pleasure in presenting this 44th Annual Report on the working of your Company together with the Audited Financial Statements for the year ended March 31, 2022.

FINANCIAL PERFORMANCE

₹ Crore

Particulars	2021-22	2020-21*
Total Income (Net)	12948.62	8407.79
Total Operating Cost	11822.90	7529.69
Operational Profit	1125.72	878.10
Depreciation/Impairment	183.55	175.26
Finance Cost	125.89	179.57
Profit before exceptional items	816.28	523.27
Net Exceptional Items (income) / Expense	(127.63)	(4.71)
Profit before Tax	943.91	527.98
Provision for Tax (including deferred Tax liability/ Asset)	239.55	146.04
Net Profit	704.36	381.92
Retained Earnings		
Add / (less): Re-measurement of Defined Benefit Plan	(9.19)	(2.84)
Less: Dividend Paid (Previous Financial Year)	172.68	222.88
Less: Balance Transferred to / (from) General Reserve	522.49	156.22

*The figures for the corresponding previous periods have been restated owing to receipt of EAC opinion/regrouped wherever necessary, to make them comparable.

During the year, the major factors improving your Company's profitability before tax are as under:

- Higher margins of Industrial products contributed to higher profitability.
- Better energy efficiencies at Trombay and Thal Unit improved Urea margins. High pool rates along with higher IPP prices as compared to previous year helped in achieving positive contribution for production Beyond RAC at Thal unit.
- Owing to settlement of dispute with GAIL under the Administrative Mechanism for Resolution of CPSEs

Disputes (AMRCD), Company after making the payment of ₹ 87.17 crore for price differential towards the use of APM/Domestic gas for non-fertilizer/non-urea operations and ₹ 19.65 crore towards gas transportation charges, has derecognized and reversed the excess provision of ₹ 127.35 crore.

- Reduction in interest rates as well as lower working capital requirement resulted in reduction in Finance costs.

MEMORANDUM OF UNDERSTANDING WITH GOVERNMENT OF INDIA

Your Company has been entering into a Memorandum of Understanding (MoU) with the Ministry of Chemicals & Fertilizers, Government of India, setting the performance parameters and targets every year. Your Company has secured "Very Good" rating for the year 2020-21.

The performance rating for 2021-22 MoU is yet to be finalised by the Government and the Company expects to achieve "Very Good" ratings this year.

DIVIDEND

Although your Company has lined up a number of capex programmes which will entail substantial expenditure, considering the consistent profits being made by the Company and based on the Company's performance, your Directors are pleased to recommend a final Dividend of ₹ 2.50 per equity share of ₹ 10/- each for the financial year 2021-22. Your Board had earlier approved payment of interim dividend of ₹1.35 per equity share of Rs.10/- each for the financial year 2021-22, at its meeting held on November 10, 2021 and same was paid on December 6, 2021. The total dividend for the financial year 2021-22 amounts to ₹ 3.85 per equity share (Previous year ₹2.98 per equity share), and would involve a total cash outflow of ₹ 212.40 Crore consisting ₹ 74.48 crore as interim dividend and ₹137.92 crore as final dividend (₹ 164.40 Crore in the previous year). The final dividend pay-out is subject to the approval of members at the ensuing Annual General Meeting.

APPROPRIATION TO GENERAL RESERVES

Your Company earned a net Profit after Tax of ₹ 704.36 Crore (₹ 384.07 Crore in the previous year). Re-measurement of defined benefit plans resulted in loss of ₹ 9.19 crore (previous year ₹ 2.84 crore). The dividend pay-out pertaining to financial year 2020-21 was ₹ 98.20 Crore (₹ 156.68 Crore pertaining to financial year 2019-20) and interim dividend pertaining to financial year 2021-22 was ₹ 74.48 Crore (₹ 66.20 Crore pertaining to financial year 2020-21). The balance amount of ₹ 522.49 Crore (₹ 156.22 Crore in the previous year 2020-21) was transferred to General Reserves.

AWARDS WON

As in the past, your Company has won many awards during the year 2021-22, some of which are as under:

Trombay Unit

- Shri S. C. Mudgerikar, CMD awarded PSU CMD leadership award in month of July 2021.
- Greentech Effective Safety Culture Award 2021 in month of July 21.
- Greentech Energy Conservation Awards 2021 in month of July 21.
- Golden Peacock Award 2021 for Energy Efficiency from Institute of Directors, New Delhi for best performance in Fertilizer sector in the month of October 21.
- “20th Annual Greentech Environment Award 2021” by Greentech Foundation for outstanding achievements in Environment Protection” category in the month of October 21.
- FAI Award 2020-21 for Promotion and Marketing of Micronutrients in the month of October 21.
- FAI Award 2020-21 for Production, Promotion and Marketing of Bio fertilizers in the month of October 21.
- MEDA “Certificate of Excellence” Award 2020-21 for Energy Conservation & Management.
- “20th Annual Greentech Foundation Safety Award 2021” for outstanding achievements in “Safety Excellence” in the month of January 22.
- FAI Award (Certificate of Excellence) for Best Production Performance in Complex Fertilizers consecutively for three years.

Thal Unit

- Fertilizer Association of India Special Award for coming first for fourth consecutive year in “FAI Award for Excellence in Safety” in 2020-21.
- Greentech Award for “Effective Safety Culture” Award 2021.
- Merit Certificate in Indian Chemical Council (ICC) - Health and Safety Awards 2020
- Gold Award for Excellence in Occupational Health and Safety from Growcare India Award.
- 20th Annual Greentech Safety Award
- Certificate of Appreciation in Safety Award 2021 from National Safety Council – India

Others:

Greentech Corporate Governance Award 2021 for Excellence in Corporate Governance 2021

OPERATIONAL RESULTS

Thal Unit

During the year, the unit produced 18.59 lakh MT of Urea compared to 19.12 lakh MT produced during the previous year. In terms of nutrients in the fertilisers, the unit produced 8.55lakh MT of N during the year, compared to 8.80 lakh MT during previous year.

Trombay Unit

The Trombay Unit produced 3.26 lakh MT of Urea & 5.71 lakh MT of Suphala 15:15:15 during the year compared to 3.38 lakh MT of Urea & 5.37 lakh MT of Suphala 15:15:15 produced during the previous year. In terms of Nutrient values, the unit produced 2.36 lakh MT of N, 0.86 lakh MT of P₂O₅ and 0.86 lakh MT of K₂O during the year compared to 2.36 lakh MT of N, 0.81 lakh MT of P₂O₅ and 0.81 lakh MT of K₂O respectively during the previous year.

INDUSTRIAL PRODUCTS

Your Company produces industrial chemicals at both its units. During the year, your Company produced approx. 6.52 lakh MT of various major Industrial Chemical Products as against approx.4.28 lakh MT during the previous year. Your Company produces, amongst others, AN Melt, Ammonia, ABC, DNA, Conc. Nitric Acid, SNA,(72% & 68%), SSA, WSA, Argon , Sodium Nitrate / Nitrite, Refrigerant Ammonia, Water, Methanol, Gypsum, MMA, Dimethyl Formamide, etc.

MARKETING PERFORMANCE

FERTILIZER DIVISION

Your Company achieved sales volume of 30.80 lakh MT during 2021-22 as compared to 31.42 lakh MT during the previous year. Your Company sold 22.08 lakh MT of Urea, 5.87 lakh MT of Suphala 15:15:15, 0.49 lakh MT of City Compost and 2.31 lakh MT of other bought out products i.e. DAP, MOP, Imp NPK etc. as compared to 22.62 lakh MT of Urea, 5.43 lakh MT of Suphala 15:15:15, 0.51 lakh MT of City Compost and 2.80 lakh MT of other bought out products i.e. DAP, MOP, Imp. NPK etc. during the previous year. The Total sale of manufactured fertilizers (Urea & NPK) during 2021-22 was 27.95 lakh MT as against 28.05 lakh MT during the previous year. Sales of manufactured fertilizers registered reduction of 0.34% over previous year due to production constraints.

Your Company sold 2.79 LMT Imported and traded products i.e. DAP, MOP, Imp NPK, City compost etc. as compared to 3.31 LMT during previous year.

The sale of value added products such as Microla picked up momentum during the year. Microla sale registered growth of 18.02% touching 410 KL during the year as against 347.40 KL in the previous year. Combined sale of manufactured and imported water soluble fertilizers under the brand name ‘Sujala’ touched 5056 MT during the year as against 7100 MT sold in the previous year. Other products such as Biola, pH balancer, Silica and OGS also registered healthy volumes during the year.

During the year, your Company has achieved the following:

- * Highest ever sale of 6.39 lakh MT of Suphala-15 (Indigenous + Imported)
- * Highest ever sale of 410 KL of Microla
- * First time marketed Imported NPK 15:15:15 grade and sold 0.52 lakh MT.

INDUSTRIAL PRODUCT DIVISION

Industrial Products Division has achieved the highest ever sales turnover of ₹ 2423.90 Crore as against ₹ 1138.48 Crore during the previous year. Your Company has registered increase in sales of IPD products about 113% and better realisation due to lower RLNG prices and resultant reduction in cost of production coupled with increasing demand and focussed marketing strategies. Sales of SNA 68% & 72%, Ammonia, STP Water, TMA, Formic Acid was increased during the year.

During the year, your Company has achieved the following:

- * Highest ever sale of AN Melt of 1.619 LMT.
- * Highest ever sale of Ammonia of 1.73 LMT
- * Highest ever sale of ABC (Mrudula) of 0.32 LMT

EXPORTS

Considering the nature of products manufactured by your Company and indigenous demand, the scope for export is very limited. However, your Company successfully popularized its Ammonium Bicarbonate (ABC) brand in the overseas market through third party export. During financial year 2021-22, your Company has done third party export of Ammonium Bicarbonate (ABC) under "MRUDULA" brand to the tune of ₹ 59.26 lakh as against ₹ 62.78 lakh during the previous year.

IMPORT OF UREA ON GOVERNMENT ACCOUNT

Your Company has been designated as State Trading Enterprise (STE) in October 2019 for Import of Urea on Government Account. Based on the instructions of Department of Fertilizers (DoF), your Company imported approx. 45.41 lakh MT quantity of Urea at approx. ₹ 19,087 Crore through issue of total six (6) Global tenders during the year 2021-22.

ATMANIRBHAR BHARAT

Under 'Atmanirbhar Bharat', your Company has restarted Phosphoric Acid Plant at Trombay. Your Company has achieved the highest ever sale of AN Melt Plant. Setting up new AN Melt Plant, NPK Fertilizers Plant & Concentrated Nitric Acid Plant have been proposed. Sale of high volume products like Ammonia, AN(Melt) & DNA will facilitate improvement in turnover as well as profitability.

AGRICULTURE EXTENSION ACTIVITIES

Your Company has undertaken several agriculture extension

activities so as to educate the farmers on efficient use of agro-inputs and provided know-how on improved and scientific methods of cultivation contributing to increase in their farm yield. Some of the services so undertaken during the year are as under:

1. **Soil Sample Analysis:** 42,592 number of NPK and 5,522 number of Micro-nutrient analysis have been done and Soil Health Cards distributed.
2. **Kisan Suvidha Kendras:** 100 Kisan Suvidha Kendras were operated at different districts of Maharashtra & Karnataka for educating & imparting Agricultural extension services to the farmers at the field level,
3. **Farmer Training Centres** are operational at Thal and Nagpur for imparting residential training to farmers. A total of 58 programs were undertaken benefitting 1972 farmers during the year.
4. **RCF Kisan Care Toll Free service 1800-22-3044** was operated for imparting Agricultural information to the farming community.
5. **RCF Sheti Patrika:** 6.00 lakh copies of RCF Sheti Patrika (Marathi edition) covering the relevant subjects pertaining to Agriculture and allied fields were distributed to farmers.
6. **Doordarshan:** RCF sponsored and promoted popular TV programs like Krishi Samruddhichi Gurukilli for sharing of Agriculture Knowledge and RCF Suphala DD Sahyadri Krishi Sanman Puraskar for motivating farmers.
7. **Social Media:** Information has been shared through Social Media (WhatsApp, Facebook, Twitter, Instagram, and YouTube) with handle @rcfkisanmanch.
8. **Agricultural Extension Services:** 1633 Field Demonstrations, 235 Soil Testing Days, 528 Farmers' Meetings, 52 Krishi Melas, 17 Veterinary Camp/Rural Sports, 23 Exhibitions, etc. were organized for the benefit of the farmers.
9. **Awareness Campaign on Covid-19:** Video Film was made for creating awareness amongst farmers about Covid- 19.
10. **Adoption of Villages for Promotion of City Compost:** 10 villages from Maharashtra, Karnataka, Gujarat & Rajasthan were selected for promotion of City Compost.
11. **Azadi Ka Amrit Mahotsav & Completion of 5 Years of DBT in Fertilizer:** Nation is observing Azadi Ka Amrit Mahotsav to commemorate 75 years of Independence. As per the guidelines of Department of Fertilizers, Government of India, Azadi Ka Amrit Mahotsav programme was conducted in Maharashtra through webinar in coordination with Maharashtra State Agriculture Department, Krishi Vigyan Kendra & Agriculture universities to observe Fertilizer Application Awareness programme to promote balanced and sustainable use of fertilizers with focus on climate zone, soil analysis, application of different type of

fertilizers, methodology of application, new technologies, measuring crop yield vis-à-vis fertilizers usage etc.

12. **Launching of Educational Video:** 1 farmers' training video on "Geola" (Bio-fertilizer) was launched.
13. **Product Literatures in seven languages** were printed and distributed to farmers pan India.

COVID 19 PANDEMIC IMPACT ANALYSIS

For the year March 31, 2022, your Company has assessed the situation of COVID 19 pandemic impact and anticipates adverse impact in delay in commissioning of projects and restrictions in movement of personnel from foreign countries / within India required for the project. However, results for the year ended March 31, 2022 have not been impacted.

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

No material changes have occurred as at the end of the financial year to which the balance sheet of the Company relates and the date of this report.

RISK MANAGEMENT

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has framed a Risk Management Policy for risk assessment and minimization procedures. The Risk Management Policy developed with the objective of having a balanced approach towards business plan and mitigating the associated risks, is in place. The system identifies better management practices to ensure greater degree of confidence amongst various stakeholders and facilitates good Corporate Governance practice. All risks associated with Operations, Environment, Finance, Marketing, Human Resource, Legal, Information Technology Security, Projects etc., are continuously monitored. The degree of impact of the perceived risks is further graded into high, medium and low and the probability of the occurrence of each risk is also classified into Unlikely and likely. In order to mitigate losses arising out of such perceived risks, appropriate procedures are being adopted to contain the risks. Also the practices adopted during emergencies, including the communication system and mode of disseminating information are periodically reviewed and updated to minimize the impact on the Company. Quarterly report in respect of the same is presented to the Board.

The Board of Directors had constituted Risk Management Committee to identify elements of risk in different areas of operations and to develop policy for actions associated to mitigate the risks. The Committee on timely basis informs the Board of Directors about risk assessment and minimization procedures which in the opinion of the Committee may threaten the existence of the Company. The details of Risk Management Committee are included in the Corporate Governance Report.

MAJOR EXPANSION AND DIVERSIFICATIONS

The status of major projects undertaken by your Company is as under:

PROJECTS UNDER IMPLEMENTATION

Schedule of projects under implementation is being hampered because of restrictions due to COVID-19 pandemic.

Gas Turbine at Trombay:

To address the challenge in wake of recently notified stringent energy norms for Urea, Your Company is implementing various energy reduction projects. One of these project is installation of Gas Turbines Generator (GTG) of 2 x 25 MW along with Heat Recovery Steam Generator (HRSG) of 2 x 65 MTPH capacity, at Trombay. This project aims to reduce the specific energy consumption in Ammonia and Urea Plants at Trombay. Work has been awarded to M/s Thermax on 18.04.2018 for implementing the project on LSTK basis. Estimated project capital cost is about ₹ 427 Crore. Excepted Energy Saving is 0.30 Gcal/MT of Urea. Performance Guarantee Test (PGT) is completed in Oct. 2021 and the balance punch points are under closure.

Trombay Ammonia V Plant Revamp (KBR Scheme):

Ammonia-V revamp project is being implemented as a part of energy improvement schemes to meet the new energy norms for Trombay Unit. The estimated project cost is ₹ 72.75 Crore. The Basic Engineering is being done by KBR, USA and Detail Engineering is being done by PDIL. The scheme is envisaged to result in energy saving of 0.25 Gcal/MT of Ammonia. Expected project completion is by Oct. 2023.

PROJECTS UNDER CONSIDERATION

New AN Melt Plant at Trombay:

Your Company intends to set-up new AN Melt plant of 425 MTPD at RCF Trombay unit with latest and energy efficient technology. Tender was issued for lining up LSTK Contractor and preferred Bidder has been identified. Ministry of Environment, Forest and Climate Change (MoEFCC) has granted the Environment Clearance for the proposed project. The estimated Project Cost is ₹ 187 Crore.

Setting up new NPK Fertilizer plant at Thal

RCF is exploring possibility of setting up NPK Fertilizer plant at Thal. Administrative approval from DoF has been received. PDIL has prepared Techno Economic Feasibility Report (TEFR). PDIL has been lined up for preparation of Detailed Feasibility Report (DFR) and Environment Impact Assessment (EIA) report for Environment Clearance. Tender is floated for selecting LSTK Contractor. The estimated Project Cost is ₹914.58 Crore.

Liquid Nano Urea plant:

GoI aims to "reduce the use of chemical fertilizers" in the country. Nanotechnology is an emerging field with potential to provide efficient nutrient management as compared to existing

fertilizer management practices. Nano Urea is expected to reduce the use of Urea by up to around 50% and being an eco-friendly product will protect the health of soil. M/s IFFCO has developed a technology for manufacture of Nano Urea. Your Company intends to set-up Liquid Nano Urea plant of 75 KL per day capacity and has signed an agreement with M/s IFFCO for supplying technology. Consultants have been appointed for carrying out Environment Impact Assessment (EIA) study and for preparation of Techno-economic feasibility report (TEFR) of the project. The estimated project capital cost is about ₹ 150 Crore.

New CNA Plant at RCF Trombay:

Your Company is exploring the feasibility of setting-up New Concentrated Nitric Acid (CNA) plant based on Magnesium Nitrate process at RCF, Trombay. PDIL has been appointed as a Consultant for preparation of Detailed Feasibility Report (DFR) and Environment Impact Assessment (EIA) report for Environment Clearance. Estimated Project Cost is about ₹ 100 Crore.

Zero Liquid Discharge scheme at Trombay

RCF is exploring the possibility of setting up Zero Effluent Discharge (ZED) plant to treat the effluent generated and to recover & recycle the water in the process at Trombay unit. The objective of the scheme is to achieve “Zero Effluent Discharge (ZED) or Zero Liquid Discharge (ZLD)” for RCF Trombay. The zero liquid effluent discharge projects consists of treatment of the various liquid effluent streams generated in the various plants at Trombay unit and converting the effluents in the raw water which shall be used in the process so that there shall be zero (liquid) effluent discharge. Draft DFR is received from consultant and same under review.

Water Soluble Fertilizer Plant at RCF Thal:

Your Company is exploring the feasibility of setting-up Water Soluble Fertilizer (WSF) manufacturing plant at RCF Thal unit. Five WSF grades namely Mono Ammonium Phosphate (12-61-0), Mono Potassium Phosphate (0-52-34), Potassium Nitrate (13-0-45), Potassium Sulphate (0-0-50) and Calcium Nitrate (15.5-0-0-19) of 10,000 MTPA capacity each are being considered. A consultant is appointed for preparation of Techno-Economic Feasibility Report (TEFR).

ETP up-gradation at Thal:

Upgradation of ETP for treating 9,000 M3/day effluent at an estimated cost of ₹ 71.48 Crore is being undertaken. Benefit of the project will be for better environment management on sustained basis through recycling of treated effluent as a raw water to the tune of 5,250 M3/day from RCF Thal factory. Work Order has been issued to M/s Ion Exchange Ltd and scheme will be completed by Nov. 2022.

JOINT VENTURE PROJECTS

Coal Based Fertilizer Plant at Talcher:

Your Company, along with Coal India Limited (CIL), Gas Authority of India Limited (GAIL) and Fertilizer Corporation of India Limited (FCIL), is setting-up a Coal Gasification based fertilizer complex, comprising of 2200 MTPD Ammonia plant and 3850 MTPD Urea plant, at FCIL, Talcher, Odisha. Land and certain facilities needed for the project are provided by FCIL. The project will utilize state-of-the-art Coal Gasification Technology from M/s Air Liquid Products (erstwhile M/s Shell Eastern). A joint venture company “Talcher Fertilizers Limited” has been incorporated for establishing and operating Coal Gasification based Fertilizer complex.

The estimated Project capital cost is approx. ₹ 13,277 Crore (RCF share is ₹ 1,184 Crore). M/s Wuhuan Engineering, China has been engaged as LSTK contractor for Coal Gasification and Ammonia/Urea packages of the project valuing approx. ₹ 8000 Crore. Site activities are in progress.

The commissioning of the project is scheduled to be completed by September 2024.

The project is of strategic importance for the country as it aims to make breakthrough for an alternative source of feedstock in the form of abundantly available coal from domestic sources in place of natural gas. Success of this project is expected to be a game changer and shall pave a way forward to the production of chemicals and fertilizers from coal leading to lesser RLNG imports. It will also help in meeting much needed Urea production capacity for the eastern part of the Country.

Revival of Brahmaputra Valley Fertilizer Corporation Limited (BVFCL) – Namrup Unit:

The revival of BVFCL Namrup Unit is proposed to be carried out by JV of NFL (28%), Oil India Ltd. (18%), RCF (17%), BVFCL (11%) and Govt. of Assam (26%).

The proposed project entails setting up a Urea plant with an annual capacity of 1.27 Million MT. The estimated Project Cost is about ₹ 7628 Crore. The feasibility study for the project is being carried out by PDIL.

SUBSIDIARY AND OTHER JOINT VENTURE COMPANIES

A separate statement containing the salient features of financial statements of all the joint ventures of your Company forms part of consolidated financial statements in compliance with Section 129 and other applicable provisions, if any, of the Companies Act, 2013. The financial statements of the joint ventures and related information are available for inspection by the members electronically up to the date of the Annual General Meeting (AGM) as required under Section 136 of the Companies Act, 2013. Any member seeking to inspect such documents are requested to write to the Company at investorcommunications@rcfltd.com. The financial statements including the consolidated financial statements and all other documents required to be attached to this report have been uploaded on the website of your Company (www.rcfltd.com).

JOINT VENTURE COMPANY

FACT-RCF Building Products Ltd. (FRBL), Kochi

Your Company has formed a Joint Venture Company with Fertilizers and Chemicals Travancore Limited (FACT) by incorporating FACT-RCF Building Products Ltd. to set up a Rapidwall project at Kochi. Both your Company and FACT have 50:50 equity holding in the Company. Production has been suspended owing to expected takeover of the Plant & Machinery by the ARC. The company is undertaking only project management services at present.

The audited financial statements of FRBL as at March 31, 2022 reported loss of ₹ 8.58 Crore, thus resulting in accumulated loss of ₹ 208.16 Crore.

Urvarak Videsh Limited (UVL)

Urvarak Videsh Limited (UVL) was incorporated on 18th July, 2008 as Special Purpose Vehicle (SPV) with equity participation of Rashtriya Chemicals and Fertilizers Limited (RCF), National Fertilizers Limited (NFL) and Krishak Bharti Co-operative Limited (KRIBHCO) with the object of setting up joint venture in India and abroad for manufacturing, mining, long term tie ups for Nitrogenous, Phosphatic and Potassic Fertilizers and fertilizer raw materials including exploring the possibility of making investments and rendering Consultancy services, etc. The company explored many alternatives to take up various projects but the same did not fructify due to want of funds as UVL business objective requires heavy capital investment. As the company could not take up any business, the Board of UVL has decided to declare the company as a Dormant company for the time being in terms of the provision of section 455 of the Companies Act, 2013 as the keeping the status of the company as active was not serving any purpose.

The Audited financial statements of UVL as at March 31, 2022 reported loss of ₹ 65,088/-, thus resulting in accumulated loss of ₹ 0.49 Crore.

Talcher Fertilizers Limited (TFL)

Your Company has formed a Joint Venture company, with Coal India Limited (CIL), GAIL (India) Limited (GAIL) and Fertilizer Corporation of India Limited (FCIL), with the name Talcher Fertilizers Limited for revival of FCIL's fertilizer unit at Talcher by establishing and operating coal gasification based fertilizer complex. Equity participation of RCF, CIL and GAIL is 31.85 % each and that of FCIL is 4.45%. The company is yet to start its operations.

During the year, the your Company has infused ₹ 270 Crore in TFL.

The unaudited financial statements of the said Company as at March, 31 2022 reported a profit of ₹ 6.98 Crore, thus reducing in accumulated loss to ₹ 22.14 Crore.

Consolidated Financial Statement

The Consolidated Financial Statement of your Company has

been prepared by taking into consideration Joint Venture Companies i.e. FACT-RCF Building Products Limited, Urvarak Videsh Limited and Talcher Fertilizers Limited.

The Consolidated financial statements have been prepared under equity method along with Company's standalone financial statements.

SUMMARY OF FINANCIAL PERFORMANCE

₹ Crore

Particulars	2021-22	2020-21*
Total Income (Net)	12948.62	8407.79
Total Operating Expenses	11822.90	7529.69
Operational Profit	1125.72	878.10
Depreciation/Impairment	183.55	175.26
Finance Cost	125.89	179.57
Share /(loss) of Associates/JVs	(1.97)	2.13
Profit/ (Loss) before Exceptional Item	814.31	525.40
Exceptional Item (income) / Expense	(127.63)	(4.71)
Profit/ (Loss) before Tax	941.94	530.11
Provision for Tax (including deferred Tax liability/ Asset)	239.55	146.04
Net Profit / (loss) after tax	702.39	384.07

*The figures for the corresponding previous periods have been restated owing to receipt of EAC opinion / regrouped wherever necessary, to make them comparable.

RESEARCH AND DEVELOPMENT

Your Company has taken up several Research and Development (R & D) projects, some of which are for commercial scale design and engineering. They are as under:

Geola: A Smart and Green Biofertiliser

It is a revolutionary Smart and Green Biofertiliser product with NPK bacterial consortia. This product has been developed for the first time in India at Research and Development division, Rashtriya Chemicals and Fertilizers Limited, Mumbai, Maharashtra. The new product is in powder form which contains Nitrogen fixing, Phosphate solubilizing and Potassium mobilizing bacteria in dormant condition. These bacteria through their activities partially fulfil the nutrient requirements of the crops as well as provide plant growth regulators like gibberellic acid, auxins, cytokinins in small quantities.

The uniqueness of the product is its complete solubility along with the pouch. The product is zero plastic and hence completely eco-friendly. Geola has a shelf life of two years and is easy to handle and use. The product is in a miniscule packing system for ease of transport, storage and application. One packet of 5 gm is sufficient for one-acre area. Transportation would be easier and

economical, as one pouch would be equivalent to one litre bottle of liquid Biofertiliser. It enhances crop yield by 10-15 %.

'Geola' product was successfully launched at the hands of Hon'ble Minister of Chemicals and Fertilizers Dr. Mansukh Bhai Mandaviya Ji along with Hon'ble CMD Shri. S. C. Mudgerikar on 10th Sept 2021 at Department of Chemicals and Fertilizers, New Delhi.

Florola: A gardening kit for urban population

Urban gardening is the practice of cultivating, processing, and distributing food in or around urban areas. Growers face difficulties to get resources for cultivation or agriculture inputs, especially in metro cities. Urban agriculture programs can help local communities in both, an economic way and in a social way. They allow for people to have more immediate connection to their food, as well as a help to stimulate local economy.

In view of above, an urban kit was formulated and designed by R&D. The kit contains a pot, seeds, ready to use pot mix, gravels and fertilizer liquid spray bottles. The product is available at affordable prices to help individuals and organizations to become a part of the green movement. This is an initiative, to switch from the conventional products to more ecofriendly recycled options for daily use as well as gifting.

"Florola" was launched at the hands of Hon'ble Minister Dr. Mansukh Bhai Mandaviya Ji on 19th February 2022.

More with less: Nano fertilizer

Low cost, eco-friendly and sustainable means of achieving agricultural intensification and improving productivity can be adopted by use of Nano fertilizer. It enhances the availability and use of vital soil nutrients. R&D has developed Nano urea, Nano Sulphur, Nano Hydroxyapatite, Nano calcium, Nano Micronutrients and Nano DAP at Lab scale. Toxicological studies of Nano Urea are being conducted at Indian Institute of Toxicological Research (IITR), Lucknow. The results are expected by October 2022. In house field trials of Nano Urea have shown encouraging results on crop yield and quality.

Collaborative Research: MoU with Agricultural Research Institute and State Agricultural Universities (SAUs)

Collaboration with State Agricultural Universities (SAUs) viz. Tamil Nadu Agricultural University, Madurai (TN) and University of Agricultural Sciences (UAS), Raichur (KA) was done for carrying out field trials of Geola - Biofertiliser product. The interim results showed encouraging output in yield and quality of fruits of Tomatoes. These trials will support immensely for marketing of product 'Geola'.

MOU has been signed between RCF & Central Coffee Research Institute, (CCRI), Coffee Board of India, Karnataka from 2021-2023 for "Evaluation of RCF Chalk on different crops". First season field trial report has been received and the results are encouraging.

Suspension fertilizer: The concentrated formulation

With an aim to double the farmer's income, reduce nutrient losses to environment and target precision agriculture, an innovative suspension fertilizer 'VIPULA' NPK 10:10:10 has been formulated in house lab.

Efficient use of nutrients in the fertilizer sector is the basis of green economy to produce more food while reducing environmental pollution.

The product has been tested successfully at various State Agricultural University and Indian Council of Agricultural Research Institutes. 'VIPULA' is suitable for all crops and various agro climatic regions.

The liquid concentrate form of 'VIPULA' ensures better availability and utilization of nutrients by the plants. It is a homogenous formulation which can be applied either through soil drenching, drip irrigation and foliar spray.

A yield increase to an extent of 30 % in Wheat and 21 % in Rice crop has been observed. The benefit cost ratio of the 'VIPULA' is around 2.5. The product is scheduled to be launched during 2022-23.

PROM: Promoting Organic fertilizer

"Phosphate Rich Organic Manure"- PROM is produced by co-composting of rock phosphate and is an efficient way of adding phosphorus to soil as compared to chemical fertilizers. The product is a suitable source of nutrient for organic farming and improves the physical, chemical and biological properties of the soil and increases crop production. PROM enhances the activity of beneficial microorganisms in soil and helps in humus formation.

Union Minister of Health & Family Welfare and Chemical and Fertilizers Dr. Mansukh Bhai Mandaviya Ji laid the foundation stone at Trombay unit for PROM project on 19th Feb 2022. Minister of State for Health and Family Welfare Dr. Bharati Pravin Pawar was also present at the occasion.

RCF is planning to install an organic fertilizer manufacturing system of minimum 2 MT/Hour capacity in RCF's Trombay unit in the year 2022-23.

Multi-Micro Nutrient Fertilizer: Addressing 'Hidden Hunger'

Multi-Micro Nutrient Fertilizer has been developed, formulated and tested in field trials experiments in 40 districts of Maharashtra state. It addresses the much critical hidden hunger or deficiency of micro nutrients like Zn, Fe, B, Cu and Mn in crops. The product is suitable for all agricultural crops like cereals, pulses, vegetables, fruits, cash crops etc.

For commercialisation of product, a new plant of 5 MTPD capacity is being installed at Trombay unit. The commercial production is scheduled to commence during 2022-23

ENVIRONMENT MANAGEMENT AND POLLUTION CONTROL

Your Company is committed to ensuring clean environment, beyond satisfying all stipulated requirements laid down by the statutory authorities, meeting the expectation of stake holders around its operating units.

Your Company has established ISO 14001 compliant Environment Management System (EMS) along with Safety Management System (ISO 45001), Quality Management System (ISO 9001), and Energy Management System (ISO 50001). Certification for IFA Protect & Sustain Product Stewardship System of international standard for Safety, environment and product security at its both the manufacturing units. The Management Systems are constantly upgraded, periodic audits and Management Review conducted to ensure compliance and continual improvement. Apart from Stack monitors which continuously monitor the emissions, four fixed ambient air quality monitoring stations are in place at both Trombay and Thal, to monitor ammonia, NO_x, SO₂, Particulate matter (PM₁₀ & PM_{2.5}) & metrological parameters. At Thal, In March 2022, two additional air monitoring stations are commissioned to strengthen ambient air monitoring capabilities. Air monitoring station of both units are connected to MPCB and CPCB servers for continuous monitoring online data of stack and effluent parameters. At RCF Trombay and Thal, Third party monitoring for stack, ambient air quality (Dust, Ammonia, NO_x, SO₂) and ETP overflow (as per consent parameters) is being done by MoEFCC approved laboratory once in a month. As you are aware, RCF uses clean fuel to reduce the Green House Gas emission, efforts are taken to minimize emissions with Reduce, Recycle, Reuse schemes.

The Effluent Treatment plants (ETP) at Trombay and Thal unit have ensured that the environment in and around the operating units are fully protected. Environmental safety of neighbors around operating units are taken care. Various schemes with state of the art technologies and modernization schemes are implanted to reduce energy consumption and wastages. As a proactive measure, RCF Trombay unit has two nos. of Sewage treatment Plants to treat sewage of Mumbai city & use the purified water after treatment for industrial purpose, thereby saving equivalent quantity of potable water for consumption by Mumbaikars.

Sludge generated in Effluent Treatment Plant, Sulphur Sludge Generated in Sulphuric Acid plant and waste streams of effluents from complex fertilizer plants are recycled back in the processes. 3-R strategy (Reduce, Reuse and Recycle) is employed by way of recycling the sludge generated in ETP, Sulphur sludge generated in Sulphuric Acid Plant is used in Suphala plant for recovery of nutrients.

The integrated Effluent Treatment Plant in both Units ensures that effluent discharged from the factory meets the statutory requirements laid down by the Pollution Control Board.

Trombay and Thal units have taken up a massive plantation

drive in factory premises, in residential colony and surrounding areas.

For increasing awareness regarding environment and safety, public awareness campaign programmes are arranged by Trombay and Thal units by providing demonstrations to local youth, college & school students, housing societies, Panchayat offices, ladies club members and household members in the adjoining localities by maintaining COVID-19 guidelines.

The Safety benchmarking rating of RCF as per International Fertiliser Association (IFA) is 20 out of 69 companies.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As part of its initiatives under "Corporate Social Responsibility", your Company has undertaken several projects in the areas of rural development, promoting health care, Nutrition and education aimed for the benefit of needy and for general good of the society. These projects are in accordance with Schedule VII of the Companies Act, 2013 and the Company's CSR Policy. The report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, is annexed as **Annexure -I**, and forms an integral part of this report. During the year, your Company has spent ₹ 7.48 Crore including ₹ 0.50 Crore set off for succeeding financial year on CSR activities. The activities, in brief, are as under:

- a. **Medical Grade Oxygen Plants:** your Company has provided financial assistance for installation of Medical Grade Oxygen Plants at Thal, Mumbai and Siddharthnagar, UP Considering the requirement of Medical Grade Oxygen in COVID -19 pandemic.
- b. **Supply of drinking water to the villages:** Your Company has been providing drinking water for last 25 years to seven villages around Thal unit through pipelines laid down from the water reservoir in the unit. More than 26,000 residents of the villages got benefited of the scheme.
- c. **Covid Vaccination at Trombay & Thal :** Your company has provided free Covid vaccination centre at RCF Trombay as well as Thal unit. Under this activity financial assistance for expenditure towards setting up of infrastructure and hiring of manpower was provided by RCF. This facility was available for all residence nearby Chembur and Thal.
- d. **Livelihood enhancement projects:** Your Company has supplied paddy, fruit saplings and free fertilizers to needy villagers near Thal Unit.
- e. **Rural Development- Road Repairing:** Your company has undertaken the repair of local Roads from Thal Navagaon Road , Boris Gunjis and local Road from Chondhi naka to Kihim bus stand road under the rural development.
- f. **Garbage Vans to Villages:** Your Company has provided 4 Garbage Vans to Gram Panchayats one each in Raigad District.



- g. **Financial Assistance to National Association for the Blind, India (NAB) :** Your Company has provided financial assistance to NAB for in-house manufacture of white cane under skill development programme. We provided financial assistance for purchase of raw material of the white cane.
- h. **Women Empowerment:** Your Company has distributed multipurpose machines to Mahila Bachat Gats at Thal villages for empowering them financially independent. This will help these women to earn for their livelihood and support their families.
- i. **Furniture to School:** You company has provided furniture to Schools located in Alibag, Raigad district to promote education. All the students studying in these schools are from rural area and children of farmers.
- j. **Medical Camp:** Your company has conducted 12 medical check and eyecheck up camps nearby Chembur, Mumbai for the needy patients. Through these camps the basic medicines and glasses has been provided free to the patients.
- k. **Phacoemulsification System for cataract surgery:** your company has assisted the Lion Health Foundation for purchase of Phacoemulsification System for cataract surgery. It has benefitted for patients nearby Thal Unit, Raigad.
- l. **Free OPD for needy Patients:** Your company has provided financial support to Sushrut Hospital for operating the Free OPD and dispensing free medicines for needy patients visited to that hospital.
- m. **Aspirational District (Osmanabad) :**
Your company has spent of ₹ 51.49 lakhs for Aspirational district in:
1. installation of oxygen plant at Siddharthnagar, UP
 2. to Conduct skill development programme in Osmanabad district , Maharashtra for college students.

CPSE CONCLAVE “VISION 2022”

The Department of Public Enterprises (DPE) has embarked on a collaborative exercise for re-defining the role and functioning of Central Public Sector Enterprises (CPSEs) in the context of challenges and expectations emerging from broad vision of ‘New India-2022’. This exercise had culminated in the CPSE Conclave “New India - Vision 2022” held on 9th April, 2018 at Vigyan Bhavan, New Delhi which was addressed by Hon’ble Prime Minister.

In line with the directions given by Hon’ble Prime Minister at the Conclave, DPE has prepared Broad Framework of Action Plan comprising of Objectives, Actionable Points, Metric and Responsibility and have circulated the same amongst all CPSEs for developing Company specific actionable points and targets to be achieved by 2022-23.

In line with above, your Company has prepared the Company

specific actionable points with targets and has been working on achieving the same. The actionable points are pertaining to contribution towards minimizing the import bill of the Country, promotion of R&D activities, Alignment of CSR activities with national priorities, handholding of MSEs, skill India movement, sharing best practices & infrastructure, supporting start-ups, reduction in wasteful expenditure, increasing geo-strategic reach of a Company.

The status of each and every actionable point is reviewed by management on every fortnight basis and the Board of Directors on quarterly basis. The status is also updated on “DRISHTI” dashboard every month.

EFFECTIVE IMPLEMENTATION OF PUBLIC PROCUREMENT POLICY FOR MICRO AND SMALL ENTERPRISES (MSEs)

Government of India, Ministry of Micro, Small and Medium Enterprises, vide order dated 23rd March, 2012, notified the public procurement policy in respect of procurement of goods and services produced and provided by Micro, Small and Medium Enterprises and further amended it on 9th November 2018 vide Government of India Gazette Notification S.O. 5670(E) dated 9th November, 2018.

With amendment in Public procurement policy for Micro & Small Enterprises (MSEs) order, 2012 vide GoI Gazette Notification S.O. 5670(E) dated 9th November, 2018, the percentage target of procurement of goods and services by Government Departments/CPSEs from MSEs is increased from 20% to at least 25% along with the provision of minimum 3% reservation for Women owned MSEs within this 25% reservation. This amendment is made applicable from 9th Nov 2018. Due to the very nature of operations of our Company, the procurement targets could not be achieved in the year 2021-22.

With the efforts taken by the company, the procurement from MSEs, cost of the items procured through MSEs at both Trombay and Thal units is ₹ 316.09 Crore out of the total procurement cost of ₹ 960.61 Crore (excluding raw material, gas, water, electricity, catalysts, proprietary items etc.) which works out to be 32.90%. The procurement from MSEs owned by SC/ST Entrepreneurs is ₹ 4.99 Crore which is 0.52% and procurement from women owned MSEs is ₹ 5.82 Crore which is 0.61% of the total procurement of the year 2021-22. The percentage procurement is calculated excluding Raw materials, gas, water, electricity, catalyst and proprietary items which cannot be procured from MSEs.

SUSTAINABLE DEVELOPMENT

Your Company has taken up several Sustainable development activities including the following:

New Sewage Treatment plant

Your Company is running Two Sewage Treatment Plants (STPs) at Trombay Unit with each plant having capacity to treat around 22.75 Million Litres per Day (MLD) of sewage received from

MCGM which otherwise would have been drained in to the sea after preliminary treatment. The STP plants treat waste sewage generated in the city and convert it into treated water. Both plants together generate about 30 MLD of treated water which is being used in our plants as process water. A part of treated water generated is supplied to M/s BPCL. Both STP plants of Your Company are of great value to residents of Mumbai and Society at large besides improving reliability of operations of RCF Trombay Unit.

During the year 2021-22, about 88,23,973 M³ of treated water was generated at both STP plants.

Solar Power Plant

As part of achieving ecologically sustainable growth, Your Company has forayed into solar power generation. Your Company has set up a 2 MWp ground mounted Photovoltaic Solar power plant in Trombay Unit in January 2016. In addition to this, Your Company has commissioned solar rooftop facilities at Thal and Trombay with an aggregate capacity of 2.17 MWp. The power generated is used for captive consumption, thereby reducing your Company's power import to the equivalent extent.

The green power generated by solar plants replaces the conventional power generated through burning of fossil fuels leading to reduction in overall Greenhouse gas emissions.

At RCF, during the year 2021-22, 4,531 MWh of solar power and 2212 no of Solar Renewable Energy Certificates (RECs) were generated.

VIGILANCE

Vigilance Department is headed by Shri Sameer Rastogi, Indian Forest Service, who holds the charge of Chief Vigilance Officer of the Company. He is assisted by a team of officers drawn from various functional departments and placed in Corporate Office at Mumbai and at RCF Thal Unit. The thrust of Team Vigilance is to bring greater transparency, fairness and efficiency in all type of transactions and execution of works in the company in line with the Central Vigilance Commission's guidelines. Thus, necessary measures are initiated to review the activities of Corporate Office, Trombay Unit, Thal Unit and Marketing offices situated across the country.

As part of Preventive Vigilance, efforts are made to keep a watch on the various activities through regular inspections and surprise checks. Systemic improvements and corrective actions are suggested wherever necessary. The ideology that "All officers are Vigilance Officers" is implemented in the company. Support of all officers is taken in implementation of Vigilance directives. Vigilance Department has focused on spreading awareness on rules/regulations, procedures and solicited information/complaints from all regarding malpractices or corruption. Preventive Vigilance Training Program is imparted by in house faculties to Management Trainees and Middle Level Managers. Vigilance Department has an online Grievance Management Portal for lodging the complaints. Efforts are made to ensure speedy Redressal of the complaints.

Vigilance Department has actively contributed towards e-governance by leveraging technology in all operations in RCF. Tender documents have been made more objective. Transparency in existing system of dealing with the Dealers/Vendors has been enhanced by adopting e-procurement and e-payment. Vigilance Department has also shepherded the organization in an era of e-clearances for issuing NOC for various purposes to the employees like gratuity and visits abroad. Emphasis is also given on strict implementation of Integrity Pact as per the CVC guidelines.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis report for the year under regulations 34(2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, highlighting the industry structure and developments, opportunities and threats, future outlook, risk and concerns etc. is annexed as Annexure II and form an integral part of this report.

PUBLIC DEPOSIT

Your Company has not accepted any deposits, within the meaning of section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014.

OFFICIAL LANGUAGE POLICY

Your Company has fully endeavoured to implement the provisions of Official Language Act, 1963 and the policy of the Government. Publicity material and literature for employees and farmers are made available in Hindi and other regional languages.

AUDITORS

a. STATUTORY AUDITORS AND THEIR REPORT

The Comptroller and Auditor General of India (CAG) has appointed, M/s M. M. Nissim & Co LLP (Firm Registration Number 107122W / W100672) and M/s. Gokhale & Sathe (Firm Registration Number 103264W) as Joint Statutory Auditors of your Company for the financial year 2021-22. The Auditors would be retiring at the conclusion of the Forty Four Annual General Meeting.

There are no qualifications, reservations or adverse remarks made by Statutory Auditors, in their report.

The Statutory Auditors for the financial year 2022-23 will be appointed by the CAG. However, their remuneration is required to be fixed at the AGM by the members.

b. COST AUDITORS AND THEIR REPORT

Your Directors, on the recommendation of Audit Committee, has appointed M/s. Dhananjay V Joshi & Associates ,Cost Accountants (FRN No.000030),

Mumbai as Cost Auditor to audit the cost accounts of the Company for the year 2022-23 on a remuneration of ₹ 2.00 lakh excluding applicable taxes. As required under the Companies Act, 2013, the remuneration payable to cost Auditor is required to be placed before the members in a general meeting for their ratification. Accordingly, a resolution seeking Members' approval for the remuneration payable to M/s. Dhananjay V Joshi & Associates as Cost Auditor forms part of the notice convening the Annual General Meeting for their ratification.

The Companies (Cost Records and Audit) Rules, 2014 and amendments thereof, the Company is required to maintain cost accounting records in respect of certain specified products and accordingly such accounts and records are made and maintained in the prescribed manner. Further, the cost accounting records maintained by the Company are required to be audited.

During the year, the Company filed the Cost Audit Report for the financial year 2020-21 with the Ministry of Corporate Affairs within the prescribed time limit.

c. **SECRETARIAL AUDITOR AND THEIR 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 M/s. Bhandari and Associates, a firm of Company Secretaries in Practice (C.P. No. 366) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as Annexure III and forms an integral part of this Report.

EXPLANATION OR COMMENTS BY THE BOARD ON SECRETARIAL AUDIT REPORT

M/s. Bhandari and Associates, Practising Company Secretaries, Secretarial Auditor of the Company has made the following observations in their Secretarial Audit Report:

- a. The Board of Directors comprised of nine Directors, constituting of four Executive Directors (including the Chairman & Managing Director); one Nominee Director (non-executive) and four Independent Directors including Independent Woman Director. As per Regulation 17(1) of the Listing Regulations and DPE Guidelines on Corporate Governance for Central Public Sector Enterprises, the Chairman being an Executive Director, at least half of the Board of Directors should be comprised of Independent Directors. Thus, the Company did not have the requisite number of Independent Directors on its Board.
- b. The Stakeholders Relationship Committee (SRC)

comprised of two directors (including one Independent Director) for the period December 01, 2021 to March 06, 2022 and it comprised of one director (executive director) from March 07, 2022 to March 29, 2022. As per Regulation 20(2A) of the Listing Regulations, at-least three directors with at least one being an independent director, shall be members of the Committee. Thus, the Company did not have requisite number of Directors in the SRC for the said periods.

- c. The Corporate Social Responsibility Committee (CSR) comprised of two directors (including one Independent Director) for the period December 01, 2021 to March 06, 2022 and it comprised of one Director (nominee director) for the period March 07, 2022 to March 29, 2022. As per the act, the committee should be comprised of at least three directors, out of which at least one director shall be an independent director. Thus, the constitution of the CSR Committee was not as per the provisions of the Act for the said periods.
- d. The Company has intimated the disclosure of related party transactions for half year ended September 30, 2021 as required under Regulation 23(9) of the Listing Regulations on December 08, 2021 and it has disclosed financial results on November 10, 2021. However, being an equity and high value debt listed entity, the disclosure of related party transactions was required to be given along with the disclosure of financial results. Thus, the disclosure was given beyond the timelines specified under Regulation 23(9) of the Listing Regulations.
- e. The Company has fixed the record date for payment of interest on Debentures having ISIN INE027A07012 as July 16, 2021 and the same was intimated to stock exchange(s) on July 12, 2021. Thus, the intimation of record date was not given at least seven working days in advance as required under Regulation 60 of the Listing Regulations.
- f. The Company has appointed the Chief Financial Officer (CFO), Key Managerial Personnel of the Company on January 04, 2022 and the same was intimated to the stock exchange(s) on January 07, 2022. Thus, the Company has not intimated the appointment of CFO within twenty-four hours of occurrence of event as required under Regulation 30 of the Listing Regulations.

Explanations on observations made by Secretarial Auditors in seriatim are as under:

- a. Your Company is a Central Public Sector Undertaking under the Administrative control of the Ministry of Chemicals and Fertilizers, Department of Fertilizer, Government of India and its Directors on the Board are nominated / appointed by the President of India. The Company is continuously pursuing with the Government of India for the appointment of requisite number of Independent Directors on the Board in

order to comply with the provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

- b. Dr. Shambhu Kumar, who is Chairperson of Stakeholders Relationship Committee ceased to be Independent Director of the Company on completion of his term on March 7, 2022. Subsequently, Stakeholders Relationship Committee was reconstituted by the Board of Directors on March 30, 2022 in line with Regulation 20 of SEBI Listing Regulations. Further, Stakeholders Relationship Committee did not meet during period on 07.03.2022 to 29.03.2022.
- c. Shri Umesh Dongre, who is member of CSR Committee & Prof. Anil Kumar Singh, who is Chairperson of CSR Committee ceased to be Directors on the Board w.e.f. December 1, 2021 & March 7, 2022 respectively. Subsequently, CSR Committee was reconstituted by the Board of Directors on March 30, 2022 in line with Section 135 of the Companies Act, 2013. Further, CSR Committee did not meet during period on 01.12.2021 to 29.03.2022.

d.e. & f. Since the comments made by Secretarial Auditor are in the nature of factual statement, Company does not have any comments to offer on the same.

d. SECRETARIAL STANDARDS

During the year 2021-22, your Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant and material orders passed by the Regulators/Courts/Tribunals that would impact the going concern status of the Company and its future operations.

REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Auditors to report to the Audit Committee and / or Board under Section 143(12) of the Act and the rules made there under.

INSOLVENCY AND BANKRUPTCY CODE

There are no applications made or any proceedings pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.

ONETIME SETTLEMENT WITH ANY BANK OR FINANCIAL INSTITUTION

As no settlement has taken place with any of the Bank or Financial Institution during the financial year, therefore, no disclosure or reporting is required in respect of the 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.

BANKS AND FINANCIAL INSTITUTIONS

Your Company is prompt in making the payment of interest and repayment of loans to the financial institutions / banks. During the COVID-19 Pandemic period, it has not availed any moratorium on any of its payments to the institutions. Banks and Financial Institutions continue their unstinted support in all aspects and the Board records its appreciation for the same.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of section 134(3) (c) of the Companies Act, 2013:

- i. that in the preparation of the annual accounts for the year ended March 31, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit of the Company for the year ended on that date;
- iii. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the annual accounts have been prepared on a going concern basis;
- v. that the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi. that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Corporate Governance practices followed by the Company, together with a certificate of Compliance from the Practising Company Secretary forms an integral part of this report.

COMPLIANCE OF CORPORATE GOVERNANCE GUIDELINES ISSUED BY DEPARTMENT OF PUBLIC ENTERPRISES

DPE, Government of India, has laid down certain parameters for the purpose of grading the CPSEs on the basis of their compliance with guidelines on Corporate Governance and this report needs to be submitted to the Government on quarterly/ annual basis. Your Company has been complying with the

Guidelines on Corporate Governance for CPSEs laid down by DPE and regularly submits reports to the Government. DPE issued 'Excellent Rating' to your Company for the year 2020-21.

INTERNAL FINANCIAL CONTROL OVER FINANCIAL REPORTING

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

1. pertains 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 authorizations of Management and Directors of the Company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

KEY MANAGERIAL PERSONNEL

The following are Key Managerial Personnel of the Company as on 31.03.2022:

1. Shri S. C. Mudgerikar [DIN 03498847], Chairman & Managing Director
2. Shri Sudhir D. Panadare [DIN 07933191], Director (Technical) (Upto 31.05.2021)
3. Shri Umesh Dongre [DIN 08039073], Director (Finance) & CFO (upto 30.11.2021)
4. Shri K. U. Thankachen [DIN 06946476], Director (Marketing)
5. Ms Nazhat J. Shaikh [DIN 07348075], Director (Finance) & CFO (from 01.12.2021)
6. Shri Milind M. Deo [08715250], Director (Technical) (from 27.12.2021)
7. Shri Jai Bhagwan Sharma [FCS 5030], Company Secretary

CHANGES IN THE BOARD OF DIRECTORS

Shri Umesh Dongre, [DIN 08039073], ceases to be Director (Finance) & CFO on the Board on his superannuation on November 30, 2021 (Closure of Business hours).

Shri Chandra Bhushan Pandey (DIN 09407412) has been

appointed as an Independent Director of the Company w.e.f. November 29, 2021.

Ms Nazhat J. Shaikh, [DIN 07348075], has been appointed as Director (Finance) of the Company w.e.f. December 1, 2021.

Shri Kashee Nath Akela (DIN 09410361) has been appointed as an Independent Director of the Company w.e.f. December 1, 2021.

Shri Milind M. Deo, [DIN 08715250], has been appointed as Director (Technical) of the Company w.e.f. December 27, 2021.

Shri Gopinathan Nair Anilkumar (DIN 09447818) has been appointed as an Independent Director of the Company w.e.f. December 27, 2021.

Ms Nazhat J. Shaikh, [DIN 07348075], has been appointed as CFO of the Company w.e.f. January 4, 2022.

Ms Alka Tiwari (DIN 03502306) ceased to be Government Nominee Director w.e.f. January 15, 2022.

Prof Anil Kumar Singh (DIN 08382601) ceased to be Independent Director w.e.f. March 07, 2022.

Dr. Shambhu Kumar (DIN 07368172) ceased to be Independent Director w.e.f. March 07, 2022.

Shri Satendra Singh (DIN 05195060) appointed as Government Nominee Director w.e.f. July 20, 2022

Ms Aneeta C. Meshram (DIN: 09781436) appointed as Government Nominee Director w.e.f. November 13, 2022

Ms Aparna S. Sharma (DIN 07798544) ceased to be Government Nominee Director w.e.f. November 13, 2022.

Shri Kashee Nath Akela (DIN 09410361) ceased to be Independent Director with effect from August 12, 2022.

Shri Satendra Singh (DIN: 05195060) ceased to be Government Nominee Director w.e.f. October 19, 2022.

The Board has placed on record their appreciation of the Directors who have ceased to be members of the Board for the valuable contribution made and the guidance / suggestion provided by them which has greatly benefited the company.

As per Section 152 of the Companies Act, 2013, Ms Nazhat J. Shaikh [DIN: 07348075] and Shri Milind M. Deo (DIN 08715250), Directors retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

FAMILIARISATION PROGRAMMES FOR INDEPENDENT DIRECTORS

The Company's independent directors are eminent professionals with several decades of experience in banking and financial services, technology, finance, governance and management areas and are fully conversant and familiar with the business of the Company.

The Company has an ongoing familiarisation programmes for all Independent directors with regard to their roles, duties, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company, etc.

All the Independent Directors of the Company have registered their names in the Independent Directors Databank as required under the Act and the Rules referred therein. The Independent Directors are also required to take up an online proficiency self assessment test within two years from the date of inclusion of their name in the Independent Directors databank, unless exempted from such requirement, under the Act and the Rules referred therein.

Board opined that Independent Directors of the Company has made significant participation and contribution, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behaviour and judgement.

DECLARATION OF INDEPENDENCE

All independent Directors of the company have given declaration confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

COMMITTEES OF THE BOARD

The Company's Board has the following committees:

- i. Audit Committee
- ii. Stakeholders Relationship Committee
- iii. Share Transfer Committee
- iv. Nomination and Remuneration Committee
- v. Committee on Corporate Social Responsibility (CSR)
- vi. Empowered Committee for Procurement.
- vii. Risk Management Committee
- viii. Empowered Committee for Procurement of Urea on Govt. Account
- ix. Debenture Allotment Committee

The details of the committees along with their composition, number of meetings held and attendance of each director at the meetings are provided in the Corporate Governance Report.

COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND RELATED DISCLOSURES

As per notification dated June 5, 2015 issued by Ministry of Corporate Affairs, provision of section 134(3) (e) of the Companies Act, 2013 regarding disclosure of its policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matter provided under sub- section (3) of

section 178 of the Companies Act, 2013 are not applicable to a Government company.

Your Company being a Government company, the above provisions are not applicable to it.

Similarly, section 197 of the Companies Act, 2013 requiring disclosure of ratio of the remuneration of each director to the median employee's remuneration and other such details including the name and other particulars of every employee of the company, who if employed throughout/part of the financial year, was in receipt of remuneration in excess of the limits set out in the rules, are not provided in terms of section 197(12) read with rule 5(1)(2) of the Companies(Appointment and Remuneration of Managerial Personnel) Rules, 2014, being not applicable to a Government company as per notification dated June 5, 2015 issued by Ministry of Corporate Affairs.

MEETINGS OF THE BOARD

Sixteen (16) Board Meetings were held during the year. The details of the Board Meetings held during the financial year 2021-22 are provided in the Corporate Governance Report.

BOARD EVALUATION

Section 134(3) (p) of the Companies Act, 2013 requires the Company to disclose the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual Directors. As per notification dated June 5, 2015 issued by Ministry of Corporate Affairs, provision of section 134(3) (p) of the Companies Act, 2013 shall not apply in case Directors are evaluated by the Ministry which is administratively in charge of the Company, as per its own evaluation methodology. Your Company, being a Government Company, the performance evaluation is carried out by the Administrative Ministry (Ministry of Chemicals & Fertilizers), Government of India, as per applicable Government Guidelines.

Your Company has evaluated the performance of the Independent Directors for the year 2021-22 as per regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

PARTICULARS OF LOANS GIVEN, INVESTMENT MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

Particulars of Loans given, Investments made, Guarantees given and Securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the notes to the financial statements.

CREDIT RATINGS

The Credit rating assigned by Rating Agencies for the various debt instruments of the Corporation is provided in the Corporate Governance Report.



PARTICULARS OF EMPLOYEES

During the year under review, none of employees of the Company had drawn remuneration in excess of the limits prescribed under section 134(3) (c) of the Companies Act, 2013 read with Companies (Appointment of Managerial Personnel) Rules, 2014.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The details of Vigil Mechanism/Whistle Blower Policy are provided in Corporate Governance Report.

RELATED PARTY TRANSACTIONS

All contracts/arrangement/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee and also before the Board for approval. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

The details of the investment in equity made by the Company as on 31st March, 2022 is as under:

		₹ Crore
1	FACT-RCF Building Products Limited	32.87 *
2	Urvarak Videsh Limited	0.18 *
3	Talchar Fertilizers Limited	805.48
Total		838.53

* Company has made full provision towards the value of investment.

The details of transactions with related parties are provided in the accompanying financial statements. There are no transactions to be reported in Form AOC-2.

INTER CORPORATE DEPOSIT

In connection with one time settlement entered into with Dena Dank, the Company had paid total ₹ 51 crore (₹ 12 crore during the year 2017-18 and ₹ 39 crore during the year 2018-19) to Dena Bank as one time settlement which includes an amount of ₹ 25.50 crore being the share of The Fertilisers and Chemicals Travancore Limited (FACT), the joint venture partner in FRBL. This amount is shown as interest bearing inter corporate deposit given. FACT shall repay the same in five annual equal instalments commencing from December 2020. FACT has made payment of Two installment total amounting of ₹ 10.20 crore out of the total 5 installments in the month of December 2020 and December 2021 as per agreement.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has in place a Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment.

During the year, two complaints of Sexual Harassment of Women at Workplace were received by the internal complaints committee formed by your Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Both the Complaints have been resolved by the Committee.

RIGHT TO INFORMATION (RTI)

In order to promote transparency and accountability, an appropriate mechanism has been set up across the Company in line with the provisions of the Right to Information Act, 2005. Your Company has nominated CPIO/ACPIOs/ Appellate Authorities at its units/offices across the Company to provide information to citizens under the provisions of the RTI Act.

During the year under review, your Company has received 259 RTI applications out of which 211 have been resolved.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed to this Report as Annexure IV and form an integral part of this report.

ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return in Form MGT 7 as on March 31, 2022 is available on the Company's website on www.rcfltd.com/investorrelations/agm-1

ISSUE OF NON CONVERTIBLE DEBENTURES (NCDS) BONDS ON PRIVATE PLACEMENT BASIS

During the year, your Company has allotted 3,000, Listed, Unsecured, Rated, Redeemable, Taxable, Non-Convertible Bonds in the nature of Debentures (NCDs) of face value of ₹ 10,00,000/- ((Rupees Ten Lakh only) each, aggregating to ₹ 300 crore (Rupees Three Hundred Crore only) on private placement basis for cash at par, in dematerialized form (ISIN:

INE027A08010), through BSE Electronic Book Platform (EBP) on January 31, 2022 .

The NCDs are for a tenure of Three years, carrying interest @ 6.59% p.a. payable annually. NCDs are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), on the Whole Sale Debt Market (WDM) Segment. The Company has appointed M/s SBICAP Trustee Company Limited as Debenture Trustee for the said debt securities.

INVESTOR EDUCATION & PROTECTION FUND (IEPF)

The details of unpaid / unclaimed dividend and shares transferred to the IEPF in compliance with the provisions of the Companies Act, 2013 has been provided in the Corporate Governance Report.

BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34 (2) (f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report initiatives taken from an environmental, social and governance prospective in the prescribed format is available as a separate section of the Annual Report and forms an integral part of this report. Business Responsibility Report is also available on the Company's website www.rcfld.com.

ACKNOWLEDGMENT

Your Directors wish to gratefully acknowledge the valuable guidance and continued support extended by Government of India and in particular, the Department of Fertilizers and the Office of Fertilizer Industry Co-ordination Committee (FICC),

Railways, DPE, Members of MOU Task force, and other Central Government Departments and Agencies.

The Board also wishes to acknowledge with sincere gratitude, the help and unstinted support from the Government of Maharashtra and other State Governments, MSEB, MIDC, various Media, Municipal Authorities, Maharashtra Pollution Control Board, Factory Inspectorate and IBR, Bankers to your Company, Financial Institutions, Dealers and Customers.

Your Board wishes to acknowledge gratefully, the confidence posed, unstinted support and suggestions made to the Board by the esteemed Share Owners of the Company. The Board also wishes to place on record the positive suggestions and guidance provided by the Statutory Auditors, Cost Auditors, the Office of the Principal Director of Commercial Audit and Secretarial Auditor.

Last but not the least, your Directors take pleasure in placing on record their deep appreciation of the excellent contribution made by the employees of your Company at all levels, without which your Company would not have achieved such good performance.

[S. C. Mudgerikar]

Chairman & Managing Director

Place: Mumbai

Date: November 14, .2022

Annexure - I

Annual Report on CSR Activities

1. Brief outline on CSR Policy of the Company

Aligning with the Mission, Vision and Value statement of the Company, the Company, through its Corporate Social Responsibility (CSR) and Sustainable Development (SD) activities, aims to achieve and strengthen its Corporate Governance inculcating socially and environmentally responsible business practices that balance financial profit with social well being. The overall goal is to promote sustainable and inclusive development as a responsible corporate entity

The CSR commitment of RCF positions its social and environmental consciousness as an integral part of its business plan and its commitment to all its stakeholders including customers, shareholders, employees, local communities and the society at large.

From amongst the beneficiaries of CSR and Sustainability spend (Financial component) of a company, the stakeholders in the vicinity to its operations and activities can rightfully stake a claim for attention before others. For this reason, RCF intends to accord priority to these stakeholders and undertake CSR and Sustainability projects in the periphery of its commercial operations on priority.

Approach of RCF would be oriented to identifying and formulating projects in response to felt societal needs in diverse areas, falling in the geographic scope and to implement them with full involvement and commitment in a time bound manner. In addition to identification, planning, designing and monitoring of CSR initiatives, RCF may opt to provide grants to specialist and reputed organizations in the field of Social work, to implement approved activities.

The projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013. Details of the CSR policy and projects or programs undertaken by the Company are available on links given below:

https://www.rcfltd.com/public/storage/cmspages/cmsspdfFile/F1565001231-CSR_POLICY.pdf

<https://www.rcfltd.com/socialresponsibility/social-responsibility>

2. Composition of CSR Committee

Sr. 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	Prof. Anil Kumar Singh (upto 06.03.2022)	Chairperson, Independent Director	3	3
2	Smt. Shashi Bala Bharti (from 30.03.2022)	Chairperson, Independent Director	-	-
3	Ms Aparna S. Sharma	Member, Govt. Nominee Director	3	1
4	Shri Umesh Dongre (upto 30.11.2021)	Member, Director(Finance)	3	3
5	Ms Nazhat J. Shaikh (from 01.12.2021)	Member, Director (Finance)	-	-

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

Composition of the CSR committee shared above and is available on the Company's website on

<https://www.rcfltd.com/public/storage/investers/1668488532.pdf>

CSR policy https://www.rcfltd.com/public/storage/cmspages/cmsspdfFile/F1565001231-CSR_POLICY.pdf

CSR projects –

<https://www.rcfltd.com/socialresponsibility/social-responsibility>

4. Provide the details 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 (attach the report)

The sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014 is not applicable to the Company for the financial year 2021-22. However, RCF has been conducting internal impact assessments to monitor and evaluate its strategic CSR programs.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

S. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
1	2021-22	63.72 Lakh	63.72 Lakh

6. Average net profit of the company as per section 135(5): ₹ 34710 lakh

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 694.20 lakh

8. (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL.

(c) Amount required to be set off for the financial year, if any: 63.72 lakh

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 630.48 lakh

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs. Lakh)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
747.58	Nil	-	-	Nil	-

b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities In Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.
-	-	-	-	-	-	-	Nil	Nil	Nil	-	-	-

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount spent for the project (in Rs. Lakh)	(7) Mode of implementation Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Rgd. Number
1	Supply of Drinking Water in villages near Thal unit	Promoting Healthcare	Yes	Maharashtra	Raigad	108.00	Yes	MIDC & RCFL	
2	Installation of Medical Grade Oxygen Plants at Govt hospital of Maharashtra and UP	Promoting Healthcare	Yes	Maharashtra & U.P.	Mumbai, Raigad Aspirational Dist. Siddharthnagar,	152.14	No	Dist., Collector	
3	Top loading Autoclave machine and UPS to Civil Hospital	Promoting Healthcare	Yes	Maharashtra	Mumbai	1.65	Yes	RCFL	Nil
4	Fin. Asstt to Shushrut Hospital, Chembur	Promoting Healthcare	Yes	Maharashtra	Mumbai	5.00	No	RCFL	CSR00020890
5	Covid Vaccination at Trombay & Thal - Expenditure towards setting up of infrastructure and hiring of manpower	Promoting Healthcare	Yes	Karnataka	Mumbai & Thal,, Raigad	38.46	Yes	RCFL & BMC	Nil
4	Fin. Assistance for Purchase of Cochlear Implants in Dr. Babasaheb Ambedkar Memorial Hospital, Byculla	Promoting Healthcare	Yes	Maharashtra	Mumbai	16.53	No	RCFL	CSR0000019635
5	4 Garbage Van to 4 villages nearby Thal Unit	Promoting Healthcare	Yes	Maharashtra	Raigad	26.06	Yes	RCFL	Nil
6	Fin. Assistance to CST for conducting 12 medical camp near chembur	Promoting Healthcare	Yes	Maharashtra	Mumbai	5.00	No	CST	CSR00009002
7	Fin Asstt to Lions Health Foundation for procurement of Phacoemulsification System for cataract surgery	Promoting Healthcare	Yes	Maharashtra	Raigad	22.50	NO	RCFL	CSR0006740
8	Fin. Asstt to CRWWO for Vein Illumination Device for Railway Hospital	Promoting Healthcare	Yes	Maharashtra	Mumbai	5.93	No	CRWWO	CSR0000019635

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount spent for the project (in Rs. Lakh)	(7) Mode of implementation - Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Rgd. Number
9	Financial Assistance for purchase of ambulance to Railway Hospital	Promoting Healthcare	Yes	Maharashtra	Mumbai	29.89	No	Railway Hospital	CSR00026663
10	Payment to Wockhardt Foundation	Promoting Healthcare	Yes	Maharashtra	Raigad	12.60	Yes	RCFL	Nil
11	Free Distribution of Fertilizers and Sapling at Villages nearby Thal	Rural Development	Yes	Maharashtra	Raigad	12.32	Yes	RCFL	Nil
12	Road repairing nearby villages rs. 17.06	Rural Development	Yes	Maharashtra	Raigad	20.49	Yes	RCFL	Nil
13	1) Navgaon Phata to Navagoan Culvert 2) Boris Gunjis village road	Rural Development	Yes	Maharashtra	Raigad	68.31	Yes	RCFL	Nil
14	Repairing of Chondhi Naka to Kihim Bus Stand Road	Rural Development	Yes	Maharashtra	Raigad	78.96	Yes	RCFL	Nil
16	Support to OSSF for conducting skill development programme in Osmanabad district	Skill Dev. & livelihood	No	Maharashtra	Osmanabad , Aspirational District	9.60	NO	NGO	CSR000
17	Fin. Assistance to National Association for the Blind, India (NAB)	Skill Dev. & livelihood	No	Maharashtra	Raigad	7.28	NO	NGO	CSR00003584
18	Financial assistance to Chandra Sundra Trust (CST) for Chembur Children's Home	Promoting Education	Yes	Maharashtra	Mumbai	0.50	Yes	CST	CSR00009002
19	Furniture to Schools in the vicinity of Thal Unit	Promoting Education	Yes	Maharashtra	Raigad	20.82	Yes	RCFL	Nil
20	Empowerment of Mahila Bachat Gat in Thal Village	Women Empowerment	Yes	Maharashtra	Raigad	16.68	Yes	RCFL	Nil
21	Financial Assistance to Sangopita for purchase of furniture for their new Dormitory	Promoting education to Women	Yes	Maharashtra	Raigad	1.00	No	NGO	CSR00003968

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount spent for the project (in Rs. Lakh)	(7) Mode of implementation Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Rgd. Number
22	Fin Asstt. To Pancharatna Mitra Mandal for distribution of sarees to Women and School Uniform to Girl students	Women Empowerment	No	Maharashtra	Mumbai	0.50	Yes	PMM	CSR00020890
23	Fin Asstt. To Deepalaya for education of Girls ,Haryana	Promoting Education	No	Haryana	Haryana	2.00	NO	NGO	CSR00000584
24	Fin Asstt. To Center for Transforming India, At Veshvi , Alibag	Women Empowerment	Yes	Maharashtra	Raigad	19.44	Yes	RCFL	CSR00005034
25	Stipend to SC ST Students as scholarship	Promoting Education	Yes	Maharashtra	Raigad	1.20	Yes	RCFL	Nil
26	Asmita Mahila Mandal for purchasing guides for 10th students	Promoting Education	Yes	Maharashtra	Mumbai	1.00	Yes	NGO	CSR00022351
27	Utilization of excess amount spent in previous year- Brought Forwarded expenditure					63.72			
	TOTAL CSR EXPENDITURE			Grand Total		747.58			

(d) Amount spent in Administrative overheads - Nil

(e) Amount spent on Impact Assessment, if applicable - Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) ₹ 747.58 lakh

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

Sl. No.	Particulars	Amount (in ₹) lakh
(i)	Two percent of average net profit of the company as per section 135(5)	694.20
(ii)	Total amount spent for the Financial Year	747.58
(iii)	Excess amount spent for the financial year [(ii)-(i)]	53.38
(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 [(iv)-(v)]	49.58*

*Total CSR spent for the year 2021-22 is ₹ 747.58 Lakh. Total expenditure accounted for the year 2021-22 is ₹ 698 Lakh. Excess amount is available for set off in succeeding Financial years is ₹ 49.58 Lakh (₹ 747.58 Lakh - ₹ 698 Lakh)

B. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the Reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
-	-	Nil	Nil	-	Nil	-	Nil

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
-	-	-	-	-	Nil	-	-	-

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset - wise details).

- Date of creation or acquisition of the capital asset(s): None
- Amount of CSR spent for creation or acquisition of capital asset: Nil
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : Not Applicable
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. 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

S. C. Mudgerikar
Chairman & Managing Director

Shashi Bala Bharti
Chairperson – CSR Committee

Date: August 12, 2022

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW OF THE ECONOMY

The Indian economy grew 8.7% in 2021-22, with the gross domestic product (GDP) expanding 4.10% in the March quarter from a year ago. The GDP growth for 2021-22 takes the economy above its pre-pandemic level and is an improvement after contracting 6.60 % in 2020-21. Incidentally, the economic growth during the entire fiscal of 2021-22 has gradually spiralled downwards with each quarter. In the first quarter of 2021-22, the economic growth had been a stupendous 20.10%, which however was mainly due to the low base effect.

The fiscal year 2023 has begun on a sombre note, in the backdrop of global challenges such as the Russia-Ukraine conflict, the surge in crude oil and commodity prices and renewed lockdowns in China. The estimate of real GDP growth for financial year 2022-23 at 7.2% at the current juncture, amidst expectations of slowing external demand, a gradual increase in capacity utilisation levels through the year, and a recovery in contact-intensive services. The rise in oil and commodity prices have also heightened macro stability risks for the Indian economy. We expect a deterioration in the CAD and the CPI inflation and a mild overshooting in the GoI's fiscal deficit on account of a larger-than-budgeted subsidy burden in financial year 2022-23. The recent excise duty cut on fuels has mitigated some upside risks to the CPI inflation projection and has distinctly lowered the probability of highly front-loaded rate hikes. We foresee the MPC to hike the repo rate by 35 bps each in the August 2022 and September 2022 reviews, followed by a pause to assess the robustness of growth.

The Budget 2022-23 has maintained continued and increased focus on agriculture. The budget aims at boosting farmer's income and the viability of agriculture as a remunerative economic activity. The Government intends to pay ₹ 2.37 lakh crore this year as direct payment for minimum support price (MSP) for wheat and paddy to ensure assured income to the farmers. The provision of MSP has led to higher procurement of wheat and paddy in 2021-22 covering about 163 lakh farmers. In the budget 2022-23, the Government has proposed to set up a dedicated fund for agri-tech start-ups which will help farm produce value chain. The Government is set to launch public private partnership (PPP) model to incentivise agri-tech players and other stakeholders in the agriculture value chain. The objective is to deliver digital and hi-tech services to farmers, which would enable them to cut costs, find new markets and gain competitiveness in the global markets.

INDUSTRY STRUCTURE AND DEVELOPMENT

Overall fertilizers production has increased by 0.79% during financial year 2021-22 as against financial year 2020-21 due to increase in production of DAP & SSP. Imports have decreased sharply by 10.34% due to by the sharp decrease in Urea, NPK and MOP imports.

Production of urea increased by 1.93% during the financial

year 2021-22 as against 2020-21 due to favourable weather and market conditions. Urea is largely sourced domestically however, imports were decreased by 7.10% during the year 2021-22.

DAP production increased by 11.80% during financial year 2021-22 as against financial year 2020-21. Imports on the other hand have risen by 11.88% in financial year 2021-22 as against financial year 2020-21.

MOP imports have decreased substantially by 41.80% during financial year 2021-22 as against financial year 2020-21. India meets its Potassium chloride (commonly referred to as Muriate of Potash or MOP) requirements completely through imports from Canada, Russia, CIS+ Belarus, Israel, Jordan and Lithuania.

Production of NPK have decreased by 10.87% during the financial year 2021-22 against financial year 2020-21. NPK imports have decreased by 15.83% during financial year 2021-22 as against financial year 2020-21.

The production of SSP which is an indigenous phosphatic multi-nutrient fertilizer increased by 8.76 % during financial year 2021-22 as against financial year 2020-21. SSP is a cheaper alternative to DAP.

Overall sales of fertilizers have decreased by 5.40% during financial year 2021-22 as against financial year 2020-21. Sales of Urea, DAP, NPKS and MOP have decreased by 2.46%, 22.16%, 2.81% and 28.28% respectively during financial year 2021-22 as against financial year 2020-21. The sales of SSP was increased sharply by 26.60% during the financial year 2021-22 against the financial year 2020-21.

Subsidy budget for financial year 2021-22 is deemed to be adequate to meet the requirements of the industry thus keeping the credit profile healthy. Financial year 2022-23 allocation falls short of requirement although GoI's track record of making additional allocations during the year provide comfort. Industry's business profile to remain stable in financial year 2022 with GoI taking timely steps to support the industry. Outlook for financial year 2022-23 appears to be stable on the expectation of enhanced subsidy support from the GoI.

STRENGTH, WEAKNESS, OPPORTUNITIES & THREATS

Strengths

- I. Your Company's strength lies in its skilled manpower, high Brand Equity of its products such as Ujjwala, Suphala, Microla, Biola, Sujala & Vipula and diversified product portfolio of fertilizers and chemicals.
- II. The wide reach of marketing network ensures that your Company can take its products to the farthest corner of the country.

- III. Increased usage of digital technology to reach-out to farmers through Mobile App, Facebook page, Twitter handle, Instagram handle and YouTube Channel under the name of “RCF Kisan Manch”.
- IV. The Farmer’s Training Institutes at Thal and Nagpur are helping in a big way to educate farmers on latest farming techniques. Also Company has been operating toll free help line number called “Kisan Care” through which farmers can approach agriculture experts and get their queries addressed.
- V. Larger farmer reach through various farm extension activities like field Demonstration, Sheti-patrika, celebrating soil testing days etc.
- VI. Your Company has a wide portfolio of Industrial chemical products which has applications across several sectors like pharmaceuticals, dyes etc.
- VII. The well maintained plants and equipment ensure that production remains uninterrupted.
- VIII. Continuous technology upgradation, revamping, modernization and implementation of energy & production improvement schemes in the plants.
- IX. Well established infrastructure and R&D facility.

Weaknesses

- I. The Plants have been in operation for a very long time and needs significant investment for upkeep and upgradation.
- II. As the ultimate customers of the Company are farmers, agro-climatic condition has a large effect on the performance of the Company.
- III. Raw materials such as Rock Phosphate, MAP, DAP and Muriate of Potash (MOP) etc. required in the manufacturing of the complex fertilizers, have to be imported. Their procurement cost is subject to high volatility in global raw material prices and variation in the foreign currency exchange rates affecting the profitability of the Company.
- IV. Volatile Natural gas price for non-Urea operations is impacting bottom line of the Company.
- V. Reduction in supply of Domestic gas leads to increase in consumption of imported RLNG at higher cost.

Opportunities

- I. Several opportunities exist overseas, for Collaborations / Diversification in the field of manufacturing and mining of raw materials as well as fertilizers thereby presenting an opportunity for marketing of variety of products.
- II. Huge demand and import dependency in case of NPK fertilizers in the Country provides an opportunity to Company for expanding its NPK fertilizer base.

- III. Alternate feedstock such as Coal gives an opportunity for undertaking Fertilizer Projects in other parts of the country closer to coal mines based on latest coal gasification technology.
- IV. Experienced and Skilled Manpower of your Company has been in demand for rendering O&M services in India and abroad. In view of your Company’s training facilities, as well as the available skilled Engineers and Technicians, your Company is in a position to impart training to many foreign and Indian Companies.
- V. Energy and environment improvement projects planned will give positive impact on the profitability and sustainability of your Company.

All these opportunities would enable your Company to improve profitability in the coming years.

Threats

- I. Manufacturing and marketing of Fertilizers is the core business of your Company. In recent years, there has been high volatility in the prices of raw material resulting in an adverse impact on production and marketing plans. The profitability is susceptible to the input costs of major raw materials, such as Rock Phosphate, Sulphur, DAP, MOP, MAP etc.
- II. Production of Urea, Complex Fertilizers and chemicals is dependent on the availability of feedstock gas and its economic pricing.
- III. The industrial chemicals business is also exposed to cut-throat global market competition.
- IV. Uncertainty in Government policies in respect of supply of feed stock gas, pricing of fertilizers and subsidy thereon also affects the performance and competitiveness of the Company.
- V. Gas Pooling Mechanism for Urea production is adding to the interest burden on the Company.

OUTLOOK

For the year 2022-23, the budget allocation for fertilizer subsidy is ₹ 1,05,222 crores. This is higher by more than ₹25,000 crores from the BE of 2021-22. Considering the increase in international prices of raw materials and other essential fertilizers, Government of India provided additional subsidy amount of ₹ 1.10 lakh crore, in May 2022, to further cushion the impact on the farmers. The revised subsidy is deemed to be adequate to meet the needs of the Industry.

The industry has been continuously striving for ensuring availability through domestic

production and imports even at thin or negative margins. P&K sector is almost entirely dependent on import of raw materials due to lack of natural resources of phosphate and potash. This segment of industry has maximized production

in spite of challenges of availability and high prices of inputs in international markets. In spite of multifold increase in pooled price of gas for urea sector this year, average cost of production of domestic urea remained roughly about 50% of price of imported urea. This has helped not only in ensuring supplies but also in saving huge subsidy on urea for the country.

Fertiliser prices are expected to remain at elevated levels amid rising geo-political tensions constraining availability and elevated energy prices. Energy prices remain firm with natural gas prices rising to record highs. Input prices are expected to remain elevated in the near to medium term. Industry's business profile is expected to remain stable in FY2022-23 on the expectation of enhanced subsidy support from the GoI.

The performance of agriculture sector has been very encouraging so far and it will attain new heights with all the measures implemented and initiated by the central and state Governments. In addition to ensuring food security of this vast nation, agriculture will continue to make progress towards sustainability, remunerative operation and increasing contribution to agri exports. Fertilizer industry will continue to play its crucial role in achieving these objectives and success story of agriculture sector.

RISK AND CONCERNS

The major risks and concerns of your Company are as under:

1. Imbalanced use of fertilizers
2. Skewed pattern of fertilizer use
3. Inadequate use of secondary and micro nutrients
4. Deterioration in soil health
5. Decline in fertilizer use efficiency
6. Higher dependence on subsidy. Delay in receipt of subsidy leads to higher interest cost.
7. Low operating margin due to tight regulations.
8. Strict Energy norms for all the plants under New Urea Policy (NUP 2015).
9. New challenges faced by the Industry due to COVID 19 Pandemic

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has a well-defined Internal Control System that is adequate and commensurate with the size and nature of its business comprising Internal Auditors which conducts internal audit of various operational and financial matters on on-going basis. The Technical function of Internal Audit is conducted through in-house technical personnel. The Non-technical function of Internal audit has been outsourced for 3 years i.e. from FY 2020-21 to 2022-23 and the entire audit area of RCF is divided between two Audit firms of Chartered Accountants : 1) M/s. Pipara & Co LLP & 2) M/s. AMAA & Associates.

Internal Audit Department is headed by technical person having

wide experience in technical field with good administration and interpersonal skill in the rank of General Manager having adequate number of financial and technical personnel. The recommendation and observations of the Internal Auditors are reviewed regularly by the Audit Committee constituted by the Board of Directors. As required by the Companies Act, 2013, the Audit Committee has formulated the Scope, Functioning, Periodicity and Methodology for conducting the Internal Audit and informed to the Board of Directors. The adequacy and operational effectiveness of Internal Financial Controls over Financial Reporting has been reviewed by the Audit Committee. The performance of the Company is regularly monitored by the Board of Directors.

The Company has an effective budgetary control mechanism in place to take care of the detailed capex and operational budget. Appropriate monitoring mechanism to compare the actual performance with the budget ensures that necessary review is periodically undertaken.

SEGMENT – WISE PERFORMANCE

The segment wise performance of the Company has been as under:

Fertilizer

Your Company produces fertilizers such as Urea (Nitrogenous Fertilizer) at both Trombay and Thal Units, and Suphala 15:15:15 (NPK Fertilizer), Biola (Bio fertilizers), Microla (micronutrient fertilizer) and Sujala (100% water soluble fertilizer) etc. at its Trombay unit.

During the year, your Company has produced 21.85 LMT of Urea compared to 22.50 LMT produced during the previous year. Your Company has also produced 5.71 LMT of Suphala 15:15:15 as compared to 5.37 LMT produced during the previous year. In terms of Nutrients, your Company has produced 10.91 LMT of "N", 0.86 LMT of "P2O5" and 0.86 LMT of "K2O" as compared to 11.16 LMT of "N", 0.81 LMT of "P2O5" and 0.81 LMT of "K2O" respectively during the previous year.

In addition to above, your Company has produced 155 KL of Biola, 359.71 KL of Microla and 4355 MT of Sujala as compared to 121.150 KL of Biola, 303.416 KL of Microla and 5390 MT of Sujala respectively during the previous year. During the year, your Company has produced 0.02 KL of Organic Growth Stimulant and 18.31 KL of Water pH balacer.

Industrial Products

Your Company produces industrial chemicals at its both units. During the year, your Company produced approx. 6.52 lakh MT of various major industrial chemical products as against approx. 4.28 lakh MT during the previous year.

Your Company produces, amongst others, AN Melt, Ammonia, ABC, DNA, Conc. Nitric Acid, SNA, (72% & 68%), SSA, WSA, Argon, Sodium Nitrate / Nitrite, Refrigerant Ammonia, Water, Methanol, Gypsum, MMA, Dimethyl Formamide, etc.

PRICING POLICY

Urea:

In case of urea, the farm-gate price is notified by the Government from time to time, so also the dealer's margins are indicated. The concessions to the units are given under various policies from time to time. Effective from 1st June, 2015, Urea is governed by New Urea Policy 2015 (NUP 2015) under which units are divided into three groups based on preset energy norms. As per NUP 2015, energy norms have been tightened focusing on energy reduction being achieved by Urea units and further tightened from 1st April, 2018 in respect of Thal unit and from 1st October, 2020 in respect of Trombay Unit For production beyond the Re-assessed capacity (RAC) i.e. 100% of capacity, the unit will be entitled for the respective variable cost and uniform Per MT incentive equal to the lowest of Per MT fixed cost of all the indigenous Urea units subject to maximum of import parity price (IPP) plus weighted average of other incidental charges which the Government incurs on imported urea.

To address the issue relating to availability and pricing of gas for Urea sector, Government of India has announced Pooling of Gas in Fertilizer (Urea) Sector, effective from 1st June, 2015 wherein all Urea manufacturers are entitled to gas for Urea production at the weighted averaged pooled price of Domestic gas and Imported RLNG. This has encouraged Urea units to operate at full capacity during the year in sync with the Government policy of "Make of India".

P&K fertilizers:

P&K fertilizers are covered under Nutrient Based Subsidy (NBS) scheme. Under the NBS, the subsidy rates for nutrients 'N', 'P' 'K' and 'S' are notified by the Government on an annual basis. Selling prices are determined by the Company depending on costs of production, seasonal conditions, demand in field, competitors' pricing, etc.

In addition to NBS, units are also entitled for compensation towards freight expenses based on uniform freight policy.

Direct Benefit Subsidy (DBT):

Effective from February, 2018, settlement of subsidy under DBT has been rolled out on PAN India basis. DBT based subsidy is certainly contributing to rationalisation of subsidy bill of Government of India and also enable targeted disbursement of subsidy. However, since availability of stocks all over the year needs to be ensured, this is straining the working capital of fertilizer companies as erstwhile they were being compensated based on receipted despatches. Further DBT subsidy settlement has been delayed due to exhaustion of Government Budget allocated towards Fertilizer Subsidy leading to higher Working Capital requirement and increased finance costs.

Impact of Government policies on IPD marketing

Government policy on pricing and prioritizing allocation of domestic gas may severely affect production and sale of

domestic units manufacturing fertilizers and chemicals.

Free Trade Agreement with other nations may result in lowering of the existing duty structure, thus encouraging cheaper imports which in turn can affect sale of domestic manufacturers like RCF.

Government has liberalized import of chemicals to meet the ever increasing consumption level of chemicals in almost all sectors of the economy. International manufacturers, apart from cheaper energy sources, are having huge production capacities thus benefiting from the economies of scale, making available their products at cheaper rate compared to domestic manufacturers. This has put strain on the margins of domestic manufacturers producing products viz. Ammonia, ABC, DMAc etc. As a result, our producing plants like Methylamines & Methanol at Trombay and DMAc at Thal are under shut down due to economic un-viability.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Review of the financial performance

During the year, your Company achieved Revenue from Operations of ₹ 12812.17 crore as against ₹ 8281.18 crore in previous year (PY). Profit Before Tax (PBT) during the year, stood at ₹ 943.91 crore as against ₹ 527.98 Crore due to improved energy efficiencies at both Units, better margins of Industrial Chemicals and reduction in finance cost. Profit After Tax (PAT) stood at ₹ 704.36 crore as against ₹ 381.94 Crore as your Company exercised its option to pay Income-Tax at lower rate as per Finance Act Amendment Bill 2019 – Income Tax Section 115BBA.

Your Company achieved fertilizer sales volume of 30.80. lakh MT during 2021-22 as compared to 31.42 lakh MT during the previous year. The total sale of manufactured fertilizers during 2021-22 was 27.95 lakh MT as against 28.05 lakh MT during the previous year. Sales of manufactured fertilizers registered decrease of 0.34 % over previous year due to production constraints and less availability of material.

Your Company produced 27.56 lakh MT of fertilizers (21.85 lakh MT of Urea & 5.71 lakh MT of Suphala 15:15:15) during the year as against 27.87 lakh MT of fertilizers (22.50 lakh MT of Urea & 5.37 lakh MT of Suphala 15:15:15) produced during the previous year.

Energy Consumption

The energy consumption achieved during the year ended March 31, 2022 as compared to the previous year ending March 31, 2021 is given below:

Gcal/Mt

Plant	For the year 2021-22	For the year 2020-21
Ammonia Trombay-V	8.710	8.788
Ammonia Thal	8.344	8.338
Urea Thal	5.845	5.860
Urea Trombay	6.510	6.653

Energy efficiencies at both units were lower as compared to previous year owing to planned and unplanned shutdowns.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

TRAINING AND DEVELOPMENT

At RCF the Human Resource Development Strategy supports the organization's strategic and operational plans, through developing and implementing learning strategies and programs that meet business needs.

Effective training and development activities at RCF helps to achieve organizational goals, increase Productivity, Motivate Employees, Maintain Smooth Team integration, Enhance Workforce empowerment, Employee Retention & improve overall organizational culture by continuously adopting to innovative Learning & Development techniques aligned to business objective for enhancing employee competencies, skills sets, engagement & empowering them. With proper training, opportunities are provided and employees feel safe and organized.

The Strategic Role of HRD at RCF

A. To Build and Strengthen a Value Based Learning Culture Organisation

The key to success is establishing the expected behaviours, and then design a system to reinforce and support those behaviours. The expected behaviours are in line with RCF values. Hence in order to indicate a common understanding of the values amongst employees, value based training programs are conducted to help employees understand how to integrate them into the daily performance of their roles and to sensitize towards sense of community.

Few programmes conducted with this objective are:

Independent India @ 75: Self Reliance with Integrity as part of Vigilance awareness week. Yoga Day Celebrations which included practical training along with meditation techniques a step towards spirituality. Ethical Work Culture which emphasises integrity, in line with organisational value system.

B. Learning and Development strategies for different positions of the workforce

Every position in the organisation is of immense importance. The learning and development strategy understands the role they are expected to perform and this defines grooming and updation of skills, knowledge and attitude to ensure a sustainable and successful organisation. At RCF, we execute learning initiatives based on the position.

- **Role Clarity Programs** for new joiners for making them more responsible and getting in connect with the grass root functioning.
- **Modular Training** : Every Officer in the organization, undergoes a 5 days of Modular training which provides different functional inputs. The sole objective is to let the employee get an overview of all the department functioning.
- **Building competencies of personal effectiveness**: to scale the performance to higher heights.

C. Develop People Capabilities

RCF believes in on-going investment in its Human capital by supplementing with new learning.

- **Specialized Programmes**
 - » SC/ ST reservation Policy Guidelines
 - » Advanced Contract Drafting, Management & Dispute Resolution
 - » Rights, Duties and Welfare measures adopted by Govt. of India for OBC employees
 - » Cost consciousness & cost optimization
 - » Need for reforms in Fertilizer sector
 - » RTI
 - » Training on bag sampling procedures
 - » Integrity Pact Implementation Cyber Security
 - » Labour Law & Compliance
 - » Regulations pertaining to Insider Trading
 - » Tendering Guidelines, Contract Management
 - » LQC- Tools & techniques
 - » Guidance session for NCQC
 - » Orientation program for Retiring Employees by ASP (Annuity Service Provider)
- **Cross-functional Learning opportunity**; It improves communication and transparency within the organization as employees are aware and engaged. It increases trust among employees as knowledge is not stored in silos, and there is no favouritism.
 - » "Purchase for Non-Purchase"
 - » "Tendering and Procurement Guidelines"
 - » "Preventive Vigilance & Vigilance Aspects in

Commercial procedures”

- » “Preventive Vigilance” for mid career developments
- Finance Functional Training Programme for New Recruits
- Advanced Material Management Programme (Blended)
- **External Programs**

Employees who have specialized functional needs are nominated for programmes organized by external agencies, the programmes this year have been conducted through Offline and virtual/online trainings.

- » Leadership Development Program,
- » Certification course in Fire fighting
- » Technical specialised programmes
- » Challenges & Strategies For Fertilizer,
- » 2 Days Advance SAP PM Module to get our employees to perform effectively by using SAP Plant Maintenance Module.

D. Implementation of On-Boarding journey for New Hires to align with company culture : an e-on boarding initiative with Blended Learning.

- On-Line Gender Sensitization certification
- Induction training including organisational and Functional inputs.
- Basic SAP – PM Module
- **Mentor Mentee Programmes**

Mentoring initiative at RCF helps New Joiners to grow, develop and learn new skills under the direction and advice of a senior expert. Mentorship program assigns a newly joined person to an experienced employee who helps the newly joined person to become a part of the organization. It helps the new joiners with the initial teething problem, settling in their work area and get accustomed to the organization culture. The Mentorship Program is monitored for a period of one year with compulsory meeting of the Mentor and Mentee on quarterly basis (i.e. 4 meetings in a year) with an action plan being put down by the Mentor for the Mentee growth and development, in consultation with the Mentor’s HOD.

E. Motivate and Engage Employees

Engaging employees by providing them with opportunities to learn and develop new competencies.

- **Success Mantras- Motivational Talk for employees & their family members.**

To bring a positive mind-set among all employees and their family members, the Motivational talk was organised.

- **Life Skills Programme:** The development of life skills helps employees to find new ways of thinking and problem solving.

Retirement Planning & Financial Planning for superannuating employees, Financial planning for all age groups, NPS Awareness and Help Desk, Superannuation (Pension)Scheme Awareness.

- **HRD Aapke Dwar – Connect With employees**

Learning at their doorstep which is time effective & cost effective without disturbance to their work schedules.

- » Reached RCF stakeholders during the pandemic and provided inputs on
- » Precautionary covid appropriate behaviours.
- » Regular Mindfulness sessions and Health & Hygiene sessions under HRD Aapke Dwar were organized to infuse positivity and mental well-being amongst employees/ contract labours all over the factory & offices at Trombay Unit.
- » These sessions during the pandemic was a morale booster for employees
- **Webinars : Life skills, Functional & a strong Mental & Healthy fitness & wellbeing, to connect with employees** and their family members e.g. Covid & depression, Ayurveda, SSY, financial planning, creating culture, labour codes, career guidance, emotional intelligence, Audit overview

F. Knowledge Sharing/ Knowledge Repository (circulated via emails)

For Building of Learning agility and to foster a learning culture & learning mind-set.

- **Recorded Video Library** (E- Learning) soft skills modules, Microsoft – Word, Excel, PowerPoint and Outlook on Intranet
- **Wellness/ Wellbeing/ Mental Health**
- **Online Skill Enhancement Programs for Enhancing Digital & Professional Skills** like Interpersonal skills, collaborate effectively, delivering quality work with agility, present with purpose
- **Employees given access** to updated information and the practice of learning where a platform is created for Knowledge Sharing to give update information,
- **Knowledge Sharing & Corporate Library**

G. Knowledge Exchange with Academic Institutes

- Internship Training & On-the Job training

H. Gender Sensitization & POSH

- Gender Sensitization & POSH
- Focused on creating a gender sensitive and inclusive work culture with an ultimate goal to achieve gender equality as highlighted in the POSH Act and rules.
- RCF Gender Equality Cell
- Various activities to instill Gender Equality Practices in the organization. Celebration of Gender Week.

- On-Line Certification programme on “Prevention of Sexual Harassment at Workplace” for Newly Joined Marketing Executives: This awareness to the new joiners assists them in embracing our organization culture.
- In order to create a gender sensitive work environment, an awareness session through on-line mode on “**Prevention of Sexual harassment at Workplace (POSH)**” for all employees.
- Session on **POSH Act Compliance for members of Internal Committee, RCF WIPS Cell & Gender Equality Cell**. The objective of this session was to update members about POSH Act Compliance and knowledge about handling cases.
- Gender Sensitization and Women Empowerment

I. Women Empowerment Initiatives

“Women Empowerment In CPSEs” women participants nominated

- **Empowerment programmes.**
 - » Women Rights & Laws: Educated Women Employees & Women family members of employees on various Women Rights and Laws which protect them.
 - » Self Defense
 - » Financial Planning especially for Women Employees
- Women’s Day Celebration through empowerment programmes.
- 2 days Entrepreneurship Development program especially organized for SC/ST Women aspirants with a view to nurture their talent by enlightening them on various aspects of industrial activity required for setting up Micro, Small & Medium Enterprises.

J. On-Line/ E- Learning Courses

To provide the necessary learning in time with expert inputs, on-learning and E-Learning courses which are faster and effective mode to reach employees

- Change in Bond Clause
- Management Development Programme on “Leadership & Business Acumen” for Marketing personnel’s. MDP focused on understanding & assessing the current business realities of the company and aligning the department strategy with Company strategy. It focused on enhancing certain skills and competencies required for the Marketing team.
- GeM Procurement Training Module

K. Kisan Care Link

Upgrade Life Skills of the Dealers & Farmers with farming inputs CMDC uploads write-ups on “Kisan Care” link on RCF Internet www.rcflt.com and to impart knowledge sharing all aspects of Life skills which help them in effectively dealing with the challenges of life i.e. their well-being, health related information, children career

prospects and education, financial well-being.

L. Digital Skilling : To enable a future-ready digital workforce,

- » Technology Day celebration :Artificial Intelligence – A Digital Technology for a Sustainable Future.” was the session organised which aimed to provide middle and senior- level managers/executives in the technical discipline understand the concept and implications to these new-age digital technologies who are instrumental in driving data-driven decisions for monitoring and improved business performance.
- » Computer Awareness program for Trainees

M. Pre Recruitment Awareness Program:

Programme aims to motivate and provide guidance to the applicants shortlisted for RCF Recruitment Online test for the post of various disciplines regarding how the online written test will be conducted. Overview of RCF, Complete Guidelines of Online test, interaction with experienced and expert employees of the specific disciplines, guidance about preparation for Online test and Specific disciplines wise test questions and answers all through information and guidance given through the program to the applicants shortlisted for Online written test for the post of various disciplines. Sample question videos uploaded on RCF Website.

N. Innovation Culture enhancement- Inculcating focus from Employer Centric to Employee Centric

Innovative drive seeking feedback align with company needs to further strengthen the Innovative Learning Culture in RCF. An on-line form on RCF Intranet where employees can mention their training needs. An Innovation Form has been developed where training required for their career growth and for self-development can be mentioned.

INDUSTRIAL RELATIONS

Your Company maintained cordial and harmonious Industrial Relations with all its employees. All the issues are settled amicably through regular discussions, meetings and dialogues with the employees. There was no occurrence of any untoward incident during the year.

Your Company has 2635 employees comprising 1298 Officers and 1337 non-officers, as on 31st March, 2022 compared to 2845 employees (1393 officers and 1452 non-officers) as on the corresponding date of the previous year.

During the year, 45 employees of various streams have joined your Company.

Your Company has undertaken “Swachha Bharat Abhiyan” in various plants, Hospital, School, RCF Co-operative Credit Society, RCF Township etc.

Retiring employees are felicitated every month. Your Company

has conducted medical checkup for employees.

MATHADI CONTRACT LABOUR MANAGEMENT

Management strongly believes in continuous dialogues and meetings with Unions of Contract Labours. Mutual Trust & Transparency are the key-factors in cordial Industrial relations.

We adhere to all relevant statutory requirements and abide by all applicable laws to contract labour. We work towards ensuring safe working conditions and fair wages to all including contract labour employed with Contractors of RCF.

Meetings with the Railway Labour Board regarding issues pertaining to Directly Registered Mathadis of Trombay Unit were held number of times to resolve the same.

Issues/problems raised by the Mathadi Unions were discussed on platform of Railway Labour Board from time to time and efforts were made to resolve the issues.

Also Mathadi Unions have been taken into confidence to resolve issues/problems.

GRIEVANCE REDRESSAL

A system of Grievance Redressal Mechanism is functioning for the purpose of prompt redressal of Employees Grievances in a proactive manner. It helps in achieving the objective of employees satisfaction, enhancement within guidelines and is also develop trust/confidence in the system and department. Also SC/ST and PWBD employees have special Grievance Redressal System as per Statutory requirement.

WELFARE AND SPORTS

Your company is one of the few companies who takes a lot of care of its employees not only at working place, but extends its relation beyond working place with the families of employees, by organizing various programmes like Annual Day, Family Day out, Women's Day etc. This year due to Covid-19, pandemic situation all activities were suspended.

WELFARE / EMPLOYMENT OPPORTUNITY TO WEAKER SECTION

The guidelines in respect of reservation in recruitment and promotion of SC/ST, OBC, EWS, Ex- Servicemen and Person with Benchmark Disability are followed by your company. As on 31st March, 2022, your company has on its rolls, 410 employees belonging to Scheduled Caste, 201 belonging to Scheduled Tribe and 527 Other Backward Classes, 5 EWS, 3 Ex-servicemen & 38 PWBD.

Your company is committed to the welfare of SC/ST employees. Regular meetings are held with SC/ST Employees Welfare Association to address grievances, if any, and for providing guidance for development and organized Training programme on Reservation Policy.

Your company has extended Scholarship/Financial assistance

for education facilities and development of SC/ST students in Drought prone areas of Maharashtra. Your company has given financial assistance of Rs. 10,000/- each to 110 students in drought prone districts who are from 6th Standard to 10th standards. The scheme is covering the expenses for Text Books/ Note Books, Medical, school kit etc.

Your company has celebrated every year Birth Anniversary of Dr. Babasaheb Ambedkar in both Buddha Vihar, Chembur and Thal, Alibag, Kurul Colony. The programmes such as puja and lunch were organized.

Medical camp was organized like every year at Chaitya Bhoomi, Dadar on 6th December, on the occasion of 'Mahaparinirvan Day'. Financial assistance for distribution of food packets and making arrangement for medical camp including medicines along with the vehicles and Doctors was made available by the company on this occasion. This year activities were suspended due to Covid-19, restrictions.

WELFARE MEASURES TAKEN TO KEEP THE PLANTS OPERATIONAL DURING COVID-19, PANDEMIC

Provided the PPE's to employees, Mathadi's, Contract Labours and CISF personnel. All the essential PPE's required to be worn like Mask, Gloves and soaps were procured and were given to them.

Quarantine facility: a) RCF has made available the Jet Hostel consisting of 50 rooms in Mumbai to local administration for quarantine facility. To cater to the needs in the event of Covid - 19 patients among RCF employees and approval was accorded by Competent Authority to provide stay for high risk untested contacts and for Asymptomatic individuals. b) One more facility consisting 32 rooms was facilitating to be used as quarantine facility jointly with BPCL under the care of Shiv Hospital.

Creating awareness of Covid-19 Pandemic: As per Govt. Guidelines posters, banners were displayed on Covid related social behavior norms such as wearing masks, social distancing and hand washing / sanitizing of offices, plants, townships and hospital. These posters / banners have been installed at various locations in factory and township.

Thermal Scanners: Thermal screen is being carried out of all the employees of RCF and contract labours entering the Factory, Administrative & Priyadarshini Building for which the scanners were procured for regular health monitoring of the Employees/ Contract labours.

WOMEN ORIENTED PROGRAMME INITIATIVES

As per the directions of the Ministry, RCF WIPS (Women in Public Sector) CELL is formed in your Company which caters to the needs of female employees and meets on Quarterly basis to discuss the issues/initiatives like programme on mentoring, welfare measures like starting the crèche facility, procuring

sanitary napkin's vending machine etc. Recommendations of the cell duly considered for implementation of the Management.

Two nos. of Vending Machines of Sanitary napkins along with Incinerators have been procured for the female employees at Trombay. A half day workshop on 'Women Health & Hygiene' was organized for Women in different age categories by inviting a Gynaecologist along with briefing about usage of Sanitary Napkin vending machines wherein Contract Women Workers also attended this programme. Self- Defense programme for the Trainees was also conducted.

Your Company has also framed its own 'Gender Equality Policy'. With an objective to create awareness amongst all the employees about Gender equality E- Learning Module on Gender Sensitization has been launched on RCF Intranet and On- Line Gender Sensitization programme for Dy. Managers. Laminated copies of Gender Equality Policy and Zero Tolerance to Sexual Harassment policy are displayed in the offices of GMs and above level. The Crèche facilities started for Women employees at Trombay are now extended that of Male Employees.

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

Sr. No.	Particulars	2021-22	2020-21 (regrouped)	% Change	Reasons
1	Debtors Turnover (Days)	63.73	132.14	(51.77)	High rate of gas which is a pass through in Urea subsidy impacted overall revenue and receivables and thus the ratio.
2	Inventory Turnover	22.28	14.86	49.94	High year-end inventory owing to shipment undertaken/ in transit.
3	Interest Coverage Ratio	8.94	4.81	82.86	Decrease in Loans due to repayment / low Working capital and low interest rates with increase in profits
4	Current Ratio	1.41	1.79	(21.41)	Increase in Subsidy Receivables from GOI
5	Debt Equity Ratio (Long Term Borrowings incl Current Maturities)	0.35	0.37	(5.41)	Increase in Profitability
6	Operating Profit Margin (%)	7.72	9.07	(14.91)	Increase in Cost of Sales on account of increase in raw material prices.
7	Net Profit Margin (%)	5.50	4.61	19.20	Reduction in Finance Cost
8	Change in return on Net Worth	18.11	11.38	59.17	Increase in Profitability on account of Better Energy Efficiency and margins of IPD products

Ratio at 3 = EBIDTA / FINANCE COSTS

Ratio at 6 have been calculated excluding exceptional item (Income) of ₹ 127.63 crore for 2021-22 (₹ 4.71 crore in 2020-21).

DISCLOSURE OF ACCOUNTING TREATMENT

The financial statement for the year ended March 31, 2022 are prepared in compliance with IND AS as prescribed under section 133 of the Companies Act, 2103 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' and actual results may or may not be in accordance therewith. The Company's performance is dependent on several external factors such as performance of monsoon, significant changes in economic environment, Government Policies, fluctuations in prices of raw material and finished products and also their availability, etc., which could adversely affect the operations of your Company.

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022

[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,
Rashtriya Chemicals and Fertilizers Limited
CIN: L24110MH1978GOI020185

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Rashtriya Chemicals and Fertilizers Limited** (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 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 External Commercial Borrowings. The Company does not have any Foreign Direct Investment and Overseas Direct Investment during the financial year.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’): -
- vi. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- vii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- viii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018#;
- ix. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021#;
- x. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021#;
- xi. 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;
- xii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021#;
- xiii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018#; and
- xiv. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

The Regulations or Guidelines, as the case may be were not applicable for the period under review.

- xv. The list of Acts, Laws and Regulations specifically applicable to the Company are given below:
 - i. Guidelines on Corporate Governance for Central Public Sector Enterprise (CPSEs) 2010; and
 - ii. The Fertilizer (Control) Order, 1985.

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

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

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [“Listing Regulations”].

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable and subject to the following observations –

- a. The Board of Directors comprised of nine Directors, constituting of four Executive Directors (including the Chairman & Managing Director); one Nominee Director (non-executive) and four Independent Directors including Independent Woman Director. As per Regulation 17(1) of the Listing Regulations and DPE Guidelines on Corporate Governance for Central Public Sector Enterprises, the

Chairman being an Executive Director, at least half of the Board of Directors should be comprised of Independent Directors. Thus, the Company did not have the requisite number of Independent Directors on its Board.

- b. The Stakeholders Relationship Committee (SRC) comprised of two directors (including one Independent Director) for the period December 01, 2021 to March 06, 2022 and it comprised of one director (executive director) from March 07, 2022 to March 29, 2022. As per Regulation 20(2A) of the Listing Regulations, at-least three directors with at least one being an independent director, shall be members of the Committee. Thus, the Company did not have requisite number of Directors in the SRC for the said periods.
- c. The Corporate Social Responsibility Committee (CSR) comprised of two directors (including one Independent Director) for the period December 01, 2021 to March 06, 2022 and it comprised of one Director (nominee director) for the period March 07, 2022 to March 29, 2022. As per the act, the committee should be comprised of at least three directors, out of which at least one director shall be an independent director. Thus, the constitution of the CSR Committee was not as per the provisions of the Act for the said periods.
- d. The Company has intimated the disclosure of related party transactions for half year ended September 30, 2021 as required under Regulation 23(9) of the Listing Regulations on December 08, 2021 and it has disclosed financial results on November 10, 2021. However, being an equity and high value debt listed entity, the disclosure of related party transactions was required to be given along with the disclosure of financial results. Thus, the disclosure was given beyond the timelines specified under Regulation 23(9) of the Listing Regulations.
- e. The Company has fixed the record date for payment of interest on Debentures having ISIN INE027A07012 as July 16, 2021 and the same was intimated to stock exchange(s) on July 12, 2021. Thus, the intimation of record date was not given at least seven working days in advance as required under Regulation 60 of the Listing Regulations.
- f. The Company has appointed the Chief Financial Officer (CFO), Key Managerial Personnel of the Company on January 04, 2022 and the same was intimated to the stock exchange(s) on January 07, 2022. Thus, the Company has not intimated the appointment of CFO within twenty-four hours of occurrence of event as required under Regulation 30 of the Listing Regulations.

We further report that –

Subject to foregoing, 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 was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice 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.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing 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 undertaken following events/actions:

- a. Members' approval has been obtained at the 43rd Annual General Meeting held on October 28, 2021, by way of special resolution, for raising of capital by way of issuance of secured or unsecured non-convertible debentures (NCDs) up to an amount of Rs. 1,000 Crores by way of Private Placement Issue.
- b. The Company had allotted 3,000, 6.59% Listed, Unsecured, Rated, Redeemable, Taxable, Non-Convertible Bonds in the nature of Debentures amounting to Rs. 300 Crores on private placement basis.
- c. The Company had redeemed commercial papers aggregating to ₹ 2320 Crores.

For **Bhandari & Associates**
Company Secretaries
Firm Registration No: P1981MH043700

S. N. Bhandari
Partner
FCS No: 761; C P No.: 366

Mumbai | July 29, 2022
ICSI UDIN: F000761D000705289

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



‘Annexure A’

To

The Members,
RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED
CIN: L24110MH1978GOI020185

Our Secretarial Audit Report for the financial year ended on March 31, 2022 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Bhandari & Associates**
Company Secretaries
Firm Registration No: P1981MH043700

S. N. Bhandari
Partner
FCS No: 761; CP. No: 366

Mumbai| July 29, 2022
ICSI UDIN: F000761D000705289

ANNEXURE IV

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO (SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

A. CONSERVATION OF ENERGY

Your Company has taken several steps during the year 2021-22 which has resulted in significant reduction in the energy consumption

i. STEPS TAKEN FOR CONSERVATION OF ENERGY

TROMBAY UNIT

- » **Ammonia-V Plant**
 - CO2 compressor GTR completed
- » **Conc. Nitric Acid**
 - (Alloy -20 CNA loading/transfer pump replaced with PFA lined pumps.
- » **Urea Plant**
 - Existing CT FAN-A blade replaced with Energy Efficient Blade
- » **Steam Generation Plant**
 - Supply of polished water to GT & HRSG from Boiler-3 LP Heater
- » **STP/ETP Plant**
 - Additional three 80 kW new submersible pumps installed in New Wet well at Ghatkopar Pumping Station

THAL UNIT

- » **Ammonia Plant**
 - Medium Pressure (MP) steam header interconnection between Ammonia Line-I and Line-II for early GV section vanadation and MT & LT catalyst heating and catalyst reduction. This has saved low load run of plant for 5 days when catalyst reduction is in progress.
- » **Urea Plant**
 - Replacement of Ammonia Pump (P-1) Torque converters with VFD in Urea plant: Two VFD in Urea 11 and two in Urea 21 were installed.
 - Replacement of Carbamate Ejector: Existing Carbamate ejectors were replaced with high capacity ejector in Urea 11 and Urea 21.
- » **Steam Generation Plant**
 - Six numbers of Solar Pipe light installed at Steam Generation Plant.
- » **OTHERS**
 - Solar power generation facility of 60 KWp capacity was installed on water reservoir no.4. Estimated energy saving is 0.79 Lakhs KWh per year.

- Motion sensors (10 nos.) were installed at various location in plant.

Additional investment and proposals being implemented for reduction of consumption of energy

- Ammonia Technology Supplier M/s HTAS is studying measures to reduce energy consumption by 0.4 Gcal/MT in Ammonia Plant without capacity enhancement. PO placed for study on M/s HTAS on 14.01.2022. Kick off meeting conducted on 12th March 2022.
- M/s PDIL has studied requirement of additional CT cells in Ammonia plant and submitted final report on 15.04.2022.
- 8 nos. Secondary membranes will be replaced in HGRU of Ammonia plant in May 2022.
- Procurement of new urea reactor (R1) with Super Cup Trays for Urea-21. PO placed for Reactor on M/s L&T and for Super cup tray on M/s Saipem. Reactor delivery date is 30.07.2022 and Super cup tray delivery date is 31.01.2023.
- Installation of a new motor driven N2 compressor in Argon Plant to stop existing condensing turbo driven N2 compressor to save energy. Sp. Energy consumption reduction from 8.352 Mkcal to 2.288 Mkcal per MT of Argon. Completion is expected by May'22.

ii. STEPS TAKEN BY THE COMPANY FOR UTILISING ALTERNATE SOURCES OF ENERGY

THAL UNIT

- Total solar plant power generation capacity at RCF Thal is 1850 KWp.

TROMBAY UNIT

- 2 MWp solar power plant
- 370 kWp rooftop solar power plants.

iii. CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT

The Company has made capital investment of ₹ 5.82 Crore on energy conservation equipment.

B. TECHNOLOGY ABSORPTION

i. Major efforts made towards technology absorption

1. Indigenously developed Nano Technology is being used for setting-up Nano Urea Plant at RCF Trombay.
2. Your Company has developed and commercialized production of 'Geola' - a Biofertilizer Product.

II. The benefits derived like product improvement, cost reduction, product development or import substitution

Product development:

1. Latest Nano technology for effective utilization of Urea.
2. Geola has an innovative packaging which replaces conventional bag / plastic bottles with a water soluble packaging material.

Information regarding imported technology (Imported during last three years)

Sr. No	Details of Technology Imported	Year of import	Whether the technology has been fully absorbed	If not, area where this has not taken place, reasons thereof
	Nil	Nil	Nil	Nil

IV Expenditure incurred on Research and Development

Sr. No.	Particulars	Amount (₹ in Crore)
1.	Capital	0.16
2.	Recurring	5.12
3.	Innovation Schemes	30.19
4.	Total	35.47
5.	Total R &D expenditure as a percentage of total turnover	0.27%
6.	Total R &D expenditure as a percentage of PBT	3.76%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

S. No.	Particulars	Amount (₹ in Crore)
i.	Total foreign exchange earned	-
ii.	Total foreign exchange used	3,047.10

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company: **L24110MH1978GOI020185.**
- Name of the Company: **M/s. Rashtriya Chemicals and Fertilizers Limited**
- Registered address: **“Priyadarshini”, Eastern Express Highway, Sion, Mumbai- 400 022.**
- Website: **www.rcfltd.com**
- E-mail id: **investorcommunications@rcfltd.com**
- Financial Year reported: **April 1, 2021 to March 31, 2022**
- Sector(s) that the Company is engaged in (industrial activity code-wise)”

Sl. No.	Name and Description of main products/services	NIC Code of the Product/ service
1.	Urea	20121
2.	Complex Fertilizers	20122
3.	Industrial Chemicals	20119

- List three key products/services that the Company manufacturers/provides (as in the balance sheet):
 - Urea;
 - Complex Fertilizers; and
 - Industrial Chemicals
- Total number of locations where business activity is undertaken by the Company
 - Number of International Locations (Provide details of major 5): Nil
 - Number of National Locations:

Plant manufacturing facilities	2
Administrative offices	2
 - Regional Offices in India 28
- Markets served by the Company – ~~Local/State/National (PAN) /International~~

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	₹ 551.69 Crore
2	Total Turnover (INR)	₹ 12948.62 Crore
3	Total profit after taxes 2021-22 (INR)	₹ 704.36 Crore

4	Total budgeted expenditure on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	CSR spend, as per Section 135 read with Schedule VII of the Companies Act, 2013, is Rs.7.48 Crore including Rs.0.50 Crore set off for succeeding financial year (i.e. 2% of the average profit for last three years)
5	List of activities in which expenditure in above has been incurred	<ol style="list-style-type: none"> Education Promoting health care Sanitation Promoting rural sports Eradicating malnutrition by providing quality food in school Livelihood enhancement project Supply of drinking water to villages

SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/ Companies?

The Company does not have any subsidiary.
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s):

Not Applicable
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? (Less than 30%, 30-60%, More than 60%):

No other entities that the Company does business with, participate in the BR initiatives of the Company.

SECTION D: BR INFORMATION

- Details of Director/Directors responsible for BR
 - Details of the Director/Director responsible for implementation of the BR policy/policies
 - DIN Number : 08715250
 - Name – Shri Milind M. Deo
 - Designation –Director (Technical)
 - Details of the BR head

S. No.	Particulars	Details
1.	DIN Number (if applicable)	N.A.

S. No.	Particulars	Details
2.	Name	Shri Tushar Bhagwat
3.	Designation	ED (P & PD)
4.	Telephone number	022 2552 3061
5.	e-mail id	tmbhagwat@rcfltd.com

2. Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability;
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle;

P3	Businesses should promote the well being of all employees;
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights;
P6	Business should respect, protect, and make efforts to restore the environment;
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner;
P8	Businesses should support inclusive growth and equitable development;
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

a. Details of compliance (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		RCF being Public Sector Enterprise is governed by policies, circulars, guidelines, procedures issued by the Government of India. The policies have been formulated after wide consultations and discussions amongst all the relevant stakeholders. In the dynamic business environment, RCF reviews its business policies and practices from time to time.								
3.	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		RCF's Business Responsibility Policy is based on National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business as released by Ministry of Corporate Affairs, Government of India								
4.	Has the policy being approved by the Board?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	If yes, has it been signed by MD/ owner/ CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y

6.	Indicate the link for the policy to be viewed online?	Y	Y	Y	Y	Y	Y	Y	Y	
<p>The following policies relevant to external stakeholders are hosted on RCF website- www.rcfltd.com, under heading: About us, sub heading : Policies</p> <ul style="list-style-type: none"> a. Code of Conduct for Board Members and Senior Management Personnel b. Fraud Prevention Policy c. Protect and Sustain Policy d. E waste Policy e. Quality, Environment, Health and Safety Policy f. Research and Development Policy g. Health, Safety and Environmental Policy h. Energy Policy i. IT Policy j. Constitutional of Internal Complaints Committee on post notification of Policy for Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace k. Dividend Policy l. Policy of Determination of Material and Price Sensitive Information and Disclosure Obligations m. Policy for determination of Material Subsidiary n. Policy for prevention of insider trading in the securities of the Company o. Whistle Blower Policy p. CSR Policy q. RCF guide to the safe use of fertilizers and equipments on farm r. Policy on Board Diversity 										
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	
8.	Does the company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	RCF's policies are not audited /evaluated by external agencies. However, as per statutory guidelines and business requirement, policies are amended from time to time.								

b. If answer to the question at Sr.No.1 against any principle, is 'No', please explain why: (Tick up to 2 options): N.A.

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance related to BR

- a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year?

Various principles of BR performance constitute an integral part of the day to day operations of the Company and the same are reviewed by the Board/Committees of the Board as and when required.

- b. Does the Company publish a BR or Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Pursuant to Regulation 34(2) (f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has prepared the Business Responsibility Report for the financial year 2021-22.

Business Responsibility Report forms a part of this Annual Report.

SECTION 3 – PRINCIPLE WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability;

1. Does the policy relating to ethics, bribery and corruption cover only the company?

Yes

2. Does it extend to the Group/ Joint Ventures/ Suppliers / Contractors / NGOs/ Others?

RCF's Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others are separate legal entities having their own policies and procedure. Hence these companies are not covered by RCF's Policy on ethics, bribery, corruption, human rights etc.

How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The details of complaints received from various stakeholders during the financial year 2021-22:

Stakeholder	No. of Complaint received	No. of Complaint resolved	% Resolved
Shareholder's Complaints	4	3**	75
Customers/Consumers	14	14	100
Related to services, tenders and through Public Grievance Redressal	87	87	100
Vigilance	68*	62*	91.18
RTI	259	211	81.47
Workers Grievance	-	-	-

* 16 complaints pending against last years were resolved.

** one complaint was resolved after end of financial year 2021-22

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle;

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities?

The following products are the result of effective Research & Development efforts of the Company which enhances crop-yield, quality and resistance against crop diseases and are environment friendly: .

- a) Neem Coated Ujjwala Urea
- b) Suphala 15:15:15
- c) Sujala 19:19:19,
- d) Biola,
- e) Microla
- f) Organic Growth Stimulant (OGS)
- g) p^H Balancer
- h) Soluble Silicon Fertilizer
- i) City Compost

Prior to the market introduction, Safety, Health and Environment, (SHE) & security risks related to the life cycle of the products are identified and there is a risk management system to handle any risks. Reviews with respect to Safety and Environment are conducted for replacement of certain input raw materials, coatings and risks are evaluated before introduction of product in the market. Fertilizer product related SHE information is provided to all customers/farmers.

All contamination risks have been identified and measures exist to control risk during transportation, handling & storages of raw material & fertilizers. Measures exist to prevent all potential environment emissions and spills during transportation, handling & storages of raw materials, fertilizers and chemicals.

2. For each such products, provide the following details in respect of resources use (energy, water, raw materials etc.) per unit of product (optional):

a. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

At Trombay Unit, Phosphate (P₂O₅) efficiency of Suphala Plant has improved to 98.51% during current year as compared to 98.24% during last year.

At Trombay specific energy consumption of Ammonia-V and Urea-V plant has improved to 8.710 GCal/MT and 6.510 GCal/MT during the current year as compared to 8.788 GCal/MT and 6.653 GCal/MT during last year. Also, at Thal, specific energy consumption of Urea plant has improved to 5.845 GCal/MT during the current year as compared to 5.860 GCal/MT during last year.

b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The reduction in energy and water due to total consumption of fertilizers of company is not readily available, due to its widespread consumption in almost all states. Your Company undertakes Method/Product demonstration of

agriculture plots for use of company fertilizers in vegetables, Sugar cane, Cotton & Fruit crops etc. In case of use of drip irrigation methods in these plots, the water consumption has reduced to approximately 50% with enhanced yield of crops. Your Company has developed speciality fertilizers for drip and foliar application.

Also, various innovative products developed by Your Company like Water pH balancer, Biostimulant, increases the efficacy of fertilizer, insecticides and other agrochemicals which are applied through water thereby reducing the consumption of fertilizer and pesticides.

Farmers Pan-India procures fertilizers for agriculture. The reduction in energy and water due to total consumption of fertilizers of company is not readily available, due to its widespread consumption in almost all states.

During 2021-22 company had undertaken Live Field Demonstrations in 1633 agriculture plots to tests RCF's products efficiency & effectiveness on Vegetables, Sugar cane, Cotton & Fruit crops.

In case of use of drip irrigation methods in these plots, the water consumption reduced to approximately 50% with enhanced yield of crops.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

The Company has procedures in place for sustainable sourcing of raw material, fertilizers & chemicals transportation.

a. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

All bulk raw materials namely Rock Phosphate, Sulphur, Potash, DAP used as input for manufacturing fertilizers & chemicals are transported by handling and transportation contractors. A procedure exists for safe transportation and handling of bulk raw materials. The contractor's safety, health, environment and security performance evaluation is carried out during contractor selection process. A system is in place to systematically train every transport contract employee, drivers and sub-contractors with respect to relevant transport, handling and site hazards.

4. Has the Company taken any steps to procure goods and services from local & small procedures, including communities surrounding their place of work?

Company has taken services of local Mathadi labours through Mathadi Board for bagging of fertilizers, loading fertilizers bags in truck and wagons. Company has taken services of local contract employees for annual maintenance of jobs, house-keeping jobs and canteen services. Procurement of items required for plant/machinery is also done from local MSME suppliers.

a. if yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Periodical trainings are conducted for all the contractual labourers, Mathadi labourers to address their HSE related issues and to improve their work performance.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, > 10%). Also provide the details thereof, in about 50 word or so.

Yes, Company has mechanism and facility to recycle its product in case it is damaged during storages/handling. Company effectively works on business sustainability by implementing “reduce, recycle and reuse” concept. At Trombay unit, During the year, entire damaged/contaminated, swept Suphala fertilizer was recycled in the plant. Also, sludge recovered from Effluent Treatment plant and Sulphur sludge generated in Sulphuric acid plant is used as a nutrient and filler respectively in Suphala manufacturing. 100% of swept urea generated in Urea Bagging plants which is collected from floor & equipment cleaning is recycled back. Most of our hazardous waste viz; spent catalyst & used/waste oil is recycled and sent to CPCB / MPCB approved recyclers.

At Thal unit, domestic sewage is treated & completely recycled and utilized for horticulture/gardening. Effluent Treatment Plant Upgradation is also being taken up at for recycling of 75% of effluent generated into direct usable water which will save around 5250 cubic meter per day consumption of fresh water. Project completion is expected by November 2022. This measure will ensure maximum recycle of generated effluent to its process plants thereby sufficiently cutting down on the consumption of fresh water.

Principle 3: Businesses should promote the wellbeing of all employees –

- 1. Please indicate the total number of employees: The total number of employees as on 31.03.2022 is 2635.**
- 2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis: The total number of employees hired on temporary/ contractual/ casual basis as on 31.03.2022 is 1177**
- 3. Please indicate the Number of permanent women employees: The total number of permanent women employees as on 31.03.2022 is 199**
- 4. Please indicate the Number of permanent employees with disabilities: The total number of employees with disabilities as on 31.03.2022 is 38.**
- 5. Do you have an employee association that is recognized by management?**

There are 3 registered Trade Unions which are representing workers i.e. RCF Employees Union, RCF Karmachari Sena & RCF Karmachari Sangh. RCF Employees Union has the majority members as per the Check off system. Further RCF Officers Association represents the officers of the Company.

- 6. What percentage of your permanent employees is members of this recognized employee association?**
Around 14.34 % of Unionised Category employees are members of Recognised Union i.e. RCF Employees Union
- 7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

S. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/ forced labour / involuntary labour	Nil	Nil
2.	Sexual harassment	2	2
3.	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?

Sr. No.		Total Employees	Employees Trained		% Employees Trained	
			Safety	Skill Upgradation	Safety	Skill Upgradation
1	Permanent Employees	2635	1334	1227	50.63	46.57
2	Permanent Women Employees	199	69	63	34.67	31.65
3	Casual/ Temporary/ Contractual Employees	1177	1881	78	159.81	6.63
4	Employees with Disabilities	38	7	4	18.42	10.53

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the company mapped its internal and external stakeholders? Yes/No

Yes. Over the years of Company's existence, the Company has mapped its internal (like employees & Shareholders) and external stakeholders (such as communities and customers etc.).

2. Out of the above, has the company identified the disadvantaged, vulnerable and marginalized stakeholders?

Yes, the Company has identified its disadvantaged, vulnerable & marginalized stakeholders.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details of thereof, in about 50 words or so.

Yes, special initiatives are taken up under Corporate Social Responsibility for up- liftmen of disadvantages, vulnerable and marginalized sections of the society. The details of such activities are available on the website. RCF scrupulously follows the Presidential Directives and guidelines issued by Government of India regarding reservation in services for SC/ST/OBC/PWD (persons with disabilities)/ Ex-servicemen to promote inclusive growth.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?

The Company follows the principles of human rights as enshrined in the Universal Declarations of Human Rights of the United Nations and all our human resources policies and understanding with the Trade Unions are based on those principles. All our policies in this regard directly or indirectly adhere to the principle of respect of human rights.

RCF's Joint Ventures/ Suppliers/Contractors/NGOs/Others are separate legal entities having their own policies and procedure. Hence, none of these companies are covered by RCF Policy on human rights etc.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Your Company has not received any complaints with respect to human right violations.

Principle 6: Business should respect, protect, and make efforts to restore the environment;

RCF is committed to ensuring clean environment beyond

satisfying all stipulated requirement laid down by the statutory authorities and in the process constantly working towards making a workplace safer for its employees and the community in general.

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/ NGOs/ others.

The Policy of Health, Safety and Environment covers the Company. By implementing protect & sustain stewardship purpose of IFA the policy covers suppliers, contractors, NGO's & Farmers.

2. Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Your Company publishes Business Responsibility Report for the financial year 2021-22. Business Responsibility Report forms a part of this Annual Report.

3. Does the company identify and assess potential environmental risks? Y/N

Yes. Company identifies and assesses potential environment risks in existing plants & proposed project by conducting PSM audit, IMS (ISO) audit, HSE index audit. All emergency scenarios are identified at the unit level and Mock Drills are conducted to mitigate those emergency situations at the earliest as per Emergency Control Plan (ECP).

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, if about 50 words or so. Also if yes, whether any environmental compliance report is filed?

At present efforts are maintained to use clean fuel and optimize process control due to which consumption of natural resources and generation of waste reduced thereby reducing emissions in on going GTG-HRSG project and in existing plants. Six monthly compliance report for the Environment Clearance of the same is being submitted regularly to Ministry of Environment, Forest and Climate Change through email.

At Thal unit, both GTG-HRSG units are in operation and has substantially reduced on carbon emissions and water consumption.

5. Has the company undertaken any other initiatives on-clean technology, energy efficiency, renewable energy etc.? Y/N. If yes, please give hyperlink for web page etc.

i. Process water requirement at Trombay is met through water generated by treating municipal sewage at two Sewage Treatment Plants (STP). This sewage, otherwise would have been discharged into sea with minimum treatment. During the year 2021-22, about 88,23,973 M³ of treated water generated at our two Sewage Treatment Plants.

ii. **Renewable Energy:**

- During the year 2021-22, at both the units of RCF about 4,531 MWh of Solar Power was generated. Also, during 2020-21, 2212 no of Solar Renewable Energy Certificates (RECs) were generated at RCF Trombay Unit.

iii. **Energy Saving & Clean Technology:**

RCF has implemented following energy reduction schemes thereby improving energy efficiency:

- Revamp of Urea-V plant through M/s Casale for energy saving.
- VFD for High Pressure Ammonia Feed Pump at Thal Unit

RCF is in process of implementing following energy saving scheme:

- Revamp of Ammonia-V plant through M/s KBR for energy saving.
- Gas Turbine Generator (GTG) with Heat Recovery Steam Generator (HRSG) project for energy saving is under implementation at Trombay Unit.

6. **Are the Emissions/Wastes generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes, The Emissions/Wastes generated by the company are within the permissible limits specified by CPCB/ MPCB and returns are submitted regularly to these authorities.

7. **Number of show cause/legal notice received from CPCB/ SPCB which is pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

Nil.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner;

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with**

Yes, your Company is a member of

- (a) Fertilizer Association of India
- (b) Standing Conference of Public Enterprises
- (c) IMC Chamber of Commerce and Industry
- (d) International Fertilizer Association

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good?**

Yes.

3. **If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).**

The Company in association with various national and international bodies and participating with various committees of Government of India and other agencies gives its view on various public policies and more particularly in the following areas:

- Governance and Administration
- Economic Reforms, Inclusive Development Policies
- Water and Food Security for the country
- Principles for Sustainable Business
- Energy security

Principle 8: Businesses should support inclusive growth and equitable development

1. **Does the company have specified programs/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.**

Yes, the Company has specified programs in support of inclusive growth and equitable development. It is the endeavor of the company to ensure that there is continuous improvement in its economic, environmental and social performance as the tagline of the company reads as "let us grow together". At our company employees are recognized based on their merit and skill and nobody is differentiated on the basis of cast, creed, gender and/or religion. All CSR programs of the company are towards downtrodden and weaker strata of the society, which includes education, sanitation, nutrition, drinking water projects etc. The details of CSR initiatives undertaken by the company are provided in **Annexure I** of Directors Report.

2. **Are the programs/projects undertaken through in-house team/own foundation/ external NGO/government structures/ any other organization?**

CSR programs are implemented through in house teams, NGO's, third party vendors, government agencies etc.

3. **Have you done any impact assessment of your initiative?**

No

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

The total contribution towards CSR for the year 2021-22 is ₹ 7.48 Crore including ₹ 0.50 Crore set off for succeeding financial year. The details of projects have been provided in **Annexure I** of the Directors Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Yes. All community development initiative and its adoption are ensured by RCF's project implementing agencies. The programs are designed and taken up only after consultation with relevant stakeholders and after ascertaining of its needs. Information on the programs is disseminated and

awareness campaign is undertaken for the participation of the community in the facilities provided. The concerned official of the company regularly visits the site of implementation and take feedback from the stakeholders. The details on “Corporate Social Responsibility” are provided in **Annexure I**.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaint/ consumer cases are pending as on the end of financial year?

Nil.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks (additional information).

Yes. The label guides the farming community / user for suitable and required precautions to be taken, like product application procedure, recommended dozes, storing guidance etc.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending at end of financial year. If so, provide details thereof, in about 50 words, or so.

No case against the company was filed on grounds of unfair trade practices, irresponsible advertising and/or anti-competitive behavior.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

No Consumer survey was conducted during 2021-22. But to assess the consumer satisfaction trends, RCF conducts various Agriculture extension activities Pan-India on regular basis. During these activities our Field Executives interact with the farming community to understand their requirements & seasonal conditions.

The following Agriculture Extension activities are conducted extensively:

- Farmers Meetings are conducted Pan-India.
- Soil Testing days are organized at the farmer’s field during the start of an Agricultural Season.
- Soil samples are collected from the farmers’ fields, the samples are analyzed for NPK & Micro-nutrients (Zinc, Copper, Manganese & Iron).
- Live Field Demonstrations are conducted in the farmers’ field.
- RCF conducts 3 days & One day Training sessions at its Knowledge centers at Thal (Raigad District) & at Nagpur. All the expenditures incurred for the farmers travel, boarding & lodging is taken care by RCF. But, last year, due to Covid-19 Pandemic online farmers’

trainings were conducted for safety reasons.

- In addition to the in-house training programs, Training programs are organized by RCF with local KVK’s (Krishi Vigyan Kendras) & Agriculture Universities, for the farming community. These programs are tailor made as per the requirements / requests of the farmers.
- RCF prints & dispatches “RCF Sheti-Patrika”, a very popular Agriculture monthly magazine in Marathi. 60000 copies are despatched free of cost per month. These are made available on RCF’s website (rcf.td.com) as well as on social media by the handle @rcfkisanmanch for use by farmers.
- RCF also participates in State / District / Taluka / Village level Agriculture Exhibitions, where farmers are advised on latest Agricultural techniques.
- Krishi Mela / Crop Seminars are regularly organized to guide & update the agricultural knowledge of the local farming community.
- RCF has produced farmers’ training videos (in house production) on “Geola” (Biofertilizer) which are made available on RCF’s social media handle @rcfkisanmanch for use by farmers.
- RCF has produced video on COVID-19 to create awareness.
- RCF organized Rural Sports & Veterinary Camps.
- RCF organized different Programmes with “Janbhagidari” under “Azadi Ka Amrut Mahotsav - Atmanirbhar Bharat” & “Completion of 5 Years of DBT in Fertilizer Sector”
- RCF operates Toll Free help line number (1800-22-3044) for farmers.
- RCF operates Customer Care Service (022- 25523044) for farmers.
- RCF has organised “**Krushhi Samrudhichi Gurukilli**” programme on Sahyadri DD channel for farmers education.

In addition to the above RCF has established 100 Kisan Suvidha Kendras in the states of Maharashtra & Karnataka.

- One agriculture graduate has been placed in each of the center.
- These centers are helping in - empowering the farmers.
- These centers are a collection point for soil samples & handing over the analysis report.
- These Agriculture Graduates provides Advisory Services – Crop Cultivation Technology, Application Services – Farm Inputs & application methodology.
- The Agriculture Graduate also advises the farmers on Agricultural practices, Fertilizer Management, Weather report, Pest Management, Crop selection, Help the farmers to get their Soil & Seed Tested free of cost, Crop Insurance, etc.

RCF’s “KISAN SUVIDHA KENDRA” is proving to be a unique initiative to support the farmers in improving the quality of life.

CORPORATE GOVERNANCE REPORT

RCF'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company believes that good corporate governance is fundamental to the enhancement of the value of the Company and its long term growth. Based on the core principles of fairness, transparency and accountability, the Company strives to maintain a high standard of corporate governance through the establishment of a comprehensive and efficient framework of policies, procedures and systems and the promotion of a responsible corporate culture.

BOARD OF DIRECTORS

Composition of the Board

The Company is a Government Company within the meaning of Section 2(45) of the Companies Act, 2013 as the President of India holds 75% of the paid-up Share Capital of the Company. As per Articles of Association of the Company, the power to appoint Chairman & Managing Director and Whole-time Functional Directors vests with the President of India. Other Directors are also appointed on recommendations of the Government of India.

As on 31.03.2022, the Board comprises Nine Directors out of which Four are Executive Directors including Chairman & Managing Director, One Government Nominee Director and Four are Independent Directors. The present Non-executive Directors and Independent Directors have been on the Board of other Companies and have rich experience in managing the business. The whole-time functional Directors are professionals

in their respective fields having long and varied experience in varied Industries. Brief profile of the Directors is set-out at Annexure in this report.

BOARD MEETINGS

As per the policy of your Company, apart from the matters which are required to be statutorily decided by the Board, all other major decisions involving investments and capital expenditure, mobilization of resources, Employee's Compensation etc., and major issues such as monthly performance, progress of projects, Industrial relations, market scenarios, budgets and plans etc., are discussed in the meetings as regular agenda items by the Board. All items which are obligatory as per the Corporate Governance code to be brought in the Board meetings are regularly discussed. Detailed agenda notes are circulated generally about a week in advance of the Board meetings. During the year 2021-22, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration. The Board periodically reviews the compliance reports of all laws applicable to the Company.

During the year under report, sixteen [16] meetings were held by the Board viz. on April 20, 2021, May 12, 2021, May 27, 2021, June 23, 2021, July 23, 2021, August 12, 2021, September 9, 2021, September 24, 2021, October 5, 2021, October 22, 2021, October 28, 2021, November 10, 2021, November 29, 2021, January 4, 2022, February 10, 2022 & March 5, 2022.

The numbers of meetings attended by the Directors during the year are as under:

Name of Directors	Category	Number of Board Meetings held during the financial year 2021-22	Number of Board Meetings attended in the financial year 2021-22	Whether attended last AG-M(held on October 28, 2021)	Number of Directorship in other companies		Number of Committee positions held in other Companies		Directorship in other companies
					As Chairman	As Director	As Chairman	As Member	
EXECUTIVE DIRECTORS									
Shri S. C. Mudgerikar (DIN: 03498837)	Chairman & Managing Director	16	16	Yes	--	2	-	-	1.The Fertiliser Association of India 2.Indian Potash Limited
Shri Sudhir D. Panadare (DIN: 07933191) (Upto May 31, 2021)	Director (Technical)	3	3	N.A.	-	-	-	-	-
Shri Umesh Dongre (DIN:08039073) (Upto November 30, 2021)	Director (Finance) & CFO	13	13	Yes	-	-	-	-	-
Shri K. U. Thankachen (DIN: 06946476)	Director (Marketing)	16	16	Yes	-	-	-	-	-
Ms Nazhat J. Shaikh (DIN 07348075) (From December 1, 2021)	Director (Finance) & CFO	3	3	N.A.	-	1	-	-	1.Projects and Development India Limited

Name of Directors	Category	Number of Board Meetings held during the financial year 2021-22	Number of Board Meetings attended in the financial year 2021-22	Whether attended last AG-M(held on October 28, 2021)	Number of Directorship in other companies		Number of Committee positions held in other Companies		Directorship in other companies
					As Chairman	As Director	As Chairman	As Member	
Shri Milind Madhukar Deo (DIN 08715250) From December 27, 2021)	Director (Technical)	3	3	N.A.	-	1	-	-	1.Talcher Fertilizers Limited
B. NON-EXECUTIVE OFFICIAL DIRECTORS									
Ms Alka Tiwari (DIN: 03502306) (Upto January 14, 2022)	Govt. Nominee Director	14	0	No	-	-	-	-	-
Ms Aparna S Sharma (DIN 07798544)	Govt. Nominee Director	16	8	No	-	-	-	1	1.Fertilisers and Chemicals Travancore Limited 2.Hindustan Organic Chemicals Limited
C. NON-EXECUTIVE INDEPENDENT DIRECTORS									
Prof. Anil Kumar Singh (DIN: 08382601) (upto March 6, 2022)	Independent Director	16	16	Yes	-	-	-	-	-
Dr. Shambhu Kumar (DIN: 07368172) (upto March 6, 2022)	Independent Director	16	16	Yes	-	2	-	-	1. Village Boy Productions Private Limited 2. Subansiri Development Private Limited
Smt. Shashi Bala Bharti (DIN 08770477)	Independent Director	16	16	No	-	-	-	-	-
Shri Chandra Bhushan Pandey (DIN 09407412) (From November, 29, 2021)	Independent Director	3	3	N.A.	-	-	-	-	-
Shri Kashee Nath Akela (DIN 09410361) From December 1, 2021)	Independent Director	3	2	N.A.	-	-	-	-	-
Shri Gopinathan Nair Annilkumar (DIN 09447818) From December 27, 2021	Independent Director	3	3	N.A.	-	-	-	-	-

Note: In line with Regulation 26 of SEBI Listing Regulations, 2015, membership of only Audit committee and Stakeholders Relationship Committee has been considered

Due to the exceptional circumstances caused by the COVID-19 pandemic and consequent relaxations granted by MCA and SEBI, all Board meetings in financial year 2021-22 were held through Video Conferencing.

Relationship between Directors

None of the Directors are inter-se related to other Directors of the Company.

Number of shares held by the Directors

Ms Nazhat J. Shaikh, Director (Finance) & CFO) holding 100 equity shares of the Company. Except Ms Shaikh, none of the

Directors were holding any shares/debentures in the Company as on March 31, 2022. The Company has not issued any convertible instruments.

Familiarisation programme for Independent Directors

The details of familiarisation programme imparted to Independent Director are disclosed on the:

<https://www.rcfltd.com/public/storage/investers/1650360534.pdf>

List of Core Skills/ Experience/ Competencies Identified by the Board

The Board of Directors have identified the following Core Skills/ Practical Experience/ Special Knowledge/ Competencies as required in the context of its business(es) and sector(s) for it to function effectively. The same are in line with the relevant provisions of the Companies Act, 2013

1. Fertilizers and Chemicals
2. Finance;
3. Agriculture and Rural Economy;
4. Law;
5. Marketing;
6. Research and Development;
7. Economics;
8. Public Sector Undertaking;
9. Business Management;
10. Risk Management;
11. Human Resources;
12. General Administrative and Co-operation;
13. Costing and
14. Any other matter the special knowledge of, and practical experience in, which would, in the opinion of the Board, be useful to the Fertilizer and chemical.

The Board has identified the following skill set with reference to its Business and Industry which are available with the Board:

Name of the Director	Expertise in specific functional area
Shri S. C. Mudgerikar	Fertilizers and Chemicals, Agriculture and Rural Economy, Risk Management, Public Sector Undertaking, Costing, Research and Development & Business Management
Shri Sudhir D. Panadare (upto May 31, 2021)	Fertilizers and Chemicals, Research and Development, Human Resources & Agriculture and Rural Economy

Name of the Director	Expertise in specific functional area
Shri Umesh Dongre (upto November 30, 2021)	Fertilizers and Chemicals, Finance, Public Sector Undertaking, Economics, Costing, Risk Management & General Administrative and Co-operation
Shri K. U. Thankachen	Marketing, Agriculture and Rural Economy, Business Management & Public Sector Undertaking
Ms Nazhat J. Shaikh (from December 1, 2021)	Fertilizers and Chemicals, Finance, Public Sector Undertaking, Economics, Costing, Risk Management & General Administrative and Co-operation
Shri Milind Madhukar Deo (from December 27, 2021)	Fertilizers and Chemicals, Research and Development, Human Resources & Agriculture and Rural Economy
Ms Alka Tiwari (upto January 14, 2022)	General Administrative and Co-operation, Finance, Fertilizers and Chemicals, Economics, Agriculture and Rural Economy & Public Sector Undertaking
Ms Aparna S. Sharma	General Administrative and Co-operation, Finance, Fertilizers and Chemicals, Costing, Agriculture and Rural Economy & Public Sector Undertaking
Prof. Anil Kumar Singh (Upto March 6, 2022)	Fertilizers and Chemicals, Risk Management, Research and Development & Business Management
Dr. Shambhu Kumar (Upto March 6, 2022)	Fertilizers and Chemicals, Agriculture and Rural Economy & General Administrative and Co-operation
Smt. Shashi Bala Bharti	Law, General Administrative and Co-operation, Finance, Human Resources, & Agriculture and Rural Economy
Shri Chandra Bhushan Pandey (From November 29, 2021)	General Administrative and Co-operation, Finance, Human Resources, & Agriculture and Rural Economy
Shri Kashee Nath Akela (From December 1, 2021)	General Administrative and Co-operation, Finance, Human Resources, & Agriculture and Rural Economy
Shri Gopinathan Nair Anilkumar (From December 27, 2021)	Law, General Administrative and Co-operation, Finance, Human Resources, & Agriculture and Rural Economy

Confirmation from Independent Directors

Board of Directors hereby certify that the Independent Directors

of the Company fulfil the conditions specified in Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are Independent of the Management.

Appointment of Independent Directors

During the year, Shri Chandra Bhushan Pandey, Shri Kashee Nath Akela and Shri Gopinathan Nair Anilkumar were appointed as an Independent Directors on the Board of the Company w.e.f. November 29, 2021, December 1, 2021 & December 27, 2021 respectively.

Cessation of Independent Directors

During the year, Prof. Anil Kumar Singh and Dr. Shambhu Kumar, Independent Directors of the Company ceased to be Directors on completion of their tenure w.e.f. March 7, 2022.

BOARD COMMITTEES

The Board has constituted the following Committees

Audit Committee

Term of Reference

The Company endeavors that the constitution, quorum, scope etc. of the Audit Committee is in line with section 177 of the Companies Act, 2013, Regulation 18 of SEBI (LODR) Regulations, 2015 and guidelines on Corporate Governance as issued by Department of Public Enterprises. The scope of Audit Committee inter-alia includes the following:-

1. oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
5. reviewing with the management, the quarterly financial statements before submission to the board for approval;
6. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the listed entity with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up there on;
15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. to review the functioning of the whistle blower mechanism;
19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
21. reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

Composition of the Audit Committee

The Audit Committee comprises Smt. Shashi Bala Bharti, Independent Director as Chairperson, Shri Kashee Nath Akela, Independent Director, Shri Gopinathan Nair Anilkumar, Independent Director and Ms. Aparna S. Sharma, Government Nominee Director as members. Director [Finance] and Chief Internal Auditor are the permanent invitees. The Company Secretary is the Secretary of the Committee. The Statutory Auditors and Cost Auditors are also invited for the meetings. Other Senior Executives are invited as and when required. The 43rd AGM of the Company was held on October 28, 2021 and was attended by Prof. A. K. Singh, Chairperson of the Audit Committee.

Meetings and Attendance

During the year, the Audit Committee met Seven [7] times on May 27, 2021, July 23, 2021, August 12, 2021, October 5, 2021, November 10, 2021, January 4, 2022 & February 10, 2022 and the attendance was as under:

Name of Director	Number of meetings required to attend	Number of meetings attended
Prof. A. K. Singh (upto 06.03.2022)	7	7
Dr. Shambhu Kumar (upto 06.03.2022)	7	7
Smt. Shashi Bala Bharti	7	7
Ms Aparna S Sharma	7	3

The Committee is entrusted with power to seek information from any employee, to investigate, with the assistance of Internal Auditors, any activities/ functions and to seek any external assistance, if required.

During the year 2021-22, the Committee reviewed the audits conducted by Internal Audit Department, gave directions and sought further investigations and examinations, wherever necessary. The Committee also reviewed the financial statements before submitting to the Board and emphasized the importance of internal Control Systems. All the recommendations of the Audit Committee were accepted and implemented.

Nomination and Remuneration Committee

Term of Reference

The Company, being a Central Public Sector Enterprise, the appointment, tenure and remuneration of Directors are decided by the Government of India. Independent Directors are paid sitting fees for attending the Board/Committee Meetings within the ceiling fixed under the Companies Act, 2013.

RCF being a Government company is exempted from applicability of provisions of the Companies Act, 2013, with regard to formulation of criteria for determining qualifications, positive attributes, evaluation of Directors, their remuneration, etc.

Remuneration of employees consisting of basic pay, perquisites, performance Incentives, retirement benefits is regulated as per guidelines laid down by Department of Public Enterprises (DPE), Government of India. Within the framework of DPE Guidelines, Remuneration Policy of the Company aims to motivate employees to excel in performance, recognize their contribution, retain talent in the organization and reward the merit.

Terms of reference of the committee is as per provision of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015. The committee identify persons who may be appointed in senior management in accordance with the criteria laid down and recommends to the Board their appointment and removal. Further, in terms of the DPE Guidelines, every Central Public Sector Enterprise is required to constitute a Nomination & Remuneration Committee headed by an Independent Director to decide the Annual Bonus/Variable Pay Pool and policy for its distribution across the executives and non-unionized supervisors. The Board has constituted a Nomination and Remuneration Committee.

Composition of Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprising of Shri Gopinathan Nair Anilkumar, Independent Director as Chairperson, Shri Kashee Nath Akela, Independent Director & Ms Aparna S. Sharma, Govt. Nominee Director as Member. The 43rd AGM of the Company was held on October 28, 2021 and was attended by Prof. A. K. Singh, Chairperson of the Nomination and Remuneration Committee.

Meetings and Attendance

During the year, the Committee met Nine (9) times on April 20, 2021, May 31, 2021, July 23, 2021, September 8, 2021, September 24, 2021, October 22, 2021, November 29, 2021, January 4, 2022 & March 5, 2022 and the attendance was as under

Name of Director	Number of meetings required to attend	Number of meetings attended
Prof. A. K. Singh (upto 06.03.2022)	9	9
Dr. Shambhu Kumar (upto 06.03.2022)	9	9
Smt Shashi Bala Bharti (Upto 29.03.2022)	8	8
Ms Aparna S Sharma	9	3
Shri S. C. Mudgerikar (upto 29.03.2022)	9	9

Stakeholders Relations Committee

Stakeholder's Relationship Committee is constituted in line with the provisions of Regulation 20 of SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act, 2013. The Committee examines the grievances of stakeholders / investors and the system of redressal of the same and also approves issuance of share certificates of the company, endeavours to resolve complaints grievances queries of stakeholders / investors within a reasonable period of time.

The Stakeholders Relations Committee comprises of Shri Chandra Bhushan Pandey, Independent Director as Chairperson, Shri K. U. Thankachen, Director (Marketing), Ms Nazhat J. Shaikh, Director (Finance) and Shri Milind M. Deo, Director (Technical) as Members of the Committee. The Company Secretary being the Compliance Officer is specifically entrusted with responsibility for redressal of investors complaints and report the same to the Committee. The 43rd AGM of the Company was held on October 28, 2021 and was attended by Dr Shambhu Kumar, Chairperson of the Stakeholders' Relationship Committee.

Details of complaints received and redressed during the financial year 2021-22:

During the year, four (4) complaints were received and three complaints were resolved. One Complaint was resolved after 31.03.2022. The Company also received and attended 42 requests for change in address, recording for nomination, issue of duplicate share certificates/dividend warrants, unclaimed dividend, Form 15 G, Receipt of IEPF 5 Claim Form, stop transfer, registration of NECS/ECS details etc.

The Company has a designated email id investorcommunications@rcfltd.com exclusively for investors and for responding to their queries.

Meetings and Attendance

During the year 2021-22, the Committee met two [2] times on May 12, 2021 & November 10, 2021 and the attendance was as under:

Name of Director	Number of meetings required to attend	Number of meetings attended
Dr. Shambhu Kumar (upto 06.03.2022)	2	2
Shri S. C. Mudgerikar (upto 29.03.2022)	2	2
Shri Umesh Dongre (upto 30.11.2021)	2	2

Share Transfer Committee

The Share Transfer Committee looks into the following;

- Transfer and transmission of shares; and
- Issue of duplicate share certificates and new certificates on Split/renewal/consolidation/demat to remat etc.

Share Transfer Committee comprising of Shri S. C. Mudgerikar, Chairperson, Shri K. U. Thankachen, Ms Nazhat J. Shaikh * Shri Milind M. Deo, Members.

Meetings and Attendance

During the year 2021-22, the Committee met two [2] times on October 21, 2021 & November 17, 2021 and the attendance was as under:

Name of Director	Number of meetings required to attend	Number of meetings attended
Shri S. C. Mudgerikar	2	2
Shri Umesh Dongre (upto 30.11.2021)	2	2
Shri K. U. Thankachen	2	2

There are no pending cases for transfer/transmission of shares/issue of duplicate share certificates.

Committee on Corporate Social Responsibility (CSR)

Committee on Corporate Social Responsibility (CSR) is constituted in line with the provisions of Section 135 of the Companies Act, 2013:

- Formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act.
- Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy.
- Monitor the CSR Policy of the Company from time to time.

The CSR Committee comprising of Smt. Shashi Bala Bharti, Independent Director as Chairperson, Ms Nazhat J. Shaikh, Director (Finance) and Ms Aparna S Sharma, Govt. Nominee Director, as members.

Meetings and Attendance

During the year, the Committee met two (2) times on April 28, 2021, & June 23, 2021 and the attendance was as under:

Name of Director	Number of meetings required to attend	Number of meetings attended
Prof A. K. Singh (upto 06.03.2022)	2	2
Ms Aparna S Sharma	2	1
Shri Umesh Dongre (upto 30.11.2021)	2	2

Risk Management Committee

Risk Management Committee is constituted in line with the provisions of Regulation 21 of SEBI (LODR) Regulations, 2015 to formulate, monitor and review risk management policy and plan.

The Committee comprised of the following members

S.No.	Name of the Member	Designation
i	Shri Kashee Nath Akela	Chairperson
ii	Shri Chandra Bhushan Pandey	Member
Iii	Shri K. U. Thankachen	Member
iv	Ms Nazhat J. Shaikh	Member
v	Shri Milind M. Deo	Member

During the year, the committee met two (2) times on November 29, 2021 & March 5, 2022 and the attendance was as under:

Name of Director	Number of meetings required to attend	Number of meetings attended
Shri Umesh Dongre (upto 30.11.2021)	1	1
Shri K. U. Thankachen	2	2
Prof A. K. Singh (upto 06.03.2022)	2	2
Dr. Shambhu Kumar (upto 06.03.2022)	2	2

Empowered Committee for Procurement

Empowered Committee is constituted to approve procurement of Fertilizer Raw Materials for captive consumption and Fertilizers for Trading purpose upto a value of ₹ 1,000 Crore in case of each procurement.

Committee comprising Shri S. C. Mudgerikar, Chairman & Managing Director as Chairperson, Ms Nazhat J. Shaikh, Director (Finance), Shri Milind M. Deo, Director (Technical) and Shri K. U. Thankachen, Director (Marketing) as members. During the year, the Committee met Twenty Six (26) times on April 21, 2021, May 14, 2021, May 17, 2021, May 19, 2021, June

24, 2021, July 5, 2021, July 12, 2021, July 28, 2021, August 18, 2021, September 7, 2021, September 15, 2021, September 16, 2021, September 17, 2021, September 23, 2021, September 24, 2021, October 11, 2021, November 6, 2021, November 9, 2021, December 6, 2021, December 7, 2021, December 17, 2021, January 5, 2022, January 21, 2022, January 22, 2022, February 23, 2022 & March 31, 2022 and the attendance was as under:

Name of Director	Number of meetings required to attend	Number of meetings attended
Shri S. C. Mudgerikar	26	26
Shri Sudhir D. Panadare (upto 31.05.2021)	4	4
Shri Umesh Dongre (Upto 30.11.2021)	18	18
Shri K. U. Thankachen	26	26
Ms Nazhat J. Shaikh (from 01.12.2021)	7	7
Shri Milind M. Deo (from 27.12.2021)	4	4

Empowered Committee for Procurement of Urea on Govt. Account

Empowered Committee for Procurement of Urea on Government Account is constituted to approve the Procurement of Urea on Govt. account upto ₹ 5,000 crore against each tender and to approve entering into MoU for import of Fertilizers for trading for a maximum of 5 lakh MT in a single MoU.

Committee comprising Shri S. C. Mudgerikar, Chairman & Managing Director as Chairperson, Ms Nazhat J. Shaikh, Director (Finance), Shri Milind M. Deo, Director (Technical) and Shri K. U. Thankachen, Director (Marketing) & Smt Shashi Bala Bharti, Independent Director as members.

During the year, the Committee met six (6) times on June 1, 2021, June 30, 2021, July 12, 2021, July 28, 2021, October 7, 2021 & November 3, 2021 and the attendance was as under:

Name of Director	Number of meetings required to attend	Number of meetings attended
Shri S. C. Mudgerikar	6	6
Shri Umesh Dongre (Upto 30.11.2021)	6	6
Shri K. U. Thankachen	6	6
Prof A. K. Singh (upto 06.03.2022)	6	6

Debenture Allotment Committee

Board in 436th meeting held on August 12, 2021 has constituted the Debenture Allotment Committee of the Board to decide and allot NCDs on private placement. Committee is comprising

of Chairman & Managing Director as Chairperson, Director (Technical), Director (Finance) & Director (Marketing) as members. During the year, the Committee met once on January 31, 2022 and the attendance was as under:

Name of Director	Number of meetings required to attend	Number of meetings attended
Shri S. C. Mudgerikar	1	1
Shri K. U. Thankachen	1	1
Ms Nazhat J. Shaikh	1	1
Shri Milind M. Deo	1	1

REMUNERATION OF DIRECTORS

Remuneration to Functional Directors

Functional (Executive) Directors are appointed by President of India in terms of Article 81(1) of the Articles of Association of the Company and their remuneration and other terms and conditions are governed by the terms of appointment as decided by the Government. While the Chairman & Managing Director is appointed in Schedule 'A' scale i.e. ₹ 2,00,000 - 3,70,000/-, the other functional Directors are appointed in Schedule 'B' Scale i.e. ₹ 1,80,000 - 3,40,000/-. All other terms and conditions of appointment such as accommodation, provision of car etc., are same for all directors and are specified in their respective appointment orders. Any other terms not specified in the said order are in accordance with the rules applicable to the employees of your Company. Remuneration paid to the Directors during the year is as under:

(₹ In Lakh)

S. No.	Name of the Director	Salary and Allowances	*Other Benefits and perquisites	Total Remuneration
1.	Shri S. C. Mudgerikar, Chairman & Managing Director	67.11	6.29	73.40
2.	Shri Sudhir D. Panadare Director(Technical) (upto 31.05.2021)	64.07	0.98	65.05
3.	Shri Umesh Dongre Director(Finance) (upto 30.11.2021)	48.49	5.01	53.50
4.	Shri K. U. Thankachen Director (Marketing)	62.68	5.35	68.03
5.	Ms. Nazhat J. Shaikh Director (Finance)(from 01.12.2021)	16.12	1.56	17.68
6	Shri Milind M. Deo Director (Technical) (from 27.12.2021)	12.76	1.5	14.26

Note:

- The terms of appointment of the Functional Directors (Whole-time Directors including Chairman & Managing Director), as issued by the Government of India, provides that the appointment may, however, be terminated even during the period by either side on 3 months notice or on payment of three months salary in lieu therefore.
- Other benefits and perquisites includes contribution to Provident Fund, pension, medical expenses etc. and actual payments towards leave encashment, if any.
- Performance Related Payment are payable to the Functional Directors (Whole-time Directors including Chairman & Managing Director) as employees of the Company as per the policy applicable to all executives of the Company.
- During the year, no Stock Options were issued by the Company to Whole-time Directors.
- The remuneration to Functional Directors (Whole-time Directors including Chairman & Managing Director) does not include the provisions made for gratuity; leave encashment and post-retirement medical benefits as they are determined on an actuarial basis for the Company as a whole.

Remuneration to Non- Executive Directors

The Independent Directors have been paid sitting fees of Rs.30,000/- per meeting for attending meetings of the Board and Rs.25,000 per meeting for attending meetings of the Committee. The sitting fees paid during the financial year 2021-22 is as follow:

Name of the Director	Sitting Fees (₹ in Lakh)
Prof. Anil Kumar Singh (Upto 06.03.2022)	11.60
Dr. Shambhu Kumar (Upto 06.03.2022)	10.01
Smt. Shashi Bala Bharti	8.85
Shri Chandra Bhushan Pandey (from 29.11.2021)	1.20
Shri Kashee Nath Akela (from 01.12.2021)	0.90
Shri Gopinathan Nair Annilkumar (from 27.12.2021)	1.20

Note : There were no other materially significant pecuniary relationships or transactions of the Independent Directors vis-à-vis the Company.

The Government Nominee Directors are not paid any sitting fee for attending the meetings.

Performance Evaluation criteria for Independent Directors

Being a Government Company, all the Directors on the Board of RCF are appointed by the Government of India. The performance evaluation of all the Directors including Independent Directors are done by the Department of the Central Government or Ministry, which is administratively in charge of the Company.

However, the evaluation of independent directors for the year 2020-21 has been done by the entire Board of Directors as per regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The evaluation criteria of the Independent Directors in line with “a guide to Board evaluation under the Companies Act, 2013 issued by the Institute of Company Secretaries of India is as under:

- Participation at Board/ Committee Meetings
- Managing Relationship
- Personal Attributes
- Code of Conduct

Separate Meeting of Independent Directors

As provided under Section 149(8) read with Schedule IV of the Companies Act, 2013 and also as per Regulation 25 (3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, one (1) separate meeting of Independent Directors was held on March 5, 2022.

Code of Conduct for Directors and Senior Management Personnel

The Company has adopted a code of conduct and ethics applicable to the Board of Directors and Senior Management Personnel (one level below the Board of Directors) of the Company. The code requires Directors and employees to act honestly, fairly, ethically, and with transparency and integrity. The Board of Directors and Senior Management Personnel are required to affirm compliance with the code of conduct on an annual basis. The code has been displayed on the Company’s website – www.rcfltd.com. All Directors and Senior Management Personnel have complied with the code and the compliance has been affirmed by them to that effect. A declaration signed by Chairman & Managing Director is given below:

This is to certify that in line with the requirement of Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Directors of the Board and Senior Management personnel have affirm that to the best of their knowledge and belief, they have complied with the provisions of the ‘Code of Conduct for the Directors and Senior Management’ during the financial year 2021-22

(S. C. Mudgerikar)

Chairman & Managing Director

Place: Mumbai

Date: 05.05.2022

General Body Meetings

The details of the last three Annual General Meetings (AGM) held are as under:

Financial Year	Time and Date	Venue
2020-21	3 p.m. on 28.10.2021	Meeting conducted through VC / OAVM pursuant to the MCA Circular
2019-20	3 p.m. on 30.12.2020	Meeting conducted through VC / OAVM pursuant to the MCA Circular
2018-19	3 p.m. on 24.09.2019	“Sivaswamy Auditorium”, Fine Arts Society, Mumbai 400 071.

Particulars of Special Resolution passed at the last three AGMs

Financial Year	Time and Date	Venue	Special Resolutions Passed
2020-21	3 p.m. on 28.10.2021	Meeting conducted through VC / OAVM pursuant to the MCA Circular	Offer or invitation to subscribe to Secured or Unsecured Non-Convertible Debentures on private placement.
2019-20	3 p.m. on 30.12.2020	Meeting conducted through VC / OAVM pursuant to the MCA Circular	Offer or invitation to subscribe to Secured Non-Convertible Debentures on private placement. Borrowing Powers of the company Creation of security on the properties of the Company
2018-19	3 p.m. on 24.09.19	“Sivaswamy Auditorium”, Fine Arts Society, Mumbai 400 071.	Offer or invitation to subscribe to Secured Non-Convertible Debentures on private placement.

Details of Resolution passed through Postal Ballot, the person who conducted the Postal Ballot exercise and details of voting pattern:

No item warranted the conducting of postal ballot as stipulated in the Companies Act, 2013. No Special resolution has been proposed to be conducted through postal ballot.

Means of Communication

The Company regularly interacts with the shareholders through multiple channels of communication such as publication of its results on quarterly, half yearly and annual basis in the main edition

of national and vernacular newspapers such as Financial Express, Loksatta and the Company's website, i.e. www.rcfltd.com.

All Official Press Release are hosted on the website of the Company.

The quarterly results, shareholding pattern, corporate governance reports, intimation of Board meetings, etc. are filed with the stock exchanges through NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre.

The annual report, quarterly, half yearly and annual results, Corporate governance report, terms and conditions of appointment of Independent directors, details of various services provided to investors etc. are posted on the website of the Company, i.e. www.rcfltd.com.

The investors can also find on this website the Annual Reports, Quarterly Results, various policies of the Company, details of unpaid dividend, composition of various committees of the Board of Directors, terms and conditions for appointment of independent directors, details of various services being provided to investors, guidance and procedure to be followed by the investors for transfer, transmission and transposition of the securities, de-materialisation, re-materialisation of shares, details of shares to be transferred to Investor Education and Protection Fund, etc.

During the year, no presentations were made to institutional investors or to the analysts.

A Management Discussion and Analysis report is a part of this Annual Report

General Shareholder information:

Annual General Meeting

Date :- Friday, December 23, 2022

Time:- 3.00 p.m.

Venue :- The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

Financial Year : April 1 to March 31

For the financial year ended March 31, 2022, the financial results were announced on:

- August 12, 2021 : First Quarter
- November 10, 2021: Second Quarter
- February 10, 2022 : Third Quarter
- May 27, 2022 : Forth Quarter & Annual

Payment of dividend

The Board of Directors of your Company at their meeting held

on November 10, 2021 has approved payment of an Interim Dividend of ₹ 1.35 per equity share for the financial year 2021-22 and dividend was paid to the shareholders on December 6, 2021.

The Board of Directors of your Company have recommended a final dividend of ₹ 2.50 per share for the financial year 2021-22 subject to the approval of the members at ensuing Annual General Meeting which will be paid after December 23, 2022.

Listing Information

The Company's equity shares are listed on the BSE Limited and the National Stock Exchange of India Limited.

Name of Stock Exchange	Address	Stock/ Scrip Code (Equity)	Stock/Scrip Code (NCDs)
BSE Limited (BSE)	25th Floor, P J Towers, Dalal Street, Mumbai 400 001	524230	959872/ 973742
The National Stock Exchange of India Limited (NSE)	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai 400 051	RCF	INE027A07012 / INE027A08010

The Company has paid Listing fees in respect of its listed securities to both the stock exchanges for the financial year 2022-23.

In addition, Redeemable, Non-Cumulative, Taxable, Non-Convertible Debentures are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), on the Whole Sale Debt Market (WDM) Segment.

In addition, the Commercial Papers are listed on National Stock Exchange of India Limited (NSE).

Market Price Data

Monthly high and low prices and volumes of equity shares of the Company at BSE and NSE for the financial year ended March 31, 2022

S. No.	Month	BSE Limited			The National Stock Exchange of India Limited		
		High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
1	Apr-21	85.25	68.05	8340464	85.30	68.95	74804107
2	May-21	90.00	71.85	19379341	90.00	71.80	178863759
3	Jun-21	87.85	80.45	11070809	87.90	80.40	85516394
4	Jul-21	89.00	79.10	12541148	88.90	79.10	99869094
5	Aug-21	86.15	68.95	7385104	86.20	68.85	49295360
6	Sep-21	88.90	71.50	9421556	88.90	71.45	112730554

S. No.	Month	BSE Limited			The National Stock Exchange of India Limited		
		High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
7	Oct-21	86.50	75.55	7674321	86.55	75.50	60915952
8	Nov-21	82.30	66.45	5356223	82.35	66.00	26549470
9	Dec-21	81.55	70.40	7642791	81.6	70.25	53050573
10	Jan-22	88.55	74.25	10449863	88.65	74.15	91862685
11	Feb-22	82.85	66.70	5872163	82.95	66.60	46774805
12	Mar-22	94.65	69.60	18276414	94.65	69.55	8411741

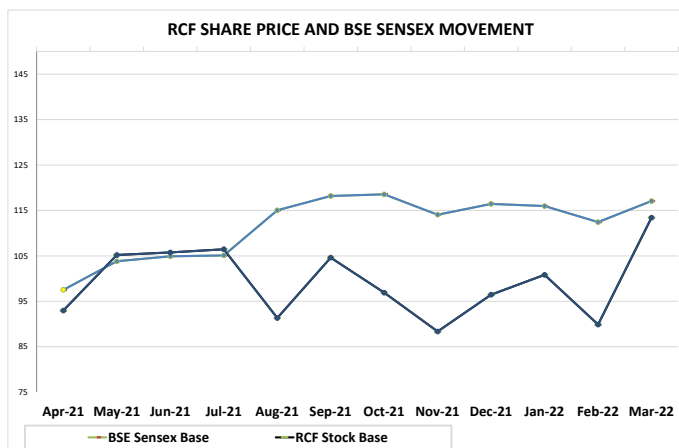
During the year, your Company's shares were actively traded on BSE and NSE. The shares were traded in the range of a maximum of ₹ 94.65 [on 30.03.2022] and minimum of ₹ 66.45 [on 29.11.2021] at BSE.

Stock Price Performance in comparison to broad-bases indices

During the year 2021-22, the share price of the Company opened at ₹ 79.00 on 01.04.2021 and closed at ₹ 89.60 on 31.03.2022 on the BSE thereby increasing by 13.42%. During the same period, BSE sensx opened at 49,868.53 on 01.04.2021 and closed at 58,568.51 on 31.03.2022 thereby increasing by 17.45%. During the same period, NSE Nifty opened at 14798.40 on 01.04.2021 and closed at 17464.75 on 31.03.2022 thereby increasing by 18.02%.

Performance of the share price of the Company in comparison to the BSE Sensx

The relative performance (on base of 100 as on 01.04.2021) of the monthly closing price of the Company's share vis-a-vis BSE Sensx during the year 2021-22 is give below:



Corporate Identity Number (CIN) of the Company:

L24110MH1978GOI020185

Share Transfer Agent

Link Intime India Private Limited,

Address : C-101, 247 Park, L B S Marg
Vikhroli West, Mumbai 400 083
Phone No.022 49186000
Email: rnt.helpdesk@linkintime.co.in

The Share Transfer Agents have also service centres at Delhi, Kolkata, Coimbatore, Ahmedabad, Pune and Vadodara where also the transfer deeds and other correspondence are accepted. All requests received for transfer through the investors' Depository Participants (DP) are processed through NSDL/ CDSL and downloaded periodically by the Registrar and records updated. Requests for transfer in physical form received are effected within a fortnight.

Distribution of Shareholding

The shareholding distribution of equity shares of nominal value of ₹10/- each as on March 31, 2022 is as under

S. No	No. of Shares held	No. of shareholders	% of total	Share amount [₹]	% of total
1	1 - 5000	195915	85.18	25724561	4.66
2	5001 - 10000	17628	7.66	14742065	2.67
3	10001 - 20000	8466	3.68	13134780	2.38
4	20001 - 30000	2892	1.26	7519206	1.36
5	30001 - 40000	1167	0.51	4276810	0.78
6	40001 - 50000	1230	0.53	5917741	1.07
7	50001 - 100000	1531	0.67	11550547	2.10
8	100001 - and above	1179	0.51	468822390	84.98
	Total	230008	100.00	5516881000	100.00

Shareholding Pattern

The shareholding pattern of the company as on March 31, 2022 is as follows:-

Category	No. of Shares	% of Holding
President of India (GOI)	413769483	75.00
Mutual Funds	110623	0.02
Insurance Companies	1574475	0.29
Financial institutions, Banks	9778	0.00
Foreign Portfolio Investors	8646973	1.57
Bodies Corporate	7527342	1.36
Indian Public	105733904	19.16
NRI/Foreign Nationals	3344178	0.61
Clearing Members, HUF, State Government Trusts, Body Corporate LLP, NBFCs registered with RBI & IEPF	10971344	1.99
Total	551688100	100.00

Dematerialization of Shares

The Equity Shares of the Company are compulsorily traded in dematerialised form and the Company has signed agreements with both the Depositories i.e. National Securities Depositories Limited and Central Depository Services (India) Limited. As on March 31, 2022, out of the total 55,16,88,100 equity shares, 55,06,60,210 shares, i.e., 99.81% are in demat segment and only 10,27,890 i.e. 0.19 % are in physical form.

Outstanding GDRs/ADRs/warrants/convertible instruments and their impact on equity

Your Company has not issued any GDRs/ADRs/Warrants or any convertible instruments so far.

Commodity price risk or foreign exchange risk and hedging activities:

Commodity Risk

SEBI vide its circular dated November 15, 2018 pertaining to disclosure regarding commodity risk has prescribed that all listed entities shall make uniform disclosures regarding commodity risk and hedging activities in the Corporate Governance Report section of the Annual Report. The disclosure pertaining to exposure and commodity risks may apply only for those commodities where the exposure of the Company in the particular commodity is material.

The Company has a Board approved policy for risk management covering the exposure towards Commodities.

Exposures of the Company to aforesaid commodities and commodity risks faced by the Company throughout the Financial Year 2021-22

- Total exposure of the Company to commodities – ₹7642.02 crore
- Exposure of the Company to the aforesaid commodities is as under:

Commodity Name	Exposure in INR towards the particular commodity (₹ in Crore)	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				Total
			Domestic Market		International Market		
			OTC	Ex-change	OTC	Ex-change	
Natural Gas	7642.02	7,43,68,615.16 MMBTU	NIL	NIL	NIL	NIL	NIL

Note:-Disclosure made with respect to such commodities wherein its exposure is more than 10% of its total expenses.

Commodity Risks faced by the Company during the Financial Year 2021-22 and how they have been managed

Natural Gas is the major raw material for manufacture of Urea,

NPK fertilizers and some Industrial Chemicals. Based on the basket of gases sourced by the Company, the prices of Natural Gas are linked to international crude oil/gas prices and it varies with the fluctuation in the prices of crude oil/gas, demand supply pattern, etc. and also price as determined as per applicable Government formula for Domestic gas.

The Company is not affected by price volatility of natural gas with respect to quantity of gas consumed in Urea as the cost of natural gas is pass through under the subsidy policies of Government of India for manufacture of Urea. However, in respect of consumption in NPK fertilizers and Industrial chemicals it is exposed to risk of volatility in prices. The Company did not enter into any transaction for hedging the fluctuations in the prices of natural gas and is in the process of formulation of a policy for covering the exposure towards commodity risk and hedged exposure etc.

Foreign Exchange Risk

The foreign exchange risk of the Company arises mainly out of import of fertilisers, raw materials for fertilizers and foreign currency borrowings. Company has a Board approved Policy for management of foreign currency risks and the Board is apprised of the impact of the same on a quarterly basis.

In order to mitigate the foreign exchange risk, the Company continuously monitors its foreign exchange exposure and hedges its foreign exchange risk in this regard, to the extent considered necessary, through forward contracts, other derivative products etc. The details of foreign currency risk and hedging activities are also given in the Notes to Financial Statements.

Plant Location

Your Company has two manufacturing units located at :-

- Trombay Unit: Mahul Road, Trombay, Mumbai-400 071 ;
- Thal Unit: Alibag, Thal, Raigad, 402208, Maharashtra.

Your Company markets its products through various marketing offices located throughout the Country.

Registered Office/Address for Correspondence:

The Company Secretary
Rashtriya Chemicals and Fertilizers Limited
“Priyadarshini”,
Eastern Express Highway, Sion,
Mumbai 400 022. India.
Tel. 022 2404 5024
e-mail: investorcommunications@rcfltd.com

ISIN of the Company

The Company's International Securities Identification Number (ISIN) for Equity is INE027A01015.

The Company's International Securities Identification Number

(ISIN) for NCD is INE027A07012.

The Company's International Securities Identification Number (ISIN) for NCD is INE027A08010.

Credit Ratings

The details of the Credit Ratings assigned to the Company as on March 31, 2022 are as under:

Type of Facility/ Programme	Amount (₹ in Crore)	Credit Rating Agency	Rating Assignment
Commercial Paper	3000	ICRA	ICRA A1+
Commercial Paper	3000	CARE	CARE A1+
Long Term Bank Lines	5100	ICRA	ICRA AA
Short Term Bank Lines	16000	CRISIL	CRISIL A1+
NCD	1000	ICRA	ICRA AA
NCD	1000	India Ratings	IND AA

Utilisation of funds raised through issue of Non-convertible Debentures

During the year, the Company had issued 3,000, 6.59% Listed, Unsecured, Rated, Redeemable, Taxable, Non-Convertible Bonds in the nature of Debentures (NCDs) of face value of ₹.10,00,000/- (Rupees Ten Lakh only) each, aggregating to ₹300 crore (Rupees Three Hundred Crore only) on private placement basis for cash at par, in dematerialized form (ISIN: INE027A08010). The funds raised through issuance of NCDs have been utilised for augmentation of long-term working capital of the company, capital expenditure including recoupment of capital expenditure already incurred.

Debenture Trustee

SBICAP Trustee Company Limited

Register Office :

202, Maker Tower,
'E', Cuffe Parade,
Colaba, Mumbai 400005

Website : www.sbicaptrustee.com

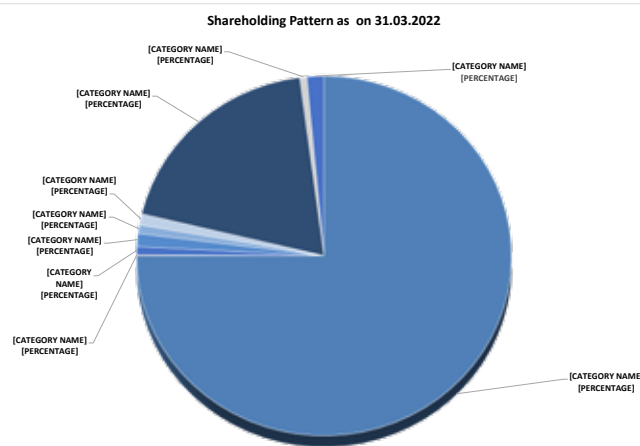
Unclaimed Dividend

In case of non-receipt of dividend, shareholders may write to the Company Secretary or to Link Intime India Private Limited [R&T Agent] furnishing the particulars of the dividend not received, quoting the folio number/client ID particulars in case of dematerialized shares. On verification of the records, if the dividend warrants remain unpaid in the records of the Company after expiry of the validity period, duplicate dividend warrants will be issued.

Pursuant to the provisions of Section 124 of the Companies Act, 2013, dividend for the financial year ended 31st March, 2015 which remains unclaimed on October 1, 2022 will be transferred

by the Company to the Investor Education and Protection Fund [IEPF] established by the Central Government. The dividend for the undernoted years, if remaining unclaimed, for a period of seven years will be statutorily transferred by the company to IEPF in accordance with the schedule given below:

Sr. No	Financial Year	Date of declaration of dividend	Unclaimed dividend as on 31.03.2022 (in ₹)	Last date for claiming unpaid dividend
1	31.3.2015	27.08.2015	1679257.80	01.10.2022
2	31.3.2016	23.09.2016	1107674.50	28.10.2023
3	31.3.2017	21.09.2017	1460163.10	26.10.2024
4	31.3.2018	26.09.2018	883940.40	31.10.2025
5	31.03.2019	24.09.2019	970685.24	29.10.2026
6	31.03.2020	30.12.2020	4197918.28	03.02.2027
7	31.03.2021 (Interim)	05.02.2021	1407406.40	13.03.2028
8	31.03.2021 (Final)	28.10.2021	2101107.38	04.12.2028
9	31.03.2022 (Interim)	10.11.2021	11,49,953.90	15.01.2029



The details of unclaimed shares transferred to IEPF during year 2021-22:

Sr. No.	Financial year	Number of shares transferred to IEPF
1	2013-14	13,377

The details of unclaimed dividend transferred to IEPF during year 2021-22:

Sr. No.	Financial year	Amount of unclaimed dividend transferred to IEPF (₹ in Lakh)
1	2013-14	12.45 lakh

Nodal Officer for Investor Education and Protection Fund

In compliance with Companies Act, 2013 and The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, Shri J. B. Sharma, Company Secretary of the Company has been appointed as Nodal Officer for the purpose of coordination with IEPF Authority.

Calendar of events:

Sr. No.	Event	Likely date
(i)	Announcement of 1st Quarterly (unaudited) financial result for FY 2022-22	On or before August 14, 2022
(ii)	Book Closure for the purpose of Dividend and AGM.	Saturday, December 17, 2022 to Friday, December 23, 2022 (both days inclusive)
(iii) (a)	AGM for 2021-22 : Date	Friday, December 23, 2022, 2022 at 3 p.m.
(iii) (b)	AGM for 2021-22: Venue	The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.
(iv)	Announcement of unaudited half yearly result for FY 2022-23	On or before November 14, 2022
(v)	Announcement of 3rd quarterly (unaudited) financial result for FY 2022-23	on or before February 14, 2023
(vi)	Announcement of Audited results for FY 2022-23	on or before May 30, 2023

Dividend Distribution Policy.

Your Company has adopted the Dividend Distribution Policy of the Company as required in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Dividend Distribution Policy is available on <https://www.rcf ltd.com/public/storage/cmspages/cmsspdfFile/F1616391875-Dividend%20Distributon%20Policy.pdf>

In the interest of providing transparency to the shareholders, the Policy sets out the circumstances and different factors i.e. internal and external including financial parameters for consideration by the Board while declaring dividend or of retention of profits and the circumstances under which the shareholder of the company may not expect any dividend.

Your Company has been paying dividend from its inception except in the years 1993-94 and 2002-03. Your Company endeavours to pay dividend ensuring, generally, that the payout is about 30% of its net profit after tax.

Other Disclosures:

Materially significant related party transactions:

There are no related party transactions entered into by your Company with the promoters, Directors or Management and their subsidiaries or relatives etc. that may have a potential conflict with the interest of your Company.

Your Company has complied with all the provisions of the Companies Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI guidelines, and other authorities on any matter related to capital markets during last 3 years.

Details of non-compliance/ penalties / strictures imposed during the last three years

There were no strictures or penalties imposed on the Company by either Stock Exchanges or Securities and Exchange Board of India or any statutory authority for non-compliance on any matter related to capital markets during the past three years, except penalty levied by NSE and BSE for Non-compliance with the requirements pertaining to the composition of the Board under Regulation 17(1) of SEBI (Listing Obligations and Disclosure of Requirements) Regulations, 2015 for the quarters ended September 2018 to March 2021. Being a CPSE, the Company is not empowered to appoint any Director on its own on the Board of the Company. BSE had waived off the fines levied for the quarters ended - September 2018 till September 2021. Further, the Company has made an application to BSE for waiver of fine levied for quarter ended December, 2021 to March 2022. Further, the Company has also made an application to NSE for waiver of fine levied for quarters from September 2018 till March 2022.

Vigil Mechanism- Whistle Blower Policy:

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of SEBI (LODR) Regulations, 2015, the Company had formulated Whistle Blower Policy to enable stakeholders including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.

RCF had provided ample opportunities to encourage Directors and employees to become whistle blowers (Directors and employees who voluntarily and confidentially want to bring the unethical practices, actual or suspected fraudulent transactions in the organization to the notice of competent authority for the greater interest of the organization and the nation). It has also ensured a very robust mechanism within the same framework to protect them (whistle blowers) from any kind of harm. It is hereby affirmed that no personnel have been denied access to the Audit committee.

Your Company has put in place a fraud prevention policy. As a part of compliance with the policy, Company has appointed nodal officers for Trombay, Thal, Marketing and Corporate Office. The fraud prevention policy has been framed to provide a system for detection and prevention of fraud, reporting of any fraud that is detected or suspected and for dealing in matters pertaining to fraud. During the year under review, no such cases were reported.

In addition, your Company has Vigilance Department to bring greater transparency, integrity and efficiency. The focus of Vigilance department is on Preventive and Participative Vigilance.

Compliance with mandatory requirement of SEBI (LODR)

Your Company has complied with the Corporate Governance requirement under Regulation SEBI (LODR) Regulations and specifically to the requirements under Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 except that the Company did not have the requisite number of Independent Directors on its Board as prescribed under Regulation 17(1) of the SEBI (LODR) Regulations. Further, during the year, the intermittent vacancy of an Independent Director was filled up by the Board beyond the stipulated timelines as prescribed under regulation 25 (6) of the SEBI (LODR) Regulations.

Your Company, being a Government Company under the administrative control of the Department of Fertilizer, Ministry of Chemicals and Fertilizers, Government of India, the power to appoint Directors (including Independent Directors) vests with the Government of India. Your Company is pursuing with the Government of India to induct requisite number of Independent Directors including woman independent director.

Integrity Pact

The Company has implemented Integrity Pact (IP) for enhancing transparency, probity, equity and competitiveness in its procurement process.

Presently, 2 Independent External Monitors (IEMs) have been nominated by the Central Vigilance Commission (CVC) to monitor the implementation of IP in all tenders, of the threshold value of Rs.20 lakh.

Policy for determining material subsidiaries

The policy for determining material subsidiaries is disclosed on the <https://www.rcfltd.com/public/storage/cmspages/cmspdfFile/F1629960833-POLICY%20FOR%20DETERMINING%20MATERIAL%20SUBSIDIARIES.pdf>

Policy on dealing with related party transaction

The policy on dealing with related party transaction is disclosed on the

https://www.rcfltd.com/public/storage/cmspages/cmspdfFile/F1629960623-Policy_on_RPT.pdf

POLICY ON BOARD DIVERSITY

Company has devised a Policy on Board Diversity of Board of Directors which is available at Company's website

https://www.rcfltd.com/public/storage/cmspages/cmspdfFile/F1564553235-DIVERSITY_POLICY.pdf

Details of utilization of funds raised through preferential allotment or qualified institutions placement

The Company has not raised any funds through preferential allotment or qualified institutions placement as specified in Regulation 32 (7A) of SEBI (LODR).

Certificate from Company Secretary in Practice

Shri S. N. Bhandari of M/s Bhandari & Associates, Practising Company Secretary, has issued a certificate as required under SEBI (LODR), confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors by the Securities and Exchange Board of India /Ministry of Corporate Affairs or any such statutory authority. The certificate is annexed with this section.

Fees paid to Statutory Auditors

The Comptroller and Auditor General of India (CAG) has appointed, M/s M. M. Nissim & Co. (Firm Registration Number 107122W) and M/s Gokhale and Sathe (Firm Registration Number 107122W /W100672) as Joint Statutory Auditors of your Company for the financial year 2021-22.

The fees paid to the Statutory Auditors during the year 2021-22, on consolidated basis is as under:

(₹ in Crore)

Sr. No.	Particulars	Year ended 31.3.2022
1	Audit fees for the year	0.25
2	Audit fees for Limited review	0.03
3	Audit fees for Consolidated Financial Statements	0.02
4	Certification Fees	0.13
5	Reimbursement of other expenses	0.04

Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

- Number of complaints filed during the financial year : 2
- Number of complaints disposed of during the financial year: 2
- Number of complaints pending as on end of the financial year : Nil

Non mandatory requirements

Besides the mandatory requirements as mentioned in preceding pages, the status of compliance with non-mandatory requirements of Reg. 27(1) of SEBI (LODR) Regulations, 2015 read with Part E of Schedule-II are produced below:

1. **The Board:** The Company is headed by an Executive Chairman.
2. **Shareholder Rights:** The quarterly Financial Results of the Company are published in leading newspapers and also posted on company's website (www.rcfltd.com). These results are not separately circulated to the shareholder.
3. **Audit Qualification / Modified Opinions in audit report:** It is always Company's endeavor to present an unqualified financial statement.
4. **Separate posts of Chairman and CEO:** Article of Association 81(1)(a) of the company provides that same person can be appointed as Chairman and CEO of the company. Hence, GoI had appointed one person as C&MD of the company.
5. **Reporting of Internal Auditor:** Internal Audit reports directly to Chief Executive Officer of the Company. The external/internal auditor appointed by the company submit their report to concerned HoD at places where they are conducting audit. These reports are reviewed by the Audit Committee.

Compliance certificate regarding compliance of conditions of corporate governance

As required by Schedule V of the SEBI (LODR), the compliance certificate regarding compliance of conditions of Corporate Governance issued by a Practising Company Secretary is annexed.

Trading in your Company's shares by Directors and designated Employees:

None of the Directors holds shares in your Company except Ms Nazhat J. Shaikh, Director (Finance) holds 100 equity shares in the Company.

Guidelines on Corporate Governance by DPE

Your Company is complying with the all the requirements of the DPE Guidelines on Corporate Governance except in respect of composition of the Board of Directors with regard to 50% independent Directors. Your Company, being a Government Company, is pursuing with the Government of India to induct requisite number of Independent Directors.

No items of expenditure have been debited in books of accounts, which are not for the purpose of business. No expenses, which are of personal nature, have been incurred for the Board of Directors and top management.

Further, the administrative and office expense constitute 0.49 % of total expense for financial year 2021-22 as against 1.02% in the previous year 2020-21.

Disclosure with respect to demat suspense account / unclaimed suspense account

No shares are lying in the demat suspense account or unclaimed suspense account.

Compliance Officer

Shri J. B. Sharma, Executive Director (Legal & Company Secretary), is the Compliance Officer of the Company.

Prevention of Insider Trading

The Company has adopted a Code of Conduct for prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary of the company is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

CEO/ CFO CERTIFICATION FOR THE FINANCIAL YEAR ENDING ON MARCH 31, 2022.

This is to certify that:

- A. We have reviewed financial statements for the financial year ended March 31, 2022 and the cash flow statement for the year and that to the best of our knowledge and belief :
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee:
1. There has not been any significant change in internal control over financial reporting during the year 2021-22;
 2. There has not been any significant change in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 3. There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Nazhat J. Shaikh

Director [Finance] & CFO

S. C. Mudgerikar

Chairman & Managing Director

Place: Mumbai

Date: May 27, 2022

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,
Rashtriya Chemicals and Fertilizers Limited,
“Priyadarshini”, Eastern Express Highway,
Sion, Mumbai - 400 022.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Rashtriya Chemicals and Fertilizers Limited** having C.I.N: L24110MH1978GOI020185 and having Registered Office at “Priyadarshini”, Eastern Express Highway, Sion, Mumbai - 400 022 (hereinafter referred to as ‘the Company’), produced before us 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 our opinion and to the best of our 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 us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 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 the Company
1	Mr. Shriniwas Chandrashekhar Mudgerikar	03498837	01.10.2019
2	Mr. Koppurath Ulahannan Thankachen	06946476	11.12.2018
3	Ms. Nazhat J. Shaikh	07348075	01.12.2021
4	Mr. Milind Madhukar Deo	08715250	27.12.2021
5	Ms. Aparna Sachin Sharma	07798544	01.09.2020
6	Smt. Shashi Bala Bharti	08770477	25.06.2020
7	Mr. Chandra Bhushan Pandey	09407412	29.11.2021
8	Mr. Kashee Nath Akela	09410361	01.12.2021
9	Mr. Gopinathan Nair Annilkumar	09447818	27.12.2021

Ensuring the eligibility of 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.

For Bhandari & Associates
Company Secretaries
Firm Registration No: P1981MH043700

S. N. Bhandari
Partner
FCS No: 761; C P No.: 366
Mumbai | July 29, 2022
ICSI UDIN: F000761D000705291

DIRECTOR'S PROFILE

Shri S. C. Mudgerikar, Chairman & Managing Director

Shri S.C. Mudgerikar has taken over charge of Chairman & Managing Director of Rashtriya Chemicals & Fertilizers Ltd. (RCF) w.e.f. 01.10.2019.

Shri Mudgerikar has remained an Indian Railway Traffic Service (IRTS) Officer. He is a Post Graduate Engineer with a Post Graduate Management qualification from IIM Bangalore. He has wide experience in Logistics & Supply Chain Management and has worked in the Indian Railways in various capacities as an IRTS Officer. Before joining RCF, he has worked as Director (Marketing & Corporate Planning) of Central Warehousing Corporation. He has also served the Director on the Boards of CONCOR Air Ltd., National Multi Commodity Exchange, IFFCO-CRWC JV, Maharashtra SWC and West Bengal SWC. He has also worked as Chief Commercial Manager (FS), CPRO, Sr. Divisional Commercial Manager in the Indian Railways & Chief General Manager of CONCOR.

He has received extensive training in the field of Management at some of the world's best Institutes like IIM Bangalore, IIM Kolkata, INSEAD/ Singapore, ICLIF/Malaysia, Syracuse University USA Antwerp Port Training Centre, China-Europe Management School. He has in-depth knowledge about the supply-chain logistics & is also involved in policy making for further development of the field.

Shri Umesh Dongre, Director (Finance) (upto 30th November, 2021)

Shri Umesh Dongre has taken over as Director (Finance) & Chief Financial Officer of Rashtriya Chemicals and Fertilizers Limited on 9th February, 2018.

Shri Dongre is a Fellow CMA from the Institute of Cost Accountants of India and belongs to Indian Cost Accounts Service (ICoAS). He has also Masters in Commerce from Osmania University. An officer of ICoAS 1991 batch, he has vast experience of Costing and Pricing of wide variety of products and dealt with project evaluation proposals of Government of India. He has also experience of working on Urea Subsidy in Fertilizer Industry Coordination Committee (FICC). He occupied several important positions as ICoAS officer in Department of Fertilizers, Department of Public Enterprise, Directorate of Sugar and Department of Expenditure, apart from initial working tenure in a CPSE and NABARD.

Prior to joining Director (Finance), Shri Dongre was Advisor (Cost), Department of Expenditure, Ministry of Finance.

He believes that cost efficiency in all operations lead to higher profitability and sustainability of the organisation.

Shri K. U. Thankachen, Director (Marketing)

Shri K. U. Thankachen has taken over as Director (Marketing) of Rashtriya Chemicals and Fertilizers Limited on 11th December, 2018.

He is MBA with specialisation in Marketing from Department of Commerce & Management Studies, University of Calicut in the year 1986. Shri Thankachen is a seasoned professional in the field of logistics and warehousing with over 31 years of experience. He started his career with Airports Authority of India in the year 1987 and joined Container Corporation of India Ltd. in the year 1995. He has held various important positions in Marketing, Commercial and Operations functions within CONCOR. He was posted as Chief General Manager, Central Region of CONCOR at Nagpur having jurisdiction of 5 terminals at Nagpur, Bhusawal, Aurangabad, Raipur and Mandideep from September, 2010 to April, 2012. Thereafter, he was posted as head of the largest Inland Container Depot in Asia at Tughlakabad, New Delhi from April, 2012 to September, 2013.

Prior to joining Director (Marketing), Shri Thankachen was Managing Director of Central Railside Warehouse Company Limited. He attended a one year international management programme organised by International Centre for Promotion of Enterprises, Ljubljana, Slovenia.

Ms Nazhat J. Shaikh, Director (Finance) (From 1st December, 2021)

Ms Nazhat J. Shaikh has been appointed as Director (Finance) with effect from 1st Dec. 2021. She holds a Bachelor's degree in Commerce from Mumbai University and is a qualified Chartered Accountant. She is a certified SAP FI Consultant. She started her career with RCF in the year 1989 as Accounts Officer. She was selected as Director (Finance) in National Film Development Corporation, a CPSE under the administrative Ministry of Information & Broadcasting and joined on 24th November 2015, after taking lien from Rashtriya Chemicals & Fertilizers Ltd. She re-joined RCF as Executive Director Finance on 1st August, 2019.

She was entrusted with various responsibilities relating to Finance in Trombay, Fertilizer Marketing & Corporate during her service period in RCF. She was also given charge of IT responsibilities during the crucial period of SAP ERP implementation/upgrade. She has been a member of Women's Cell and Complaints Committee for prevention of Sexual Harassment and during the tenure also served as Chairperson of the Committee briefly. She was facilitator for conduct of Gender audit in RCF.

As ED (Finance), she was responsible for the entire finance, accounting, taxation and related reporting and compliances, treasury function and financial concurrence of all proposals. She

has a rich experience of more than 29 years in the fertilizer industry. At NFDC, she was holding additional charge of the responsibilities of Managing Director of NFDC for a brief period. Being one of the two Functional Directors, she got an exposure to the non-finance areas including media & production business, film festivals and promotion in addition to HR, legal & administrative functions.

She was awarded Best Woman Employee Award in Executive Category (3rd place) instituted by Forum of Woman in Public Sector (under the aegis of SCOPE) in February 2014 and the CFO100 Next Award 2013 instituted by the CFO institute.

Shri Milind Madhukar Deo, Director (Technical) (From 27th December, 2021)

Shri Milind Madhukar Deo is appointed as Director (Technical) on the Board of Rashtriya Chemicals and Fertilizers Limited (RCF) w. e. f. 27th December, 2021.

Shri Deo is a Bachelor of Chemical Engineering from Institute of Chemical Technology, Mumbai (earlier known as UDCT, Mumbai), 1984 batch. He is an Energy Auditor, certified by Bureau of Energy Efficiency (BEE). He was also a Lead Auditor for ISO 14001, OHSAS 18001, ISO 9001 and had conducted internal IMS and safety audits.

Prior to elevation to the Director (Technical), he was Executive Director (Coordination). He joined the Company in July 1984 as a Management Trainee. In his long career spanning more than 37 years, he has worked in various capacities in Ammonia and Urea Plants, Complex Fertilizer Plant, Group of Chemical Plants, Steam Generation Plants, Methanol and Nitric Acid Plants, Product Handling Plant, Technical Services, Health, Safety & Environment Management, Energy Management and Coordination of Performance Improvement Schemes.

He was actively involved in commissioning and performance guarantee test run of Urea plants in India and abroad. He was a member of the team deputed to Bangladesh for commissioning of Jamuna Fertilizer Project, undertaken by M/s Mitsubishi Heavy Industries, Japan on turn-key basis. He played a key role in implementing optimization scheme in all three Thal Urea Plants, mainly for reducing energy consumption through updating process technology.

He is the recipient of first prize for the best article in production and technology (2002-2003) on 'BFW Production from Urea Process Condensate through MP Hydrolysis', co-written in 'Fertilizer News' (August 2003 issue) of Fertilizer Association of India. He has also presented technical papers on Safety Practices and Energy Schemes in the national level seminars.

Apart from technical knowledge and expertise, he loves literature and was honoured with PhD by Mumbai University in the year 2000 for his thesis related to Marathi literature and philosophy.

Ms Alka Tiwari, Government Nominee Director (Upto 14th January, 2022)

Ms Alka Tiwari, IAS is Government Nominee Director on the Board of the Company w.e.f. 6th March, 2017. Ms Tiwari is a 1988 batch of IAS officer and is presently Additional Secretary, Department of Fertilizers, Ministry of Chemicals and Fertilizers, New Delhi. She has held various positions in Government of Jharkhand and Government of India. She also served as Advisor to the NITI Aayog. She has varied and rich experience in Government, in different positions, and has great managerial capabilities.

Ms Aparna S, Sharma, Government Nominee Director

Ms Aparna S. Sharma is appointed as Government Nominee Director on the Board of the Company w.e.f. September 1, 2020. Ms Aparna S. Sharma, Joint Secretary, Department of Fertilizers, Ministry of Chemicals and Fertilizers, Govt. of India. She is a post graduate in English Literature from Delhi University and a 1990 batch CSS Officer. She has over 32 years of work experience in various Ministries of Government of India including Department of Higher Education, Health and Family Welfare, Personnel and Training, Finance and Urban Development. She has handled a range of subjects while handling portfolios of varied nature relating to intellectual property rights, infrastructure development, policy formulation, scheme implementation, drafting legislation and work of regulatory nature. She has written several articles and made presentations at national and international workshops as part of official duties.

Prof. Anil Kumar Singh, Independent Director (upto 6th March, 2022)

Professor Anil Kumar Singh is appointed as an Independent Director on the Board of the Company, w.e.f. 07th March, 2019.

Prof. Singh, a former Professor of Chemistry in the highest academic grade from the Indian Institute of Technology (IIT) Bombay, embodies wealth of expertise and experience in science and technology (S&T) education and research, policy and project formulation, implementation, and academic administration. With teaching/ research/ administrative career spanning over more than four decades, He has worked at IIT Bombay in several key capacities and participated in drawing-up and developing academic policies and programmes of education and research, and expansion of collaborations both in India and abroad. Apart from IIT Bombay, Prof. Singh has been associated in multiple capacities with other national and international educational institutions, R&D organizations, Government bodies, prestigious S&T academies and professional societies, administrative and policy making bodies, to drive organizational excellence. He has also held the position of Director, CSIR-Regional Research Laboratory (present-day North-East Institute of Science & Technology) Jorhat; and, Vice-Chancellor of two major universities viz., Bundelkhand University and the University of Allahabad (a Central University).

Prof. Singh has been a mentor to a large number of graduate and undergraduate students, who now occupy responsible positions in academia and industry in India and abroad. A scientist and academician of international repute, Prof Singh also has to his credit large number of original research and scholarly articles published in high impact journals. His research interests and experiences are vast and varied, and span over several areas of chemical and allied sciences.

He is widely travelled and delivered large number of invited, plenary/ keynote/ distinguished speaker talks in prestigious gatherings of academicians and scientists in conferences, and in teaching and research centres of higher learning in India and abroad. His endeavours and contributions are duly recognized by academic and research organizations, government and corporate bodies, prestigious science academies and professional societies, by awards and honours.

Dr. Shambhu Kumar, Independent Director (upto 6th March, 2022)

Dr. Shambhu Kumar is appointed as an Independent Director on the Board of the Company w.e.f. 7th March, 2019. Dr. Shambhu Kumar is Bachelor of Arts from HP University Shimla and completed Ph. D from Jamia Millia Islamia, New Delhi.

He has vast experience in Indian Government development programme such as Bihar Rural Livelihood Programme (BRLP), National Food for Work Programme (NFFWP), Jharkhand Tribal Development Programme (JTDP), Chhattisgarh Tribal Development Programme (CTDP), Pradhan Mantri Gramin Sarak Yojna (PMGSY) & different Rural Development programme. He worked for the evaluation study of the impact of micro-credit scheme of National Handicapped Finance and Development Corporation (NHFDC) & National Minority Development Finance Corporation (NMDFC), Sankat Haran Bima Yojna of KRIBHCO. He has completed research in Watershed project and SWA-SHAKTI (Rural women Development and Empowerment project, RWDEP).

He was the coordinator of bilateral trade between Thailand & Uttar Pradesh, coordinator of Thailand government for 2018 Uttar Pradesh investor Summit (Lucknow) & ASEAN- India Business summit in New Delhi, visited Bangkok as a guest for ASEAN - India Expo & Forum.

He is CEO of M/S Subansiri Development Private Limited and Director of Village Boy Production Private Limited.

Smt. Shashi Bala Bharti, Independent Director

Smt. Shashi Bala Bharti is appointed as an Independent Director on the Board of the Company w.e.f. 25th June, 2020. Smt Shashi Bala Bharti holds a degree of Master of Arts from Agra University and Bachelor of Education from Kanpur University.

She is an eminent parliamentarian and was former member of Uttar Pradesh Legislative Assembly. She has been associated with social activities and also associated with women welfare for the last 27 years. Currently, she is a Member of Uttar Pradesh

State Commission for Women from September 2018.

Shri Chandra Bhushan Pandey, Independent Director (from 29th November, 2021)

Shri Chandra Bhushan Pandey appointed as Independent Director on the Board of company w.e.f November 29, 2021.

Shri Chandra Bhushan Pandey holds a degree of Master of Science (Gold Medalist) from Allahabad University.

Shri Pandey has served as MP PCS and UP PCS till 2008. He is a social worker and through his work established Mission 'Water for Tomorrow, established Green Earth Ashram in Prayagraj, launched 'Ashta Tree Plantation' campaign, established UP development foundation (UPDF) which is dedicated to goal developed UP with the help of group of expert and citizen through committee of experts, dedicated to organic farming campaign through 'Living Soil Program', agitating for the development and conservation of ponds through 'Aao Talab Chalen' campaign.

He was a founder member of the farmers' organization Rashtriya Kisan Panchayat. He was editor of magazine viz "Bagwani" and "Naukarshahi. He has dedicated his whole life to the society.

Shri Kashee Nath Akela, Independent Director (from 1st December, 2021)

Shri Kashee Nath Akela appointed as Independent Director on the Board of company w.e.f. December 1, 2021.

Shri Kashee Nath Akela holds a Graduation degree from Varanasi University.

Shri Akela has been President of Azad Sporting Club, Co-convenor of Goswami Tulsidas Memorial Committee, Adi Ramlila, Convener of Latbhairav, President of Baba Baluaveer Management Committee. From 1995 to 2000, Hon'ble Governor was appointed as a councilor in Varanasi Municipal Corporation. Shri Akela is involved in various social work and educating farmers.

Shri Gopinathan Nair Anilkumar, Independent Director (from 27th December, 2021)

Shri Gopinathan Nair Annilkumar has been appointed as Independent Director on the Board of Company w.e.f December 27, 2021.

Shri Gopinathan Nair Annilkumar holds LLB Degree from Andhra University. Shri Gopinathan Nair Annilkumar is natural rubber exporter since 1990. He has been awarded four times by Rubber Board, Government of India for natural rubber exporter.

He is two-time Nation's first largest exporter of Natural Rubber Sheets and Two Times Second largest exporter. He is also Assessing Officer for Rubber Skill Development Council approved by Skill India Project.

CERTIFICATE OF COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To

The Members,
Rashtriya Chemicals and Fertilizers Limited

We have examined the compliance of conditions of Corporate Governance by **Rashtriya Chemicals and Fertilizers Limited** (“the Company”) for the year ended on 31st March, 2022, as stipulated in Chapter IV of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [“Listing Regulations”].

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations subject to the following:

The Company did not have requisite number of Independent Directors on its Board as required under Regulation 17(1) of the Listing Regulations.

The Company did not have requisite number of directors in its Stakeholders Relationship Committee for the period December 01, 2021 to March 29, 2022 as required under Regulation 20(2A) of the Listing Regulations.

The Company, being an equity and high value debt listed entity, the disclosure of related party transactions for half year ended September 30, 2021 as required under Regulation 23(9) of the Listing Regulations was not given along with the disclosure of financial results.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Bhandari & Associates
Company Secretaries
Firm Registration No: P1981MH043700

S. N. Bhandari
Partner
FCS No: 761; C P No. : 366
ICSI UDIN: F000761D000705300

Mumbai | July 29, 2022

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT (Revised)

TO THE MEMBERS OF RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED ("the Company"), which comprise the Balance Sheet as at **March 31, 2022**, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year ended **March 31, 2022** and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit and total Comprehensive Income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Standalone Ind AS Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

Emphasis of Matter

We draw attention to the following matters:

a) Note No. 93 – Revision / Restatement of Standalone Ind AS Financial Statements:

We had issued our audit report dated May 27, 2022 on Standalone Ind AS Financial Statements, approved by the Board of Directors in their meeting held on May 27, 2022. On receipt of Expert Advisory Council (EAC) opinion from the Institute of Chartered Accountants of India on accounting treatment of captive generation and consumption of power and steam generated from the Company's Gas Turbine Power Generation Plant and Heat Recovery Steam Generation Plant and pending closure of audit of Consolidated Financial Statements by Comptroller Auditor General of India, the Company has decided to revise the Standalone Ind AS Financial Statements and restatement of previous year comparative figures along with Opening Balance sheet as at April 1, 2020, giving effect to the EAC opinion. Accordingly, the Standalone Ind AS Financial Statements have been revised/restated to that extent and approved by the Board of Directors on August 12, 2022. Our audit procedures in relation to the subsequent events are restricted solely to revision/ restatement to the Standalone Ind AS Financial Statements pursuant to the decision of the Board of Directors

b) Note No. 49 – Property, Plant and Equipment: Title deeds of Immovable properties:

In respect of immovable properties other than land, situated at its Trombay and Thal units they are self-constructed properties on the land owned by the Company as evidenced by property cards/title deeds of land.

The Company asserts that all these properties are its own and has clear title to the same since such properties are self-constructed on the Company's land, although no separate title documents for self-constructed properties are readily available. The Company has obtained opinion to that effect from legal and regulatory experts on land matters and also has other documentary evidence in that regard.

The Company had come into existence in 1978 as a result of Government of India reorganising Fertilizer Corporation of India Ltd. and National Fertilizers Ltd. Consequent to the same, major portion of immovable assets at its Trombay unit became vested with the Company. In case of Thal unit, such properties on the Company's land were erected over the years following land acquisition effected around 1978. Thus, records pertaining to self-constructed properties are not readily available since they date back to more than 40

years. The Company has initiated the process of obtaining appropriate evidence of the approvals/permissions taken for construction of the self-constructed properties from the respective regulatory authorities.

Apart from such properties, immovable properties, including land for which title deeds are not in the name of the Company is mentioned in the financials statements. (Refer Note 50 to Financial Statements)

c) Note No. 52 – Gas pooling applicable to Fertilizer (Urea) sector:

Pursuant to the Ministry of Petroleum & Natural Gas (MoPNG) order No. L-13013/3/2012-GP-I, dated: 16th December 2015, GAIL had sought a differential levy on usage of gas for non-fertilizer/Non-Urea operations, amounting to Rs. 1457.92 Crore for the period commencing from 1st July, 2006 till 30th June, 2019 by initiating arbitration proceeding before Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD).

The matter was heard in the meeting of the AMRCD on 17th June 2021 and vide its order dated 6th July 2021, AMRCD has determined the total claim to be paid by the Company in this regard at an amount of Rs. 87.17 Crore. This sum thus settles the price differential towards the use of APM/Domestic gas for non-fertilizer/Non-Urea operations for the period commencing from 1st July 2006 till 15th May, 2016 (subsequent to which the Company sourced market priced gas). Further, a related claim by GAIL in regard to the Gas Transportation Charges of Rs. 19.65 Crore, for the period December 2013 to January 2016 have also been directed to be paid. The aggregate sum of Rs. 106.82 Crore has been fully paid by the Company in accordance with the resolution by AMRCD.

Possible liability for the period 16th May 2016 onwards is yet to be crystallised as the Company has submitted the data to FICC for verification in order to recalculate the claim as per MoPNG directives dated 16th December 2015 as per highest rate of RLNG. Taking a conservative estimate of any liability arising from such claim, the excess provision of Rs. 127.35 Crore not considered necessary has been derecognized and reported as exceptional item.

d) Note No. 53 – Gas turbine Generator (GTG) plants at Thal unit:

Pursuant to the sudden failure of both Gas Turbine Generator (GTG) plants at Thal unit in March 2019, the matter for effecting repairs under the warranty period was taken up with the LSTK contractor. Through the contractor the Original Equipment Manufacturer (OEM)

had indicated a total estimated repair expenditure of about 98 Million SEK (Rs. 74.51 Crore excluding taxes and duties). The said GTG plants have been sent to the OEM for repairs and they have been received duly repaired. In the interim, the Company has initiated arbitration proceedings for costs and loss of profits and does not consider a provision necessary as the said costs are covered under warranties. In response, counter claims have been made by the contractor.

e) Note no. 96 - Impact of COVID-19 Pandemic:

Although no significant impact of Covid 19 pandemic has been noted on the financial and operational results for the year ended 31st March 2022, the continuing Covid 19 epidemic could result in consequences on the external economic environment. A definitive assessment of the said impact on the Company is highly uncertain and being dependent on the evolving situation can be undertaken only after the situation stabilises.

Our opinion is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in our audit are:

1. Revenue Recognition and measurement in respect of subsidy income.
2. Estimation of Provision & Contingent Liabilities.
3. Information Technology General Control.

Sr. No.	Key Audit matter	Response to Key Audit Matter
1.	<p>Revenue recognition and measurement in respect to subsidy income.</p> <p>Recognition of subsidy is generally made on the basis of in principle recognition/approval /settlement of claims from Government of India/Fertilizer Industry Co-ordination Committee while finalizing the financial statements.</p> <p>During the year, Subsidy adjusted on account of the escalations/de-escalations basis for the year amounts to Rs. 1588.30 Crore receivable from FICC/DOF (PY Rs. 82.44 Crore refundable).</p> <p>Such adjustments have been done for escalations/de-escalations in the cost of inputs and other costs, as estimated by the management based on the prescribed norms in line with known policy parameters.</p> <p>MRP of Urea being fixed by Government of India, the Company is entitled for subsidy wherein certain inputs costs are a pass through and compensation for production beyond a level of production known as Reassessed capacity is restricted to lower of Import Parity Price (IPP) of Urea plus other incidental charges which the government incurs on imported Urea, or its own concession price, as determined under extant policies for Urea. Further subsidy income is net of adjustments of recoveries towards sale/transfer for surplus ammonia or non-conversion of entire ammonia into Urea.</p> <p>Since there is a time lag between actual expenditure incurred and notification of concession rates for the year, Management exercises significant judgement in arriving at the income entitlement on account of same for the year.</p> <p>Therefore, there is a risk of revenue being misstated on account of errors in estimation of concession/IPP rates yet to be notified, due to absence of notification available and change in methodology/ calculation, if any for arriving at price concession.</p>	<p>Our Procedure included:</p> <p>Accounting policies and principles:</p> <p>We have reviewed the Company's Accounting policies for Subsidy on Urea as mentioned under "Note A. Statement of Significant Accounting policies III) D) Revenue Recognition" of the financial statements and the same is compared with the applicable Ind AS.</p> <p>Tests of controls:</p> <p>We have evaluated the design, implementation and operating effectiveness of key controls over recognition of subsidy income.</p> <p>Tests of details:</p> <p>We have verified the supporting documentation for determining that the subsidy was recognized in the correct accounting period and as per notified rates.</p> <p>In absence of notified rates, we have verified calculation of estimated rates based on information available with the Company for such costs which are a pass through.</p> <p>In case estimation of income is based on other parameters like IPP of Urea etc. verification of the same is based on available information in public domain.</p> <p>Testing reasonability of assumptions based on past trends, consistency in application and changes in the same owing to change in Government policies.</p> <p>Performing substantive analytical procedures: -</p> <p>Ascertainment and analysis of variations with respect of amounts estimated and actually entitled upon notification with respect to previous years.</p> <p>We also assessed as to whether the disclosures in respect of revenue were adequate.</p>
2	<p>Estimation of Provision & Contingent Liabilities</p> <p>In the recognition and measurement of provisions, there is uncertainty about the timing or amount of the future expenditure required to settle the liability.</p> <p>In respect of contingent liabilities, there are estimates and assumptions made to determine the amount to be disclosed.</p> <p>As at the year ended 31 March 2022, the amounts involved are significant. There is a high degree of judgement required for the recognition and measurement of provisions and disclosure of contingent liabilities.</p> <p>There is a risk of material misstatement that the estimates are incorrect and that the provisions or contingent liabilities are materially misstated.</p>	<p>Internal enquiry:</p> <p>We enquired of the senior management and inspected the minutes of the board and various committees of the board where relevant, for claims arising and challenged whether provisions are required.</p> <p>Tests of details:</p> <p>In respect of significant claims, we checked the amount of claim, nature of issues involved, management submissions and corroborated the same with external evidence, where available.</p> <p>Enquiry and confirmation of lawyers:</p> <p>In respect of matters which are under dispute, we have assessed opinion of the Company's in-house Legal Department / external lawyers wherever necessary.</p>

Sr. No.	Key Audit matter	Response to Key Audit Matter
3	<p>Information Technology Controls</p> <p>A significant part of the Company's financial reporting process is heavily reliant on IT systems with automated processes and controls over the capture, storage and extraction of information. A fundamental component of these processes and controls is ensuring appropriate user access and change management protocols exist and being adhered to. These protocols are important because they ensure that access and changes to IT systems and related data are made and authorised in an appropriate manner. As our audit sought to place a high level of reliance on IT systems and application controls related to financial reporting, high proportion of the overall audit effort was in Information Technology (IT) Systems and Controls. We focused our audit on those IT systems and controls that are significant to the Company's financial reporting process.</p>	<p>We focused our audit on those IT systems and controls that are significant to the Company's financial reporting process.</p> <p>We assessed the design and tested the operating effectiveness of the Company's IT controls including those over user access and change management as well as data reliability.</p> <p>In a limited number of cases, we adjusted our planned audit approach as follows:</p> <ul style="list-style-type: none"> - We extended our testing to identify whether there had been unauthorized or inappropriate access or changes made to critical IT systems and related data; - Where automated procedures were supported by systems with identified deficiencies, we extended our procedures to identify and test alternative controls; and - Where required, we performed a greater level of testing to validate the integrity and reliability of associated data and reporting. <p>Further, We have relied on provisional observations of independent consultant's report.</p>

Other Information

The 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 financial statements and our 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 financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

When we read the Director's Report, Management Discussion & Analysis Report, Business Responsibility Report and Corporate Governance Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management and Board of Directors' Responsibilities for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, the financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS Financial Statements, 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.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements 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 Ind AS Financial Statements.

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

- Identify and assess the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 Ind AS Financial Statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS Financial Statements, including the disclosures and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 Ind AS 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.

Other Matter

Pursuant to **Note 93** to the Standalone Ind AS Financial Statements

- i. On accounting treatment of captive generation and consumption of power and steam generated from the Company's Gas Turbine Power Generation Plant and Heat Recovery Steam Generation Plant opinion issued by the EAC this Audit report supersedes our earlier report dated May 27, 2022.
- ii. As observed by Comptroller and Auditor General of India on Cash flow statements; rental income on investment properties classified under operating cash flows has now been reported under cash flows from investing activities.

Our Opinion is not modified with respect to the above matter.

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 in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (5) of the Act, we give in "**Annexure B**" the directions and sub-directions issued by the Comptroller and Auditors General of India, the action taken thereon and its impact on the accounts and financial statements of the Company.
Based on the provisional comments/ audit enquiries raised by CAG, we have complied with direction with respect to restructuring/waiver/write off of loans given by the Company and corrections on account of regrouping of stocks of urea reported under RAC and BRAC.
3. Non - Compliance of the SEBI Listing Obligation and Disclosure Requirements (LODR) Regulations, 2015 - as per Regulation 17(1)(b), the Chairman being an Executive Director, at least half of the Board of Directors should be comprised of Independent Directors including one Women Independent Director. Currently, the Company does not have required number of Independent Directors on its board. (Refer Note 45.1.3 to Financial Statements)
4. (A) 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 Standalone Balance sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flow dealt with by this report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

e) The Company being a government company, the provision of section 164(2) is not applicable in accordance with the Notification No. GSR 463 (E) dated June 5, 2015 issued by Ministry of Corporate Affairs. Accordingly, no reporting regarding Clause 3(g) of section 143 is required.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure C**".

(B) In accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements – **Refer Note 45** to the Standalone Ind AS financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There is no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any kind of funds) by the Company 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 Company 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, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

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 clause (iv) (a) and (iv) (b) contain any material mis-statement.

v. The dividend declared or paid during the year by the Company is in compliance with section 123 of the Act.

(C) With respect to the other matters to be included in the Auditor’s Report as per section 197 (16) of the Act:

In accordance with requirements of section 197 (16) of the act as amended: As per notification number G.S.R. 463 (E) dated June 5, 2015 issued by Ministry of Corporate Affairs, Section 197 of the Act as regards the managerial remuneration is not applicable to the Company, since it is a Government Company.

For M M Nissim & Co LLP
Chartered Accountants
Firm Regn. No.107122W/W100672

CA. N. Kashinath
Partner
Membership No. 036490
UDIN: 22036490AOWKBW8519
Place: Mumbai
Dated: August 12, 2022

For Gokhale & Sathe
Chartered Accountants
Firm Regn. No. 103264W

CA. Atul Kale
Partner
Membership No. 109947
UDIN: 22109947AOWKFJ1526

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in Para 1 ‘Report on Other Legal & Regulatory Requirements’ in our Independent Auditor’s Report to the members of the Company on the Standalone Ind AS Financial Statements for the year ended March 31, 2022.)

Statement on Matters specified in paragraphs 3 & 4 of the Companies (Auditor’s Report) Order, 2020:

- I. (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment with original cost and depreciation written off in respect of identifiable units of assets and where such information for identifiable units of assets is not available, the records show the cost and depreciation written off in respect thereof as a group or class. The items of assets in respect of which quantitative details are not linked with the cost or book value are of small value acquired prior to April 1978 and are fully depreciated particularly in respect of movable items acquired from Fertilizers Corporation of India Limited.
- B. The Company has maintained proper records showing full particulars of Intangible assets.
- (b) The Company has a regular program for physical verification of its Property, Plant and Equipment by which its Property, Plant and Equipment are verified in a phased manner by the management and Company’s Internal Auditors. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its Property, Plant and Equipment. No material discrepancies were noticed on such verification.
- (c) Based on our examination of the registered sale deed / transfer deed / conveyance deed / property tax paid documents (which evidences title) provided to us and with reference to Note 49 to the Financial Statements, we report that, the title in respect of self – constructed buildings and title deeds of all other immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date, except:-

Sr. No.	Total No. of Cases	Type of assets	Gross Block as at March 31, 2022 (Rs. Crore)	Held in Name of	Whether promoter, director or their relative or employee	Period held	Remarks
1	2	Free Hold Land –Thal (1,824,903 Sq. Mtr. of land)	1.60	Government of India (incl. Central Railways) and private land owners	Yes	44 Years	The Company is in the process of obtaining transfer of the title deeds.
2	1	Free Hold Land -Trombay (378,321 Sq. Mtr. of land)	0.24	The Fertilizer Corporation of India	NO	44 Years	The Company is in the process of obtaining transfer of the title deeds.
3	1	Building – Thal Kihim Township	3.09	Not applicable	NO	38 Years	The Company is in the process of obtaining evidence of title / permissions / approvals.

- (d) The Company has not revalued any of its property, Plant and Equipment (including of right- of-use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at 31st March

2022 for holding any benami property under the Benami Transaction (Prohibition) Act, 1988, as amended and rules made thereunder.

- (ii) (a) The physical verification of inventory (excluding stocks outside the factory premises) has been conducted at reasonable intervals by the Management with the help of independent outside agency (Internal auditors and technical consultants) during the year and, in our opinion, the coverage and procedures of such verification by Management is appropriate.

In respect of inventory lying outside the factory premises are taken as per warehousing certificates for material stored in godowns and third-party confirmations where material is lying with third party (job-worker, agents etc.) respectively.

In respect of inventories of stores and spares, the management conducts physical verification with help of an independent outside agency in a phased program so as to complete the verification of all items over a period.

The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

- (b) The Company has been sanctioned working capital limits in excess of Rs.5 crores, in aggregate, at any point of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns (FFR -I and QRR-I) and other stipulated financial information filed by the Company with such banks are in agreement with the unaudited books of account of the Company for the first three quarters and with the audited books of account in respect of fourth quarter ending 31st March 2022 and there are no material discrepancies.
- (iii) The Company has made investments in companies and Joint Venture entities. The Company has not provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year;
- (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee or provided security to any other entity during the

year and hence reporting under clauses (iii)(a), (c), (d), (e) and (f) of the order are not applicable.

- (b) In our opinion, the investments made in companies and loans given to FACT (a joint venture partner) in prior years are, prima facie, not prejudicial to the Company's interest.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it, as applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Rules framed there under to the extent notified.
- (vi) We have broadly reviewed the books of account and records 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 Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Customs Duty, Duty of Excise, Value Added Tax, Goods and Service Tax, Cess and any other material statutory dues with the appropriate authorities. There are no arrears of outstanding statutory dues in respect of above as on the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us and the records examined by us, there are no material dues of Income tax, Sales tax, Service tax, Duty of customs, Duty of excise, Value added tax outstanding on account of any dispute, except for the following:

Sr. No.	Name of the Statute	Nature of dues	Amount (Rs. in Crore)	Period to which the amount relates	Forum where dispute is pending
1	Customs Act, 1962	Demand of Differential Customs Duty on import of Urea, MOP & DAP (Marketing)	80.77	FY 2009-10	Assistant Commissioner of Customs, Dharamtar, Alibaug
2	Customs Act, 1962	Demand of Differential customs duty on import of Potash (Marketing)	0.16	FY 2012-13	Commissioner of Customs, Mangalore
3	Income Tax Act, 1961	Disallowance of additional depreciation claimed	0.97	AY 2013-14	Commissioner of Income Tax (Appeals)
4	Income Tax Act, 1961	Demand of Tax for Short Deduction / non deduction of TDS	1.12	AY 2008-09 to AY 2020-21	Commissioner of Income Tax (Appeals)
5	Income Tax Act, 1961	Disallowance of additional depreciation claimed	9.04	AY 2017-18	Commissioner of Income Tax (Appeals)
6	Central Excise Act, 1944	Demand of Central Excise duty, Interest & Penalty in respect of Naphtha procured at concessional rates used for products which are not exempted (Thal Unit)	2.67	FY 1996-2001	Supreme Court
			3.54	Period from March 2005 to October 2005	Mumbai High Court
			18.61	Period from November 1996 to February 2005 (Interest)	Supreme Court
			17.89	Period from July 2007 to August 2009	Commissioner of Central Excise and Service Tax, Mumbai
		8.93	FY 2010-14	Central Excise and Service Tax Appellate Tribunal, Ahmedabad	
		19.32	FY 2011-2017	Central Excise and Service Tax Appellate Tribunal, Mumbai	
7	Central Excise Act, 1944	Demand of Central Excise duty in respect of Low Sulphur High Stock / Furnace Oil procured at concessional rates used for other than fertilizer products (Trombay Unit)	6.97	September 1989 to December 2015	Commissioner of Central Excise (Appeals)
		Rapid Wall Plaster cleared with Nil Rate of duty (Trombay Unit)	4.94	July 2010 to March 2016	Central Excise and Service tax Appellate Tribunal Mumbai
		Withheld of subsidy on account of Diversion of Urea for industrial usages (Trombay Unit)	1.39	2015-16	Central Excise and Service Tax Appellate Tribunal, Ahmedabad
8	Central Excise Act, 1944	Demand for wrong availment of cenvat credit MBPT(Trombay Unit)	0.16	2010-2015	Central Excise and Service tax Appellate Tribunal Mumbai



Sr. No.	Name of the Statute	Nature of dues	Amount (Rs. in Crore)	Period to which the amount relates	Forum where dispute is pending
9	Central Excise Act, 1944	Wrong availment of MODVAT (Trombay Unit)	0.63	May 2000 to Sept 2000	Dy Commissioner of Central Excise and Service Tax
10	Central Excise Act, 1944	Demand of Service Tax on wrong availment of CENVAT credit in respect of input services used in the manufacture of exempted goods (Trombay Unit)	2.32	April 2011 to June 2017	Central Excise & Service Tax Appellate Tribunal, Mumbai
11	Service Tax	Demand of Service Tax on supply of Btal wagons (IPD Dept.)	0.27	Period from April 2008 to December 2012	Central Excise & Service Tax Appellate Tribunal, Mumbai
12	Service Tax	Demand of Service Tax on Dispatch Money (Mktg. Dept.)	0.24	FY 2012-2015	Asst. Commissioner of CGST & C.X. Division-1, Mumbai
13	Service Tax	Demand of Service Tax on Dispatch Money (Mktg. Dept.)	0.024	FY 2016-2017	Asst. Commissioner of CGST & C.X. Division-1, Mumbai
14	Service Tax	Demand of Service Tax on LD (Corporate Dept.)	0.78	FY 2012-2015	Central Excise & Service Tax Appellate Tribunal, Mumbai
15	Service Tax	Demand of Service Tax on wrong availment and distribution of CENVAT (Corporate Dept.)	0.41	Period from April 2014 to March 2016	Commissioner Appeals, Mumbai
16	Service Tax	Demand of Service Tax on Handling Charges	0.01	Period from April 2006 to March 2008	Superintendent Service Tax, Aurangabad
17	Service Tax	Demand of Service Tax on supply of wagon to Central Railway (Thal Unit)	3.62	Period from April 2008 to June 2017	Central Excise & Service Tax Appellate Tribunal, Mumbai
18	Service Tax	Non-payment of service Tax on Routine Maintenance Charges of private railway Siding (Thal Unit)	1.93	Period from March 2012 to August 2015	Commissioner Appeals, Mumbai
19	Service Tax	Demand of Service Tax on Sponsorship (Marketing Unit)	0.43	Period from September 2012 to March 2015	Asst. Commissioner of Central Excise & Service Tax
20	Service Tax	Demand on Dispatch Money (Corporate Unit)	0.54	Period from September 2012 to March 2015	Asst. Commissioner of Central Excise & Service Tax
21	Service Tax	Demand of Service Tax on Sponsorship (Corporate Unit)	1.07	Period from September 2012 to March 2015	Asst. Commissioner of Central Excise & Service Tax
22	Service Tax	Demand on LD (Trombay Unit)	3.60	September 2012 to March 2015	Customs Excise & Service Tax Appellate Tribunal, Mumbai

Sr. No.	Name of the Statute	Nature of dues	Amount (Rs. in Crore)	Period to which the amount relates	Forum where dispute is pending
23	Service Tax	Demand on Despatch Money (Trombay Unit)	2.92	September 2012 to March 2015	Customs Excise & Service Tax Appellate Tribunal, Mumbai
24	Service Tax	Service Tax on CS Deputation Manpower	0.10	2008-2014	Asst. Commissioner of Central Excise & Service Tax.
25	Service Tax	Service Tax on LD and other Misc. Recoveries (Thal Unit)	0.78	2012-14	Commissioner Appeals of Central Excise & Service Tax.

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender during the year.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its Joint Ventures.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its Joint Ventures.
- (x) (a) The Company has not raised any moneys by way of Initial public offer or further Public offer (Including debt instruments), during the year and hence reporting under Clause (x) (a) of Para 3 of the order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of share or fully convertible debentures (fully, partially or optionally convertible) during the year and accordingly provisions of clause (x)(b) of Para 3 of the Order are not applicable to the Company.
- (xi) (a) On the basis of our examination and according to the information and explanations given to us, no fraud by the Company or any material fraud on the Company has been noticed or reported during the year, nor have we been informed of any such case by the management.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and accordingly provisions of clause (xii) of Para 3 of the order are not applicable to the Company.
- (xiii) The Company has complied with sections 177 and 188 of the Act w.r.t. transactions with related parties, wherever applicable. Details of the transactions with the related parties have been disclosed in the Standalone Ind AS Financial

Statements as required by the applicable Indian Accounting Standards.

- (xiv) (a) Based on information and explanation provided to us and our audit procedure, in our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) The Company has not entered into any non-cash transactions with the directors or persons connected with him. Hence the provisions of Section 192 of the Act are not applicable.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, hence the provisions of paragraph 3 (xvi)(a) of the Order are not applicable.
- (b) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) (b) of the order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the Regulations made by the Reserve Bank of India and accordingly the provisions of clause (xvi)(c) of Para 3 of the Order is not applicable to the Company.
- (d) According to the information and explanation provided to us during the course of audit, the group does not have any CIC as a part of the group and accordingly reporting under clause (xvi)(d) of Para 3 of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses during the Financial Year covered by our audit and in the immediately preceding Financial Year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year. Accordingly, clause 3(viii) of the order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating 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) The Company has during the year spent the amount of Corporate Social Responsibility as required under subsection (5) of Section 135 of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under Clause 3(xx) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For M M Nissim & Co LLP

Chartered Accountants
Firm Regn. No.107122W/W100672

CA. N. Kashinath

Partner
Membership No. 036490
UDIN: 22036490AOWKBW8519
Place: Mumbai
Dated: August 12, 2022

For Gokhale & Sathe

Chartered Accountants
Firm Regn. No. 103264W

CA. Atul Kale

Partner
Membership No. 109947
UDIN: 22109947AOWKFJ1526

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in Paragraph 2 ‘Report on Other Legal & Regulatory Requirements’ in our Independent Auditor’s Report to the members of the company on the Standalone Ind AS Financial Statements for the year ended March 31, 2022.)

Report on the Directions and Sub-directions issued by the Comptroller and Auditors General of India, the action taken thereon and its impact on the accounts and financial statement of the Company under Section 143(5) of the Act:

A. DIRECTIONS

1. Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.

Reply: Yes.

Most of the important functional areas of the organization like Financial Accounting, Sales Accounting, Human Resources Information, Payroll, Material/Inventory Management etc. have been computerized. The Company has implemented SAP during 2005-06 in order to make information processing fully integrated and centralized. Following modules have been implemented in SAP ERP wherein transactions are processed in an integrated manner.

- Finance & Costing (FI-CO)
- Asset Management (AM)
- Production Planning (PP)
- Plant Maintenance (PM)
- Materials Management (MM)
- Sales & Distribution (SD)
- Cost Object & Profitability Analysis (CO-PA)
- Business Warehouse (BW)
- Environment Health & Safety (EHS)
- Township Management
- HR & Pay Roll (HCM- Implemented during the year 2006-07)

In 2010, along with an upgrade of the existing SAP business applications, following new solutions were also implemented:

- SAP Enterprise Portal (Employee Self Service/Manager Self Service)
- Governance, Risk and Compliance

In 2020-21, Company has upgraded to SAP HANA system.

Attendance recording system is another subsidiary system specifically developed to meet the requirements of the Company for recording attendance of unionized category employees of the Company. The attendance data from this system is directly uploaded in SAP for payroll processing.

The IT system has been also configured to meet the compliance and business requirements as mandated by applicability of Ind AS and Goods and Services Act.

Thus, the IT system enables integrated processing of most of the accounting transactions. However certain accounting transactions relating to subsidy income, recording of transactions relating to borrowings, payment of interest etc.,

corporate taxes, valuation of finished goods inventory as per principles of Ind AS and certain year end provisions are processed directly in the Finance module of the SAP IT system as these transactions are standalone to finance. Such transactions and balances are adequately supported by relevant documents maintained / calculations maintained in Excel workbooks. A maker-checker protocol is also followed to check the calculations and the effect of the entries are posted in SAP system.

Further based on the information processed in SAP system, such data is extracted for preparation and presentation of financial statements as per Schedule III of Companies Act. Proper checks and controls are exercised so that the information presented is in consonance with the base data extracted from the SAP system.

2. **Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.**

Reply: No.

Based on audit procedure performed by us and as per the information and explanation given to us, there has been no instance of restructuring of an existing loan or cases of waiver/ write-off of debts/ loans/ interest etc./ made by a lender to the Company due to the Company's inability to repay the loan.

3. **Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.**

Reply: N.A.

As per information and explanations given to us, Company has not received any funds for specific schemes from Central/ State agencies during the year.

B. SUB-DIRECTIONS

- i. **State the area of land under encroachment and briefly explain the steps taken by the Company to remove encroachments.**

Reply: To the best of our knowledge and belief and according to the information and explanations given to us, instances of encroachment of land have been observed at Trombay unit which are as under:

- Approx. 5 acres of land which is in the name of RCF has been encroached since the time of FCI. The value of the land cannot be determined exactly. RCF has approached the agencies like MMRDA for development of this land.
- Approx. 15 Acres is under slum/encroached since 1980. Slums from other pockets were shifted on this land and is without clear title in favor of RCF. The matter is taken up with appropriate authorities for clear title in favor of RCF. Both the matters are pending in Mumbai High Court for resolution. As explained to us, other than the above there are no cases of encroachment of land at other locations.

- ii. **Whether subsidy received/recoverable from the GOI has been properly accounted for and reconciled as per claims admitted?**

Reply: Yes.

Based on the audit procedures performed by us and as per the information and explanations given to us, subsidy received/ recoverable from the Government of India has been properly accounted for as per claims admitted. In addition to the same, for the rates yet to be notified due to escalations/ de- escalations in the cost of inputs and other costs, subsidy has been accounted on estimated basis which is in line with its stated accounting policy of revenue recognition given in notes to the Standalone Ind AS Financial Statements for the year 2021-22.

Subsidy received during the year amounting to Rs. 5751.98 Crore is reconciled with subsidy disbursed by the Government of India.

iii. Whether subsidy was recognized as per provisions of the Direct Benefit Transfer Scheme of GOI?

Reply: Yes.

As per explanation and information given to us, summary of the same is as follows:

As per the provisions of Direct Benefit Transfer Scheme of GOI, the price subsidy is payable on the quantity sold to the end user by the retailer as recorded in the POS (Point of Sales) machines. The Point of Sales is captured through the POS Machines and Fingerprint Scanner implemented at retailer's shop, wherein such sales captured and linked to the IFMS software and DBT claims are generated on weekly basis. Based on the same subsidy receivable from GOI is accounted which is then settled by GOI.

Further, in accordance with the Ind AS - 115 and as per the Company's significant accounting policy Revenue, including subsidy, in respect of sale of goods, is recognized when control of the goods has been transferred, being when the goods are delivered to the buyer, the buyer has full discretion over the goods and there is no unfulfilled obligation that could affect the buyer's acceptance of the goods.

The subsidy entitled to the Company through generation of claims upon sale to the end user recorded through the POS machines does not represent the quantity sold by the Company. There is a time lag between its actual sale to dealers and the quantity sold through POS machines by retailers. Thus, on such quantity even though subsidy is entitled, claims can be preferred only when such quantity is recorded as "End User Sale" by retailers in POS machines.

Further the claims generated through POS machines are at rates notified and updated in IFMS system and has no reference to the subsidy which the Company is eligible as per extant policies for Urea as the notified rates are required to be adjusted for escalations and de-escalations in cost of inputs. Thus necessary entries are passed which impact income and subsidy receivables.

Accordingly, the accounting of subsidy is in order and we confirm as under: -

- a. Subsidy claims are preferred on GOI, as per provisions of the Direct Benefit Transfer Scheme of GOI.
- a. Further, Subsidy income on quantity sold to dealers as per subsidy eligible in accordance with rates 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 as notified by Government of India.
- a. Subsidy accounted on quantity sold but to be confirmed in POS - As per DBT scheme, the Company is entitled for generation of claims on the basis of actual sale by the retailers on weekly basis through POS machines. Accordingly, as on 31st March, 2022, quantity of 4.54 LMT of Urea and P&K having subsidy amounting Rs. 1037.19 Crore has been recognized in the current period. Such quantity has been sold to dealers but the payment of the same will become due under DBT on actual sale by the retailers through POS machines. (P.Y quantity 6.08 LMT and subsidy Rs 716.21 Crore)

iv. State the impact of revision of subsidies for fertilizers products in valuation of fertilizers product closing stock.

Reply: Yes

As per explanation and information given to us, the summary of impact is stated as follows:

As per the Company's accounting policy, finished goods inventories are valued at lower of Cost and Net Realizable Value (NRV). In respect of Urea and other fertilizers which are subsidized/are sold at prices lower than cost, subsidy being a component of revenue is included while arriving at the net realizable value.

While arriving at the net realizable for valuation of stock, the lowest selling prices and the applicable subsidy realizable on such stocks is considered. Accordingly, such revisions are factored while arriving at the Net realization of fertilizer stocks.

In case of Urea, the realizations of Urea are different as per extant policies for production upto reassessed capacity (RAC) and beyond reassessed capacity (BRAC). While the realization from the market is constant, the applicable rate of subsidy differs for stock quantities which are from production upto RAC and for production beyond RAC. Further, such realizations are adjusted for escalations/de-escalations in cost of inputs on estimated basis in accordance with

known policy parameters.

In respect of P&K fertilizers, Government of India periodically notifies subsidy rates under Nutrient Based Subsidy scheme from time to time to ensure that such fertilizers are made available to farmers at affordable prices.

As on 31st March 2022, closing stock of fertilizers are valued as under:-

Product	Quantity (in MT) (A)	Cost Per MT (B)	NRV Per MT (C)	Rate of subsidy per MT considered in NRV (D)	Stock valuation Rate (B) or (C) whichever is lower (E)	Total Closing Stock Valuation (A) * (E) Rs. Crore (F)
Trom Urea- BRAC- SILO	231.69	32,249.75	31,301.53	26,360.73	31,301.53	0.73
Trom Urea- BRAC- Bagged in factory	1,293.26	32,942.93	32,017.80	27,077.00	32,017.80	4.14
Trom Urea- BRAC- Marketing godowns	4,040.46	34,427.71	33,675.68	28,383.02	33,675.68	13.61
Thal Urea- BRAC- SILO	8,914.70	29,733.88	30,489.40	26,070.12	29,733.88	26.51
Thal Urea- BRAC- Bagged in factory	4,877.16	30,733.67	31,431.07	26,388.52	30,733.67	14.99
Thal Urea- BRAC- Marketing godowns	17,598.34	32,349.94	33,239.24	27,887.24	32,349.94	56.93
Thal Urea -up to RAC Marketing godowns	1,423.52	32,349.94	33,681.90	28,328.71	32,349.94	4.61
Suphala - SILO	3,280.83	29,831.81	37,745.64	10,279.86	29,831.81	9.79
Suphala - S Bagged	1,444.01	30,638.06	38,599.78	11,134.00	30,638.06	4.42
Suphala - Bagged Marketing godowns	11,741.05	32,194.09	40,349.72	12,328.72	32,194.09	37.80
DAP	1,37,228.00	72,888.35	71,991.98	50,013.00	71,991.98	987.93

As finished goods are valued at lower of cost and Net realizable value, revision in subsidies impact the financial statements only for such stocks which are valued at Net realizable value.

Considering the steep increase in prices of NPK nutrients, Government of India, accordingly notified revised rates of subsidy as applicable from 1st April 2022, under Nutrient Based Subsidy scheme for P&K fertilizers on 27th April 2022, and the same has been considered for arriving at Net realisable value for Inventory valuation.

The impact of the difference between the rates for subsidy in respect of closing stock of DAP which has been valued at NRV, at rates prevalent as on 31-3-2022 and revised rates effective from 1st April 2022, works out to Rs. 353.80 crore. However, only for the purpose of response to this additional sub direction; a separate computation for determining the notional impact of revision of subsidies for fertilizers products in valuation of such closing stock as at March 22 has been done. The said impact has accordingly been quantified at Rs. 591.99 Crores using the subsidy value as at March 21 as the base.

The Compliance/Action taken by management on last year's management letter is as follows:

Sr. No.	Para	Compliance/ Action Taken
1	<i>Property, Plant and Equipment (PPE) and Capital Work in Progress (CWIP) are presented as separate line items on the face of the Company's Balance sheet. However, in the Financial Statement, disclosure regarding the movement in Capital Work in Progress should be disclosed in the Financial Statement in compliance to Para 74(b) of IND AS 16.</i>	The Company has complied with the audit observation and the note is disclosed in Note No: 1 of financial statements.
2	<i>Interest income for the delayed settlement of claims/dues arising out of business operations should be included under cash flow from operating activities only and not under cash flows from investing activities.</i>	The Company has complied with the audit observation. Cash flow Statement to the financial statements discloses Interest income for the delayed settlement of claims/dues arising out of business operations as a Interest Income and its movement is captured in cash flow under operating activity.
3	<i>The Company should disclose Key Managerial Personnel compensation in total and for each of separate categories of employee benefits namely (a) short term employee benefits (b) post-employment benefits (c) Other long term benefits (d) termination benefits (e) share based payments, even though employee benefits are determined on an actuarial basis for the Company as a whole and comply with para 17 of IND AS 24.</i>	The Company has complied with the audit observation and the note is disclosed in Note No: 59.3 of financial statements.
4	<i>The Marketing section of RCF has filed some claims for non-payment of dues by various parties. In many cases, the courts/tribunals have ruled in favor of RCF and RCF has also filed execution petition in some of these cases. Such cases should be reviewed and included in Contingent Assets and comply with Para 17 of IND AS 37.</i>	The Company has complied with the audit observation and the note is disclosed in Note No: 67 of financial statements.

For M M Nissim & Co LLP

Chartered Accountants
Firm Regn. No.107122W/W100672

CA. N. Kashinath

Partner
Membership No. 036490
UDIN: 22036490AOWKBW8519
Place: Mumbai
Dated: August 12, 2022

For Gokhale & Sathe

Chartered Accountants
Firm Regn. No. 103264W

CA. Atul Kale

Partner
Membership No. 109947
UDIN: 22109947AOWKFI1526

ANNEXURE “C” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in Paragraph 4(f) of the section ‘Report on Other Legal & Regulatory Requirements’ in our Independent Auditor’s Report to the members of the company on the Standalone Ind AS Financial Statements for the year ended March 31, 2022.)

Report On The Internal Financial Controls Under Clause (I) Of Sub-Section 3 Of Section 143 Of The Companies Act, 2013 (“The Act”)

We have audited the internal financial controls with reference to the Standalone Ind AS Financial Statements of RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED (“the Company”) as of March 31, 2022 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the ‘Guidance Note’ 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 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 Act.

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the Standalone Ind AS Financial Statement and their operating effectiveness.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system with reference to the Standalone Ind AS Financial Statement.

Meaning of Internal Financial Controls with reference to Financial Statements

A Company’s internal financial controls with reference to the Standalone Ind AS Financial Statement is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial controls with reference to the Standalone Ind AS Financial Statement include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company’s

assets that could have a material effect on the Standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls With reference to the Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to the Standalone Ind AS 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 the Standalone Ind AS Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Standalone Ind AS Financial Statements may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with respect to financial statement system and such internal financial controls with respect to financial reporting were operating effectively as at March 31, 2022, based on the internal control with respect to 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 (the “Guidance Note”) issued by the Institute of Chartered Accountants of India.

For M M Nissim & Co LLP

Chartered Accountants
Firm Regn. No.107122W/W100672

CA. N. Kashinath

Partner
Membership No. 036490
UDIN: 22036490AOWKBW8519
Place: Mumbai
Dated: August 12, 2022

For Gokhale & Sathe

Chartered Accountants
Firm Regn. No. 103264W

CA. Atul Kale

Partner
Membership No. 109947
UDIN: 22109947AOWKFJ1526

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF RASHTRIY CHEMICALS AND FERTILIZERS LIMITED FOR THE YEAR ENDED 31 MARCH 2022

The preparation of Standalone financial statements of Rashtriya Chemicals and Fertilizers Limited for the year ended 31st March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is/are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 12 August 2022 which supersedes their earlier Audit Report dated 27 May 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Rashtriya Chemicals and Fertilizers Limited for the year ended 31st March 2022 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

In view of the revision(s) made in the financial statements by the management, as indicated in Note no. 93 of the financial statements and to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report under section 143 (6) (b) of the Act.

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

Place: New Delhi
Date : 21.11.2022

(Keerti Tewari)
Director General of Audit
Agriculture, Food & Water Resources

BALANCE SHEET AS AT 31ST MARCH 2022

₹ Crore

Particulars	Note No.	AS AT	AS AT	AS AT
		31.03.2022*	31.03.2021*	31.03.2020*
ASSETS				
I. NON CURRENT ASSETS				
(a) Property, Plant and Equipment	1	2115.22	2159.28	2122.32
(b) Capital Work in Progress	1.4	512.93	406.35	433.49
(c) Right of Use Assets	2	11.69	13.59	13.68
(d) Investment Property	3	5.18	5.91	6.10
(e) Intangible Assets	4	1.60	2.98	2.62
(f) Financial Assets	5	933.88	650.19	263.09
(i) Investments	6	-	-	-
(ii) Trade Receivables	7	10.22	15.32	20.53
(iii) Loans	8	-	-	-
(iv) Others	9	187.56	181.50	202.32
(g) Other Non-Current Assets				
		3778.28	3435.12	3064.15
2. CURRENT ASSETS				
(a) Inventories				
(b) Financial Assets	10	2327.61	787.37	949.94
(i) Investments				
(ii) Trade Receivables	11	8.04	-	-
(iii) Cash and Cash Equivalents	12	3026.73	1447.40	4549.09
(iv) Bank Balances other than (iii) above	13	1099.73	1471.23	1.31
(v) Loans	14	64.53	49.09	1.29
(vi) Others	15	5.18	6.19	6.50
(c) Other Current Assets	16	69.14	295.34	1653.88
	17	158.94	155.38	75.47
		6759.90	4212.00	7237.48
TOTAL ASSETS		10538.18	7647.12	10301.63
EQUITY AND LIABILITIES				
A. EQUITY				
(a) Equity Share Capital	18	551.69	551.69	551.09
(b) Other Equity	19	3337.54	2805.01	2643.98
		3889.23	3356.70	3195.67
B. LIABILITIES				
1. NON-CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	20	1120.41	1043.04	600.91
(ii) Lease Liabilities	21	7.53	9.17	9.44
(iii) Trade Payables	22			
(A) Total Outstanding Dues of Micro Enterprises and Small Enterprises.		-	-	-
(B) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises.	23	29.98	211.79	211.79
(iv) Other Financial Liabilities	24	193.95	186.32	188.55
(b) Provisions	25	214.07	219.33	198.58
(c) Deferred Tax Liabilities(Net)	26	30.93	34.17	39.11
(d) Other Non-Current Liabilities				
		1596.87	1730.14	1282.83

Particulars	Note No.	AS AT	AS AT	AS AT
		31.03.2022*	31.03.2021*	31.03.2020*
2. CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	27			4212.85
(ii) Lease Liabilities	28	1847.81	1023.75	1.97
(iii) Trade Payables	29	2.77	2.63	
(A) Total Outstanding Dues of Micro Enterprises and Small Enterprises.		36.55	40.01	36.81
(B) Total Outstanding Dues of Creditors Other than Micro Enterprises and Small Enterprises.	30	2306.54	865.06	959.30
(iv) Other Financial Liabilities	26	518.56	394.16	81.51
(b) Other Current Liabilities	31	178.32	103.05	142.14
(c) Provisions	32	123.14	119.23	53.39
(d) Current Tax Liabilities (Net)		38.39	12.19	
		5052.08	2560.08	5823.13
TOTAL EQUITY AND LIABILITIES		10538.18	7647.12	10301.63

*Revised / Restated - Refer Note No. 93.

Statement of Significant Accounting Policies A

Notes forming part of Financial Statements 1 - 98

For and on behalf of the Board of Directors
RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED

(S. C. Mudgerikar)
Chairman & Managing Director
DIN : 03498837

(Nazhat Shaikh)
Director (Finance)
DIN : 07348075

(J. B. Sharma)
Company Secretary
Membership No: FCS5030

Dated : 12th August, 2022.
Place: Mumbai

As per our report of even date attached
For M M NISSIM & CO LLP
Chartered Accountants
Firm Regn. No. 107122W / W100672

(N. Kashinath)
Partner
Membership No: 036490

Dated : 12th August, 2022.
Place: Mumbai

For GOKHALE & SATHE
Chartered Accountants
Firm Regn. No. 103264W

(Atul Kale)
Partner
Membership No: 109947

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

₹ Crore

PARTICULARS	Note No.	Year Ended 31.03.2022*	Year Ended 31.03.2021*
I. Revenue from Operations	33	12812.17	8281.18
II. Other Income	34	136.45	126.61
III. Total Income (I+II)		12948.62	8407.79
IV. Expenses:	35	5469.83	3008.99
Cost of Materials Consumed	36	1742.21	749.21
Purchases of Stock in Trade	37	(859.69)	(30.55)
Changes in Inventories of Finished Goods and Stock in Trade	38	653.78	564.89
Employee Benefits Expense	39	125.89	179.57
Finance Costs	40	183.55	175.26
Depreciation and Amortization Expense / Impairment	41	4816.77	3237.15
Other Expenses		12132.34	7884.52
Total Expenses		816.28	523.27
V. Profit Before Exceptional Items (III-IV)	42	(127.63)	(4.71)
VI. Exceptional Items		943.91	527.98
VII. Profit Before Tax (V-VI)			
VIII. Tax Expense			
(1) Current Tax		267.11	131.97
(2) Deferred Tax		(8.63)	19.14
(3) Taxation Adjustment of Earlier Years Excess(-)/Short(+)		(18.93)	(5.07)
IX. Profit/ (loss) for the Period (VII-VIII)		704.36	381.94
X. Other Comprehensive Income	43		
(i) Items that will not be reclassified to profit or loss			
Remeasurements of Defined Benefit Plans		(12.28)	(3.80)
Fair Value Equity Instruments		13.41	6.42
(ii) Income tax relating to items that will not be reclassified to profit or loss			
Income Tax on Remeasurement of Defined Benefit Plans		3.09	0.96
Deferred Tax on Fair Value Equity Instruments		(3.37)	(1.61)
Other Comprehensive Income for the Year (X)		0.85	1.97
XI Total Comprehensive Income for the Year (IX+X)		705.21	383.91
XII Earnings Per Equity Share	61		
(i) Basic Earnings Per Share (₹)			
(ii) Diluted Earnings Per Share (₹)			
*Revised / Restated - Refer Note No. 93.		12.77	6.92
Statement of Significant Accounting Policies	A	12.77	6.92
Notes forming part of Financial Statements	1 - 98		

For and on behalf of the Board of Directors
RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED

(S. C. Mudgerikar)
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DIN : 03498837

(Nazhat Shaikh)
Director (Finance)
DIN : 07348075

(J. B. Sharma)
Company Secretary
Membership No: FCS5030

Dated : 12th August, 2022.
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As per our report of even date attached

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Chartered Accountants
Firm Regn. No. 107122W / W100672

(N. Kashinath)
Partner
Membership No: 036490

Dated : 12th August, 2022.
Place: Mumbai

For GOKHALE & SATHE
Chartered Accountants
Firm Regn. No. 103264W

(Atul Kale)
Partner
Membership No: 109947

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022

EQUITY SHARE CAPITAL

₹ Crore

Balance as at 01.04.2021	Changes in equity share capital during the year	Balance as at 31.03.2022	Balance as at 01.04.2020	Changes in equity share capital during	Balance as at 31.03.2021
551.69	-	551.69	551.69	-	551.69

OTHER EQUITY

FOR THE YEAR ENDED 31ST MARCH 2022

₹ Crore

Particulars	Reserves and Surplus		Items of Other Comprehensive Income	Total
	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	
Balance as at 01.04.2021	2746.17	-	58.84	2805.01
Profit for the year	-	704.36	-	704.36
Other Comprehensive Income (Net of Tax)	-	(9.19)	10.04	0.85
Total Comprehensive Income for the year	-	695.17	10.04	705.21
Dividend paid Refer note no. 19A	-	(172.68)	-	(172.68)
Transfer to General Reserve	522.49	(522.49)	-	-
Balance as at 31.03.2022*	3268.66	-	68.88	3337.54

FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

Particulars	Reserves and Surplus		Items of Other Comprehensive Income	Total
	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	
Balance as at 01.04.2020	2589.95	-	54.03	2643.98
Profit for the year	-	381.94	-	381.94
Other Comprehensive Income (Net of Tax)	-	(2.84)	4.81	1.97
Total Comprehensive Income for the year	-	379.10	4.81	383.91
Dividend paid Refer note no. 19A	-	(222.88)	-	(222.88)
Transfer from General Reserve	156.22	(156.22)	-	-
Balance as at 31.03.2021*	2746.17	-	58.84	2805.01

* The closing balance in General Reserve is arrived after adjustment of Remeasurement of Defined Benefit Plans amounting to ₹ 9.19 crore (P.Y. ₹ 2.84 crore) during the year net of current tax amounting to ₹ 3.09 crore (P.Y. ₹ 0.96 crore)

Nature and purpose of reserves

- a. General Reserve:** General reserve represents appropriation of profits. This represents a free reserve and is available for dividend distributions. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to the statement of profit and loss.
- b. Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- c. Equity Instruments through Other Comprehensive Income Reserve:** This reserve represents the cumulative gains and losses arising on the revaluation of equity and debt instruments on the balance sheet date measured at fair value through other comprehensive income. The reserves accumulated will be reclassified to retained earnings and profit and loss respectively, when such instruments are disposed.

For and on behalf of the Board of Directors
RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED

(S. C. Mudgerikar)
Chairman & Managing Director
DIN : 03498837

(Nazhat Shaikh)
Director (Finance)
DIN : 07348075

(J. B. Sharma)
Company Secretary
Membership No: FCS5030

Dated : 12th August, 2022.
Place: Mumbai

As per our report of even date attached

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Chartered Accountants
Firm Regn. No. 107122W / W100672

(N. Kashinath)
Partner
Membership No: 036490

Dated : 12th August, 2022.
Place: Mumbai

For GOKHALE & SATHE
Chartered Accountants
Firm Regn. No. 103264W

(Atul Kale)
Partner
Membership No: 109947

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

₹ Crore

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
A Cash Flow From Operating Activities		
Net Profit Before Tax	943.91	527.98
Adjustments for :		
Exceptional Items - (Income)/ Expenses	(127.63)	(4.71)
Depreciation/Amortisation/Loss on Impairment of Assets	183.84	175.59
Provision / (Reversal) of Obsolescence on Raw Materials	(1.11)	4.46
Profit(-) / Loss on Sale of Assets	(7.76)	0.58
Interest Income	(27.72)	(13.27)
Dividend Income	(0.27)	(0.17)
Rental Income Derived from Investment Properties	(36.39)	(34.96)
Gain / (Loss) on Sale of Current Investments	(4.58)	(0.90)
Interest and Finance Charges	125.89	179.57
Provision for Bad/Doubtful Debts	0.64	1.16
Provision for Obsolescence Stores	2.88	2.31
Provision Written Back	(4.06)	(12.72)
Unrealised Foreign Exchange (Gain) /Loss	1.11	2.42
	104.84	209.36
Operating Profit Before Working Capital Changes	1048.75	827.34
Adjustments for :		
Trade Receivables and Other Assets	(1355.54)	4384.27
Inventories	(1540.00)	159.96
Trade Payables and Other Liabilities	1472.70	(48.48)
	(1422.84)	4495.75
Cash Generated / (Used) from Operations	(374.09)	5523.09
Direct Taxes Paid (Net of Refunds)	(218.00)	(112.00)
Net Cash Generated / (Used) from Operating Activities----- A	(592.09)	5211.09
B Cash Flow from Investing Activities		
Additions to Fixed Assets (Net of Trade Credit)	(169.95)	(245.87)
Sale of Fixed Assets	9.94	5.13
Purchase of Current Investments	(8,588.62)	(2,912.98)
Investments in Joint Ventures	(270.00)	(375.97)
Sale of Current Investments	8,585.16	2,913.88
Inter Corporate Advances / Repayments	6.00	5.29
Interest Received	28.11	12.03
Dividend Received	0.27	0.17
Rental Income Derived from Investment Properties	36.39	34.96
Margin Money Deposits Matured / (Placed) with Banks	(15.97)	(46.64)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
	(378.67)	(610.00)
Net Cash Generated/ (Used) from Investing Activities----- B	(378.67)	(610.00)
C Cash Flow from Financing Activities		
Net Proceeds /Repayment of Working Capital Facilities and Short Term Loans	783.10	(3248.36)
Proceeds from Term loans / Non Convertible Debentures	640.68	852.75
Repayments of Term loans	(526.72)	(351.63)
Interest Paid	(121.40)	(157.11)
Dividend Paid	(172.24)	(222.69)
Repayment of Lease liabilities	(4.16)	(4.13)
Net Cash Generated/ (Used) from Financing Activities C	599.26	(3131.17)
Net Increase/Decrease(-) in Cash and Cash Equivalent (A+B+C)	(371.50)	1,469.92
Cash and Cash Equivalents as at 1st April (Opening Balance)	1471.23	1.31
Cash and Cash Equivalents as at 31st March (Closing Balance)	1099.73	1471.23
Components of Cash and Cash Equivalents		
Cash on Hand	0.01	-
Balance With Scheduled Banks in Current Accounts		
in Term Deposits with Less Than 3 Months Maturity	114.72	6.23
	985.00	1465.00
	1099.73	1471.23

Note:

- The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows and presents cash flows by operating, investing and financing activities.
- Refer note no. 76 for movement in financial liability.
- Refer note no. 69 for amount spent during the years ended March 31, 2022 and 2021 on constructions/ acquisition of any asset and other purposes relating to CSR Activities.
- Figures of the previous year have been regrouped/ rearranged wherever necessary to make it comparable to the current year presentation.
- The cash credit facilities availed from bank are part of financing activity which do not form part of cash and cash equivalents for Cash Flow Statement purpose.

For and on behalf of the Board of Directors
RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED

(S. C. Mudgerikar)
Chairman & Managing Director
DIN : 03498837

(Nazhat Shaikh)
Director (Finance)
DIN : 07348075

(J. B. Sharma)
Company Secretary
Membership No: FCS5030

Dated : 12th August, 2022.
Place: Mumbai

As per our report of even date attached
For M M NISSIM & CO LLP
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Firm Regn. No. 107122W / W100672

(N. Kashinath)
Partner
Membership No: 036490

Dated : 12th August, 2022.
Place: Mumbai

For GOKHALE & SATHE
Chartered Accountants
Firm Regn. No. 103264W

(Atul Kale)
Partner
Membership No: 109947

A. Statement of Significant Accounting Policies forming Part of Financial Statements for the year ended 31st March 2022

I) Corporate information

The Company is a public company domiciled in India and is incorporated under 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 Priyadarshini, Eastern Express Highway, Sion Mumbai 400022.

The Company is engaged in the manufacturing and marketing of fertilizers and industrial chemicals.

The standalone financial statements are approved for issue by the Company's Board of Directors on August 12th, 2022

II) Basis of preparation

- a. The standalone financial statements of the Company have been prepared in accordance with accounting standards prescribed under Section 133 of the Companies Act 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act. The Company has consistently applied accounting policies to all periods.
- b. The standalone financial statements have been prepared under the historical cost and on accrual basis, except for the following: -
 - Certain financial assets and liabilities (including Derivative financial instruments) measured at fair value. (Refer to policy at item no "O")
 - Certain provisions recognized using actuarial valuation techniques. (Refer to policy at item no "S")
 - Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. (Refer to policy at item no "Q")
 - Transferable Development Rights (TDRs) received upon surrender of rights on open land which are measured at fair value. (Refer to policy at item no "O")
- c. The standalone financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest crores (₹ 00,00,000), except when otherwise indicated.

- d. The Company changes the presentation or classification of items in its Financial Statements upon being material and further reclassifies comparative amounts, unless impracticable. No such material reclassification has been made during the year.

e. Significant accounting judgements, estimates and assumptions

- 1.1 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, and the accompanying disclosures, and the disclosure of contingent liabilities as at the Balance Sheet date.
- 1.2 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. Any revisions to the accounting estimates are recognized prospectively when revised, in current and future periods.

Some of the significant judgements and assumptions exercised are given as under:-

1.2.1 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 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. The key assumptions used to determine the recoverable amount for the different Cash Generating Units (CGUs), including a sensitivity analysis, are disclosed separately.

1.2.2 Taxes

The Company's tax jurisdiction is in India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. 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.

1.2.3 Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation 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 plans, the management considers the interest rates of government bonds in India.

The mortality rate is based on publicly available mortality tables as defined by LIC. Future salary increases is based on Company's assessment based on past trends.

1.2.4 Subsidy Income

As per extant policies covering subsidy of Urea, major inputs like cost of energy, water etc. are a pass through in the same. Since the notified rates of subsidy of urea incorporating actual revision takes time, recognition of subsidy is generally made on the basis of in principle recognition/approval /settlement of claims from Government of India/Fertilizer Industry Co-ordination Committee while finalising the financial statements.

As per management estimates, there is reasonable certainty based on Government of India policies and past experience that claims will be notified in due course.

1.2.5 Provisions for Obsolescence

Provisions towards obsolete/surplus inventory are recognized as per management estimates under the assumption that they may fetch 5% of their book value upon disposal.

1.2.6 Fair value measurements 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 Discounted Cash Flow model. The inputs to these models are from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Changes in assumptions could affect the reported value of fair value of financial instruments.

1.2.7 Application of Discount rates

Estimates of rates of discounting are done for measurement of fair values of certain financial assets and liabilities, which are based on prevalent bank interest rates and the same are subject to change.

1.2.8 Estimates of Useful lives of Assets/Components

Company has identified significant components of plant and machinery and provides for depreciation over their useful lives as per its technical assessment.

1.2.9 Operating Lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement, is or contains a lease is fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly not specified in an arrangement.

Lease arrangements in which the Company does not transfer substantially all the risks and

rewards of ownership of an asset are classified as operating leases.

The company has applied Ind AS 116 –Leases for ascertainment of the same.

1.2.10 Interest Income from Department of Fertilizer towards import of Urea

Interest income includes interest as estimated by the Company towards delayed settlement of dues by Government of India, as per terms of MoU entered for carrying out import of Urea on behalf of Government of India.

III) Significant accounting policies

A) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

The classification of an asset either current or non-current has been made applying the criteria of realization of such assets within a period of 12 months after the reporting date.

Where assets have been fully provided for as doubtful, the same are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve

months after the reporting period.

The Company classifies all other liabilities as non-current.

B) Foreign Currencies

The standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency.

a. Transactions and Balances

Foreign Currency transactions are accounted at the rates prevailing on the date of transaction. Year-end monetary assets and liabilities are translated at the exchange rate prevailing on the date of the Balance sheet.

Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit and loss for the period in which they arise, except for the following:-

- Exchange differences on Long term foreign currency borrowings relating to assets under construction for future productive use (i.e. Capital Work in progress), are included in the cost of those assets when they are regarded as an adjustment on account of interest costs on those foreign currency borrowings.
- Non-monetary items that are measured in terms of historical cost in foreign currencies are reported using the exchange rates at the date of the transaction.

C) Fair Value Measurement

The Company measures financial instruments, such as, derivatives, investments in equity instruments, Transfer Development Rights etc. 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

External valuers are involved for valuation of significant assets, such as properties, unquoted financial assets etc. Involvement of independent external valuers is decided upon annually by the Company. Further such valuation is done annually at the end of the financial year and the impact if any on account of such fair valuation is taken in the annual financial statements.

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.

D) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is recognized upon transfer of control of promised products and services to customers in an amount that reflects the consideration expected to be received in exchange for those products or services.

Revenue, including subsidy, in respect of sale of goods is recognized when control of the goods has transferred, being when the goods are delivered to the buyer, the buyer has full discretion over the goods and there is no unfulfilled obligation that could affect the buyer's acceptance of the goods.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. Amounts disclosed as revenue are net of returns, rebates, Value added taxes and amounts collected on behalf of third parties. Further, estimated volume discounts, pricing incentives and other variable rebates etc. are reduced from revenue. Any change in the estimated amount of obligation of discount is accounted in the period in which the change occurs.

Scrap, salvaged/waste materials and sweepings are accounted for on delivery/realization.

Subsidy

Recognition of Subsidy is generally made on the basis of in principle recognition/ approval/ settlement of claims from Government of India /Fertilizer Industry Co-ordination Committee.

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 as notified by Government of India.

Subsidy on P&K fertilizers is recognized based on Concession rates as notified for the year by the Government of India under Nutrient Based Subsidy Scheme from time to time and settled during the year.

Subsidy on imported Urea is recognized based on lump sum compensation, and other charges receivable from the Government of India, as per terms of agreement.

Uniform freight subsidy on Urea, P&K fertilizers and Imported Urea has been accounted in accordance with

the parameters and notified rates.

Subsidy on City Compost is recognized based on rates, as notified by the Government of India.

Subsidy income is recorded based on the quantity sold i.e. when control of goods has been transferred to the buyer during the financial year.

Other Operating revenue/other income are recognized on accrual basis.

Interest Income

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, 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 amortized cost of a financial liability.

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

Dividends

Dividend income is recognized when the Company's right to receive the payment is established.

Commission Income

For certain arrangements, Company acts as an agent. The role of the Company either as an agent or a principal is determined based on evaluation of its role as a primary obligor, has the pricing latitude in the said arrangements, its exposure to inventory risks and credit risks, on case to case basis. Commission income is recognized as per the terms of agreement when such amounts become entitled.

Others

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

Income from sale of Certified Emissions Reductions (CER's)/Voluntary Emissions Reductions (VER's)/Renewable Energy Certificates (REC's) is recognized on delivery and confirmation of the same by the concerned authorities.

E) Taxation

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

a. Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax items are recognized in correlation to the underlying transaction either in Other Comprehensive income 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.

b. Deferred Tax

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 recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or 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, associates 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 recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized for unused tax losses 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 recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profits 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 utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting period.

c. Current Tax and Deferred Tax

Current and Deferred tax are recognized in Statement of Profit and loss, except when they relate to items that are recognized in Other Comprehensive Income (OCI) or directly in equity, in which case, the current and deferred tax are also recognized in OCI or directly in equity respectively.

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

F) Property, Plant and Equipment

All items of property, plant and equipment, including freehold land are initially recorded at cost, net of recoverable taxes and discounts.

The cost includes the cost of replacing part of the property, plant and equipment meeting the recognition criteria and borrowing costs that are directly attributable to the acquisition, construction or production of a

qualifying property, plant and equipment upto the date of commissioning of the assets.

In accordance with Ind AS 16- Property, Plant and Equipment commissioning expenses directly attributable to project is recognized under Capital Work in Progress (CWIP).

Subsequent to initial recognition, property, plant and equipment other than freehold land are measured at cost less accumulated depreciation and any accumulated impairment losses. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Spares costing (Unit value of ₹10 lacs and above), and other components which are required to be replaced at intervals, meeting the recognition criteria have been classified as Plant and Equipment and are depreciated separately based on their specific useful lives.

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 Statement of Profit and loss as incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Catalysts which are used in commissioning of new projects/plants are capitalized and are amortized based on the estimated useful life of 1 to 9 years, as technically assessed. Subsequent issues of catalysts, if any, are treated as inventory.

Projects under which assets are not ready for their intended use are shown as Capital work in progress.

Freehold / Leasehold improvements are considered as property plant and equipment.

Right of use assets are assets taken under an operating lease meeting the criteria laid under Ind AS116- Leases. The value of such assets comprise of the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any.

Depreciation

Depreciation is calculated on a Straight-line basis over the estimated useful lives of each item of property, plant and equipment as estimated by the management and charged to Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013.

Depreciation on additions/deletions to Gross Block is calculated on pro-rata basis from the date of such additions and upto the date of such deletions.

Depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual value. A maximum residual value of 5% is considered for all assets, except in case of roads, wells and fences, office equipments and end user computing devices like desk tops, laptops etc. where it is considered as NI.

The estimate of useful life of the assets has been assessed based on technical evaluation which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc.

A major portion of the plant and equipment of the Company has been considered as continuous process plant.

The estimated useful life of items of property, plant and equipment is mentioned below:

S. No.	Assets	Useful Lives (In Years)
1	Plant and Equipments	1 to 25
2	Office Equipments	1 to 10
3	Furniture and Fixtures	1 to 10
4	Electrical Equipments	1 to 25
5	Factory Building and Other Buildings	1 to 60
6	Vehicles	8
7	Information Technology Equipments	3 to 6
8	Other Miscellaneous Equipments	1 to 25

Freehold land has an unlimited useful life and there fore is not depreciated.

After recognition of impairment loss, the revised carrying amount less residual value of the impaired asset would be depreciated on systematic basis over the remaining useful life of the asset. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

Depreciation on each item of an asset costing less than ₹ 5,000 are depreciated at 100% in the year of capitalization.

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.

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of profit and loss in the year the asset is de-recognized.

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

G) Investment Properties

Investment properties are properties that are held to earn rentals and /or for capital appreciation (including property under construction for such purposes) and not occupied by the Company for its own use.

Investment properties are measured initially at cost, including transaction costs cost and net of recoverable taxes. The cost includes the cost of replacing parts and borrowing costs if 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.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Depreciation on Investment property, wherever applicable, is provided on straight line basis as per useful lives prescribed in Schedule II to Companies Act 2013.

Investment properties are derecognised either when they have been disposed off or when they are being occupied by the Company for its own use 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 recognised in profit or loss in the period of derecognition.

H) Intangible Asset

a. Recognition and Measurement

Intangible assets acquired separately are measured on initial recognition at cost, net of recoverable taxes. The cost of intangible assets comprises its purchase price, and any cost directly attributable to bringing the asset to its working condition for the intended use. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The Company has no intangible assets with infinite useful lives.

b. Amortization

Intangible assets (i.e. software applications) having finite useful lives are amortized over their respective individual estimated useful lives on a Straight-line basis, pro-rata from the date the asset is available to the Company for its use. Management estimates the useful life of software applications identified as intangible assets as three years. Any expenses incurred on intangible assets with finite useful lives up to ` 1 lakh in each case are being charged off in the year of incurrence.

Gains or losses arising from de-recognition 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 or loss when the asset is derecognized.

I) Impairment of Non-Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from assets or group of assets (cash-generating units). If any indication exists, 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. When 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.

Company bases its impairment calculation on detailed budgets and forecasts which are prepared for each of its CGU separately.

For all the assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the 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 CGU's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the CGU 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 CGU's in prior years. Such reversal is recognized in the Statement of Profit and Loss.

Impairment losses of continuing operations, including impairment on inventories and right of use assets, are recognized in the Statement of profit and loss.

J) Borrowing Costs

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

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 or sale are accumulated and capitalized upto the date when such assets are ready for their intended use or sale, as part of the cost of the asset.

All other borrowing costs are expensed in the period in which they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

General Borrowings cost incurred in connection with qualifying assets are capitalized by applying the Capitalization rate on the quantum of such borrowings utilized for such assets.

K) Leases

The Company evaluates each contract or arrangement at inception, whether it qualifies as lease as defined under Ind AS 116- Leases. i.e., if the contract conveys the right to control the use of asset for a period of time in exchange for consideration.

The Company as a lessee

The Company assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves–

- (a) the use of an identified asset,
- (b) the right to obtain substantially all the economic benefits from use of the identified asset, and
- (c) the right to direct the use of the identified asset.

The Company at the inception of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets.

Right of use assets

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

The Right to use assets are also subject to impairment as described in the policies with respect to the impairment of non-financial assets.

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in the statement of Profit and loss.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

Lease payments are classified in the Cash flow statement as cash flows relating to Financing activities.

Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases are recognised on straight line basis as per lease terms over the period of lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the lease asset and recognised over the lease term. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases.

Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

L) Inventories

a. Assessment of Inventory

Raw Materials, Intermediary Products, By-Products and Finished Products inside factory premises, in bulk form, are assessed by survey method on a date as close as possible to the Balance Sheet date and the shortages /excesses in the quantities as compared to book stocks are adjusted in the books. Finished goods and other inventory stored outside the factory premises are taken as per warehousing certificates and third party confirmation respectively.

b. Mode of Valuation

Inventory is valued at lower of cost and net realizable value except in case of by-products, which are

valued at, net realizable value. However, materials and other items held for use in the production of finished goods are not written down below cost if the finished products in which they will be incorporated /consumed are expected to be sold at or above cost.

Gases and slurries, if any, in pipelines at different stages of process are not valued as the same is not practicable.

Certified Emission Reductions (Carbon credits), Renewable Energy Certificates are valued at lower of cost and net realizable value.

c. Basis of Cost

The cost of manufactured finished goods, bought out products and intermediary products are arrived at based on weighted average cost. Bifurcation of cost of joint products is made on technical estimates.

Cost of raw materials, petroleum products, packing materials, stores and spares, and loose tools is determined on weighted average cost basis.

Provision is made in respect of raw materials, packing materials, stores and spares and petroleum products, wherever appropriate, based on technical estimates, to reflect the impact of obsolescence, damage or other diminution in value.

d. Measurement of Cost / Realizable Value

Cost of Purchases

Cost of purchase includes duties, taxes (net of those recoverable) freight and other expenses net of trade discounts, rebates and price adjustments.

Cost of Manufactured goods

Cost of Manufactured Goods comprises of direct cost, variable production overheads and fixed production overheads on absorption costing method. Catalysts issued are charged off over their estimated useful lives as technically assessed ranging from 1 to 9 years. Variable production overheads are allocated based on actual production. Variable overheads related to movement of finished products are allocated based on actual dispatches. Fixed overheads are allocated based on higher of the actual production level or normal production level on a consistent basis. Average handling and transportation costs incurred to bring the material in its present location and condition is included in valuing stocks in field warehouses and in transit.

Cost of Traded Fertilizers

It comprises of Cost of Purchases as defined under para L) (d) plus bagging, handling and transportation costs incurred to bring the material in its present location and condition.

Net Realizable Value

Price of urea is administered by the Government of India by which selling price is fixed for the buyer. The net realizable value for manufactured urea is taken at the applicable price concession (selling price net of dealers' margin plus the applicable subsidy from Government of India) net of variable selling and distribution cost. Net realizable value of off-spec urea is taken at 40% of MRP excluding subsidy.

The net realizable value of phosphatic and potassic fertilizers is taken at the applicable selling prices expected to be realized, net of dealers' margin and variable selling and distribution costs, plus the concession as fixed/to be fixed by Government. Net realizable value of off-spec phosphatic and potassic fertilizers is taken at selling price net of dealers' margin and estimated cost of re-processing including transportation cost to factory. The net realizable value of off-spec traded phosphatic and potassic out fertilizers is at 30% of MRP excluding subsidy.

Average freight incurred on despatches from silo/factory/ port to godown and other products handling costs is reduced for arriving at the net realizable value in respect of stocks of fertilizers in silo/factory/port.

The net realizable value of non-fertilizer products is taken at lowest selling prices net of variable selling and distribution costs, expected to be realized in future.

M) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a 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. When a provision is expected to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. 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 recognized as finance cost.

N) Contingencies

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises where a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognized but are disclosed where an inflow of economic benefits is probable. The estimation of financial effect in respect of contingent liabilities and contingent assets wherever not practicable, is not disclosed and such fact is accordingly stated.

O) 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 recognized initially at fair value. However, in case of financial assets that are not recorded at fair value through profit or loss; the transaction costs that are directly attributable to the acquisition of issue of such financial assets are added to the value of the financial assets.

Subsequent Measurement

Financial assets presently held by the Company are classified as under:-

- Debt instruments at amortized cost
- Debt instruments, TDRs and derivatives at Fair Value Through Profit or Loss (FVTPL)
- Equity instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI)

i. Debt Instruments at Amortized Cost

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

- (i) The asset is held within a business model whose objective is to hold assets for collecting con-

tractual cash flows, and

- (ii) 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 amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the statement of profit or loss. This category generally applies to trade and other receivables.

ii. Debt Instrument at FVTPL

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

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

iii. Equity Investments

All equity investments in scope of IndAS 109 - Financial Instruments are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may decide to classify the same as at FVTOCI. The Company makes such election on an instrument-by-instrument basis upon on initial recognition and same is irrevocable.

Upon classification of equity instruments as at FVTOCI, 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 investments. The Company may transfer the cumulative gain or loss within equity.

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

Investments in Joint ventures, subsidiaries and associates are recognized at cost.

iv. Derivative Financial Instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest and foreign exchange rate risks, like foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognized at fair value on the date the derivative contracts are entered into and are subsequently re-measured to their fair value (Mark to Market) at the end of each reporting period. The resulting gain or loss is recognized in the Statement of profit and loss. Company does not designate any of its derivative instruments as hedge instruments. Derivatives are carried as financial assets when fair value is positive and as financial liabilities when the fair value is negative.

Transaction costs incurred for such derivative instruments are charged off to Statement of Profit and Loss on initial recognition.

Derecognition

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of Financial Assets

In accordance with Ind AS109 – Financial Instruments, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- i. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- ii. Lease receivables
- iii. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS115 – Revenue From Contracts with Customers.
- iv. Financial guarantee contracts which are not measured as at FVTPL

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. All cash shortfalls) discounted at the original effective interest rate.

While estimating cash flows, Company considers all contractual terms of financial instrument over the expected life of the financial instrument including cash flows from the sale of collateral held that are integral to contractual terms.

In case of Trade receivables the Company has used a practical expedient as permitted under Ind AS109 – Financial Instruments. This expected credit loss allowance is computed based on a provision matrix which takes in account historical credit loss experience with adjustments for collaterals available and forward looking information, if required.

ECL allowance is not recognized on Subsidy receivables since they are due from Government of India and also on other receivables which are largely due from Government agencies, as the Company does not perceive any risk of default which would be material.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit

risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The Balance Sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, trade receivables and lease receivables.
- ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet.
- The allowance reduces the net carrying amount, until the asset meets write-off criteria.
- Trade receivables, other receivables, loans and advances are also fully provided for as doubtful upon review on case to case basis, to the extent of such loss considered as incurred.

b. Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition as loans and borrowings, payables, derivatives and financial liabilities at fair value through profit or loss. The Company's financial liability consists of trade and other payables, loans and borrowings, bank overdrafts, financial guarantee contracts and derivative financial instruments.

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

Subsequent Measurement

The subsequent measurement of financial liabilities of the Company depending on their classification is described below:-

i. Loans and Borrowings Including Bank Over-drafts

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized 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 amortization is included as finance costs in the statement of profit and loss.

This category generally applies to interest-bearing loans and borrowings.

ii. Financial Guarantee Contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder of the guarantee for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109- Financial Instruments and the amount recognized less cumulative amortization.

Derecognition

A financial liability is derecognized 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 recognized in the statement of profit and loss.

P) Cash and cash equivalents

Cash and cash equivalents comprise of cash at banks and on hand and short-term deposits with a maturity of three

months or less. For the purpose of the cash flow statement, cash and cash equivalents include cash on hand, in banks, demand deposits with banks and other short term highly liquid investments, net of outstanding overdrafts that are repayable on demand and are considered part of the Company's cash management system.

Q) Non – Current Assets Held for Sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

R) Government Grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in statement of profit and loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate and are presented within Other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they become receivable.

Government grants relating to purchase of property, plant and equipment are included in Other non-current liabilities and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

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

S) Employee Benefits

a. Short Term Employee Benefits:

All employee benefits payable within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted

amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

b. Retirement Benefit Costs and Termination Benefits and Other Long Term Employee Benefits

Defined Contribution Schemes

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Company's defined Contribution made to its Superannuation scheme is charged off to Statement of Profit and Loss on accrual basis.

Defined Benefit Plans

Provident Fund

Contribution to Provident Fund is accounted for on accrual basis as per actuarial valuation done on deterministic basis. The Provident Fund contributions are made to a Trust administered by the Company by both the employer as well as employee. The Trust invests in specific designated instruments as permitted by Indian Law. The interest rate payable to the members of the Trust is being administered by the Government. The Company has an obligation to make good the shortfall, if any between the return from the investments of the Trust and the notified interest rate. Further in the event there is a deficit, owing to the fair valuation of plan assets being lower than defined benefit obligation at the Balance Sheet date, Company has to fund the shortfall. Such shortfall including shortfall in the interest is recognized in the Statement of Profit and Loss.

Gratuity and Post-retirement Medical Benefits

For Defined Benefit plans comprising of gratuity, post-retirement medical benefits the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurements recognized in other comprehensive income is reflected immediately in

retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expenses or income; and
- Re-measurements

The Company presents the first two components of defined benefit costs in the Statement of profit and loss in the line item 'Employee Benefits Expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

The cost of the defined benefit gratuity plan and other Post employment medical benefits and the present value of gratuity obligation are determined using actuarial valuation techniques.

Termination Benefits

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Other Long term benefits

Liabilities recognized in respect of other long term benefits like leave encashment and long term service awards are measured at the present value of the estimated future cash outflows to be made by the Company (based on actuarial valuation) in respect of services provided by employees upto the reporting date.

T) Segment Reporting

The Company has recognized the following operating segments, viz Fertilizers, Industrial Chemicals and Trading, the business activities it is primarily engaged

into. The same has been done based on the review of the operating results, internal reporting, review of performance, decision making relating to future allocation of resources, policy parameters influencing business etc. carried out by its Chief Operating Decision Maker i.e. Executive Management Committee/Board of Directors.

U) Prepaid Expenses

Individual expense up to ₹1,00,000 is not considered in classifying prepaid expenses.

V) Research and Developments expenses

Revenue expenditure on Research activity is recognized separately and charged to Statement of Profit and Loss. Expenditure on development activities is capitalized when its future economic benefits can reasonably be regarded as assured.

W) Earnings per Share (EPS)

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

Upon discontinuation of an operation the basic and diluted amount per share for the discontinued operation is separately reported, as applicable.

X) Cash Dividend

The Company recognizes a liability to make cash distributions to shareholders when the distribution is authorized and the same is no longer at the discretion of the Company. A corresponding amount is recognized directly in equity.

IV) Exemptions applied

Ind AS101- First Time Adoption of Indian Accounting Standards, allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions.

Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition measured as per Indian GAAP and use that as its deemed cost as at date of transition. The same is applicable even for Investment property, intangible assets and its investments in Joint venture, associates and subsidiaries.

Company has also reviewed the necessary adjustments required to be done in accordance with paragraph D21 this standard (i.e. adjustments arising on account of decommissioning or

restoration liabilities) and has accordingly considered the impact of the same wherever applicable.

The Company has designated unquoted equity instruments held at 1 April 2015 as fair value through OCI.

V) Recent Pronouncements: On March 23, 2022 Ministry of Corporate Affairs has notified and amended the companies (Indian Accounting Standards) amendment rules, 2022.

a) **Amendment to Ind AS 16 – Property, Plant & Equipment:**

The date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The amendment is with respect to excess of sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant & equipment.

b) **Amendment to Ind AS 37 – Provisions, contingent liabilities and contingent assets.**

The date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The amendment is that the 'costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

c) **Ind AS 103 - Business Combination: Reference to Conceptual Framework**

The amendments specifies that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103- Business Combination.

d) **Ind AS 109 – Financial Instruments: Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 – Financial Instruments in assessing whether to derecognise a financial liability.

The above amendments come into force from accounting period commencing on or after 1st April, 2022, within those fiscal years. The Company is in the process of analyzing the impact of the amendment on the financial statements, if any.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

NOTE NO. 1 PROPERTY, PLANT & EQUIPMENT

AS AT 31.03.2022

₹ Crore

Sr. No.	Description	DEEMED COST / COST				DEPRECIATION				IMPAIRMENT LOSS			NET BOOK VALUE	
		AS.AT 01.04.2021	Of Additions/ Adjustments *	Of Deductions/ Adjustments	AS.AT 31.03.2022	UPTO 01.04.2021	Provided during the year	On items Sold/ Discarded/ Adjusted	UPTO 31.03.2022	UPTO 01.04.2021	Provided during the year	UPTO 31.03.2022	AS.AT 31.03.2022	AS.AT 31.03.2021
a.	Land (Freehold)	10.74	-	-	10.74	-	-	-	-	-	-	10.74	10.74	
b.	Buildings	259.67	14.88	0.17	274.38	44.65	10.84	(0.14)	55.63	0.70	-	218.05	214.32	
c.	Plant & Machinery	2587.17	105.02	2.92	2689.27	745.35	149.37	1.80	892.92	10.47	-	1785.88	1831.35	
d.	Furniture & Fixtures	13.31	2.08	0.05	15.34	8.12	1.34	0.02	9.44	-	-	5.90	5.19	
e.	Vehicles	4.14	0.15	-	4.29	2.65	0.27	-	2.92	-	-	1.37	1.49	
f.	Office Equipments	33.65	1.61	0.14	35.12	21.06	3.44	0.12	24.38	-	-	10.74	12.59	
g.	Others													
i)	Roads & Culverts	15.52	5.86	-	21.38	9.29	2.18	-	11.47	-	-	9.91	6.23	
ii)	Railway Sidings	19.45	0.86	-	20.31	7.16	1.06	-	8.22	-	-	12.09	12.29	
iii)	Water System, Sewerage & Drainage	20.98	0.72	-	21.70	6.85	1.34	-	8.19	-	-	13.51	14.13	
iv)	Miscellaneous Equipments	98.62	4.87	0.36	103.13	47.67	8.71	0.28	56.10	-	-	47.03	50.95	
	TOTAL	3063.25	136.05	3.64	3195.66	892.80	178.55	2.08	1069.27	11.17	-	2115.22	2159.28	

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022
NOTE NO. 1 PROPERTY, PLANT & EQUIPMENT
AS AT 31.03.2021

₹ Crore

Sr. No.	Description	DEEMED COST / COST			DEPRECIATION			IMPAIRMENT LOSS			NET BOOK VALUE		
		AS.AT 01.04.2020	Of Additions/ Adjustments*	Of Deductions/ Adjustments	AS.AT 31.03.2021	UPTO 01.04.2020	Provided during the year	On items Sold/ Discard- ed/Ad- justed	UPTO 31.03.2021	UPTO 01.04.2020	Pro- vided during the year	UPTO 31.03.2021	AS.AT 31.03.2021
a.	Land (Freehold)	10.74	-	-	10.74	-	-	-	-	-	-	10.74	10.74
b.	Buildings	242.05	17.78	0.16	259.67	34.96	9.70	0.01	44.65	0.71	(0.01)	214.32	206.38
c.	Plant & Machinery	2419.55	175.18	7.56	2587.17	604.58	142.83	2.06	745.35	10.26	0.21	1831.35	1804.71
d.	Furniture & Fix- tures	11.97-	1.37	0.03	13.31	6.86	1.27	0.01	8.12	-	-	5.19	5.11
e.	Vehicles	3.98	0.16	-	4.14	2.29	0.36	-	2.65	-	-	1.49	1.69
f.	Office Equipments	25.67	8.01	0.03	33.65	17.74	3.34	0.02	21.06	-	-	12.59	7.93
g.	Others												
i)	Roads & Culverts	14.24	1.28	-	15.52	7.31	1.98	-	9.29	-	-	6.23	6.93
ii)	Railway Sidings	15.29	4.16	-	19.45	6.08	1.09	0.01	7.16	-	-	12.29	9.21
iii)	Water System, Sew- erage & Drainage	20.94	0.04	-	20.98	5.54	1.31	-	6.85	-	-	14.13	15.40
iv)	Miscellaneous Equipments	93.46	5.24	0.08	98.62	39.24	8.48	0.05	47.67	-	-	50.95	54.22
	TOTAL	2857.89	213.22	7.86	3063.25	724.60	170.36	2.16	892.80	10.97	0.20	2159.28	2122.32

₹ Crore

1.1	* Additions/Adjustments in PPE include the following	AS AT 31.03.2022	AS AT 31.03.2021
	Exchange Differences	-	-
	Borrowing Costs	5.60	7.08
	TOTAL	5.60	7.08

1.2 Land at Thal included in Gross Block (at cost) at ₹ 4.43 Crore (area measuring 50,52,476 Sq. Mtr.) is subject to final revision in price.

1.3 Assets offered as security for loans have been provided in Note No 20

₹ Crore

1.4	Capital work in progress (Refer Note No. 80)	AS AT 31.03.2022	AS AT 31.03.2021
	Opening Balance	406.35	433.49
	Additions	242.08	182.66
	Capitalisations	135.50	209.80
	Closing Balance	512.93	406.35

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

**NOTE No. 2 NON-CURRENT ASSETS - RIGHT OF USE ASSETS (ROU)
AS AT 31.03.2022**

₹ Crore

Description	DEEMED COST / COST			DEPRECIATION			IMPAIRMENT LOSS			NET BOOK VALUE			
	AS.AT 01.04.2021	Of Additions/ Adjustments	Of Deduc- tions/ Adjustments	AS.AT 31.03.2022	UPTO 01.04.2021	Provided during the year	On items Sold/ Discarded/ Adjusted	UPTO 31.03.2022	UPTO 01.04.2021	Provided during the year	UPTO 31.03.2022	AS.AT 31.03.2022	AS.AT 31.03.2021
Land (Leasehold) ROU	10.39	-	-	10.39	1.60	0.80	-	2.40	-	-	-	7.99	8.79
Buildings ROU	2.71	0.88	0.48	3.11	1.08	0.84	0.48	1.44	-	-	-	1.67	1.63
Vehicles ROU	6.46	0.77	0.28	6.95	3.29	1.89	0.26	4.92	-	-	-	2.03	3.17
TOTAL	19.56	1.65	0.76	20.45	5.97	3.53	0.74	8.76	-	-	-	11.69	13.59

AS AT 31.03.2021

₹ Crore

Description	DEEMED COST / COST			DEPRECIATION			IMPAIRMENT LOSS			NET BOOK VALUE			
	AS.AT 01.04.2020	Of Additions/ Adjustments	Of Deductions/ Adjustments	AS.AT 31.03.2021	UPTO 01.04.2020	Provided during the year	On items Sold/ Discarded/ Adjusted	UPTO 31.03.2021	UPTO 01.04.2020	Provided during the year	UPTO 31.03.2021	AS.AT 31.03.2021	AS.AT 31.03.2020
Land (Leasehold) ROU	10.39	-	-	10.39	0.80	0.80	-	1.60	-	-	-	8.79	9.59
Buildings ROU	2.48	0.47	0.24	2.71	0.55	0.77	0.24	1.08	-	-	-	1.63	1.93
Vehicles ROU	3.51	2.96	0.01	6.46	1.35	1.95	0.01	3.29	-	-	-	3.17	2.16
TOTAL	16.38	3.43	0.25	19.56	2.70	3.52	0.25	5.97	-	-	-	13.59	13.68

NOTE NO. 3 NON-CURRENT ASSETS - INVESTMENT PROPERTY

AS AT 31.03.2022

₹ Crore

Description	DEEMED COST / COST			DEPRECIATION			IMPAIRMENT LOSS			NET BOOK VALUE			
	AS.AT 01.04.2021	Of Additions/ Adjustments	Of Deduc- tions/ Adjustments	AS.AT 31.03.2022	UPTO 01.04.2021	Provided during the year	On items Sold/ Discarded/ Adjusted	UPTO 31.03.2022	UPTO 01.04.2021	Provided during the year	UPTO 31.03.2022	AS.AT 31.03.2022	AS.AT 31.03.2021
Land (Freehold)	0.01	-	-	0.01	-	-	-	-	-	-	-	0.01	0.01
Buildings	7.04	0.05	0.75	6.34	1.14	0.19	0.16	1.17	-	-	-	5.17	5.90
TOTAL	7.05	0.05	0.75	6.35	1.14	0.19	0.16	1.17	-	-	-	5.18	5.91

AS AT 31.03.2021

Description	DEEMED COST / COST			DEPRECIATION			IMPAIRMENT LOSS		NET BOOK VALUE		
	AS.AT 01.04.2020	Of Additions/ Adjustments	Of Deductions/ Adjustments	AS.AT 31.03.2021	UPTO 01.04.2020	Provided during the year	On items Sold/ Discarded/Ad- justed	UPTO 31.03.2021	UPTO 31.03.2021	AS.AT 31.03.2021	AS.AT 31.03.2020
Land (Freehold)	0.01	-	-	0.01	-	-	-	-	-	0.01	0.01
Buildings	7.04	0.01	0.01	7.04	0.95	0.19	-	1.14	-	5.90	6.09
TOTAL	7.05	0.01	0.01	7.05	0.95	0.19	-	1.14	-	5.91	6.10

3.1 The Company's investment properties consist of commercial / residential properties located at Mumbai, Alibaug and Lucknow. The management has determined that the investment properties consist of two classes of assets – land and building.

	AS AT 31.03.2022	AS AT 31.03.2021
Information regarding income and expenditure of Investment Property		
Rental income derived from investment properties	36.39	34.96
Less: Direct operating expenses (including repairs and maintenance) generating rental income	2.87	1.17
Less: Direct operating expenses (including repairs and maintenance) that did not generate rental income	0.04	0.04
Profit arising from investment properties before depreciation and indirect expenses	33.48	33.75
Less: Depreciation	0.19	0.19
Profit arising from investment properties before indirect expenses	33.29	33.56

3.3 Company undertakes expenditure towards Maintenance for upkeep of its properties which also covers the portion relating to Investment Property. The same being not material, no separate disclosure of contracts entered into for maintenance of investment property is given.

3.4 As at 31 March 2022, the fair values of the properties is ₹ 893.88 crore (₹ 928.46 crore as on 31.03.2021). These valuations are based on valuations performed by M/s M.A. Toke, an accredited independent valuer and has worked out the value of the property based on the information and a study of the micro market in discussions with industry experts, local brokers and regional developers.

3.5 Fair value disclosures for investment properties is detailed below

Reconciliation of Fairvalue		AS AT 31.03.2022	AS AT 31.03.2021	₹ Crore
LAND				
Opening balance		251.33		242.08
Fair Value		267.53		251.33
Fair value difference		16.20		9.25
Purchases / Transfers		-		-
Closing balance		267.53		251.33
BUILDING				
Opening balance		677.13		600.50
Fair Value		716.84		689.24
Fair value difference		39.71		88.74
Purchases / Transfers		(90.49)		(12.11)
Closing balance		626.35		677.13
TOTAL				
Opening balance		928.46		842.58
Fair Value		984.37		940.57
Fair value difference		55.91		97.99
Purchases / Transfers		(90.49)		(12.11)
Closing balance		893.88		928.46

NOTE NO. 4. NON-CURRENT ASSETS - INTANGIBLE ASSETS AS AT 31.03.2022

Description	DEEMED COST / COST		AMORTISATION		IMPAIRMENT LOSS		NET BOOK VALUE		₹ Crore				
	AS.AT 01.04.2021	Of Additions/ Adjustments	AS.AT 31.03.2022	Of Deductions/ Adjustments	Provided during the year	On items Sold/ Discarded/Adjusted	UPTO 01.04.2021	UPTO 31.03.2022		Provided during the year	UPTO 01.04.2021	UPTO 31.03.2022	AS.AT 31.03.2021
Computer Software	16.79	0.20	16.99	-	1.57	(0.01)	13.81	15.39	-	-	-	1.60	2.98
TOTAL	16.79	0.20	16.99	-	1.57	(0.01)	13.81	15.39	-	-	-	1.60	2.98

Description	DEEMED COST / COST		AMORTISATION		IMPAIRMENT LOSS		NET BOOK VALUE		₹ Crore				
	AS.AT 01.04.2020	Of Additions/ Adjustments	AS.AT 31.03.2021	Of Deductions/ Adjustments	Provided during the year	On items Sold/ Discarded/Adjusted	UPTO 01.04.2020	UPTO 31.03.2021		Provided during the year	UPTO 01.04.2020	UPTO 31.03.2021	AS.AT 31.03.2021
Computer Software	15.11	1.68	16.79	-	1.32	-	12.49	13.81	-	-	-	2.98	2.62
TOTAL	15.11	1.68	16.79	-	1.32	-	12.49	13.81	-	-	-	2.98	2.62

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

		₹ Crore	
NOTE NO. 5	"NON-CURRENT ASSETS" "FINANCIAL ASSETS - INVESTMENTS"	AS AT 31.03.2022	AS AT 31.03.2021
A. Investments in Equity Instruments:			
a. Joint Ventures at Cost			
Talcher Fertilizers Limited (Formerly known as Rashtriya Coal Gas Fertilizers Limited) (80,54,80,826 equity shares (P.Y. 53,54,80,424 equity shares) of ₹10 each) (Under lock in period for 5 year from date of commercial operation)		805.48	535.48
b. Investment Designated at Fair Value Through OCI		805.48	535.48
Indian Potash Limited* (Refer Note No. 73) (6,73,200 equity shares (P.Y.6,73,200 equity shares) of ₹10 each)		92.09	78.68
B. Other Investments (Unquoted) Designated at Fair Value Through P&L Transferable Development Rights			
(Refer Note No. 68/73)		36.31	36.03
TOTAL		933.88	650.19
*Reconciliation of fair value measurement of the investment in unquoted equity shares of Indian Potash Limited (IPL)			
		₹ Crore	
		31.03.2022	31.03.2021
Opening balance		78.68	72.26
Total Gains and Losses Recognised in OCI		13.41	6.42
Closing Balance		92.09	78.68
Company has adopted the carrying amount as per IGAAP as its deemed cost of its investment in joint ventures.			
The deemed cost of the investments has been arrived as under:			
a. FACT-RCF Building Products Ltd.		32.87	32.87
(3,28,70,000 equity shares(P.Y.3,28,70,000) of ₹10 each)			
Less:- Provision for Diminution in the value of investment		(32.87)	(32.87)
Carrying Value		-	-
a. Urvarak Videsh Ltd.		0.18	0.18
(1,80,002 equity shares(P.Y.1,80,002) of ₹10 each)			
Less:- Provision for Diminution in the value of investment		(0.18)	(0.18)
Carrying Value		-	-

		₹ Crore	
NOTE NO. 6	"NON-CURRENT ASSETS" "FINANCIAL ASSETS - TRADE RECEIVABLES"	AS AT 31.03.2022	AS AT 31.03.2021
i.	Trade Receivables (Refer Note No. 78)	1.98	1.71
ii.	Credit Impaired	(1.98)	(1.71)
iii.	Less: Provision for Doubtful Debts	-	-
TOTAL		-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

₹ Crore

NOTE NO. 7	"NON-CURRENT ASSETS" "FINANCIAL ASSETS - LOANS"	AS AT	AS AT
		31.03.2022	31.03.2021
i.	Secured Considered Good : Loans- Employees	0.02	0.02
ii.	Unsecured Considered Good : Loan- Other CPSE (Refer Note No. 59.2)	10.20	15.30
iii.	Significant Increase in Credit Risk	-	-
iv.	Credit Impaired	-	-
	TOTAL	10.22	15.32

₹ Crore

NOTE NO. 8	"NON-CURRENT ASSETS" "FINANCIAL ASSETS - OTHERS"	AS AT	AS AT
		31.03.2022	31.03.2021
(i)	Advances to Related Parties		
	Considered Doubtful (Refer Note No. 59.1)	36.50	36.50
	Less: Provision	(36.50)	(36.50)
		-	-
(ii)	Advance Against Equity Pending Allotment (Refer Note No. 59.1)		
	Less: Provision Towards Diminution in Value	2.36	2.36
		(2.36)	(2.36)
		-	-
(iii)	Others		
	Receivables Towards Rent / Services Provided		
	Unsecured - Considered Doubtful	0.66	1.77
	Less: Provision for Doubtful Receivables	(0.66)	(1.77)
		-	-
	TOTAL	-	-

₹ Crore

NOTE NO. 9	"NON-CURRENT ASSETS" "OTHER NON-CURRENT ASSET"	AS AT	AS AT
		31.03.2022	31.03.2021
(i)	Capital Advances		
	Unsecured -Considered Good	43.01	43.16
(ii)	Advances other than Capital Advances		
a.	Loans (Material Given on Refundable Basis) to Related Parties		
	Considered Doubtful (Refer Note No. 59.1)	1.37	1.37
	Less: Provision	(1.37)	(1.37)
		-	-
b.	Other Advances		
	Unsecured -Considered Good		
i.	VAT Receivable		
	Unsecured -Considered Good	22.11	39.53
	Unsecured -Considered Doubtful	-	-
	Less: Provision	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

NOTE NO. 9	"NON-CURRENT ASSETS" "OTHER NON-CURRENT ASSET"	AS AT 31.03.2022	AS AT 31.03.2021
		22.11	39.53
ii.	Considered Doubtful	2.93	3.20
	Less: Provision for Doubtful Advances	(2.93)	(3.20)
		-	-
iii.	Advance Income Tax (Net of Provision)	96.33	75.51
iv.	Deposits with Customs, Port Trust etc.		
	Unsecured -Considered Good (Refer Note No. 45.1.2)	23.19	23.04
	Unsecured -Considered Doubtful	2.06	2.06
	Less: Provision (Refer Note No. 60)	(2.06)	(2.06)
		23.19	23.04
v.	Prepaid expenses	2.90	0.19
	Total Other Advances	144.53	138.27
(iii)	Others		
	Employee Benefit Asset	0.02	0.07
	TOTAL	187.56	181.50

₹ Crore

NOTE NO. 10	"CURRENT ASSETS" "INVENTORIES"	AS AT 31.03.2022	AS AT 31.03.2021
i.	Raw Materials	719.51	132.30
	Raw Materials-in-Transit	-	-
	Raw Materials (Sub Total)	719.51	132.30
	Less: Impaired Stock (Refer Not No. 55)	(3.35)	(4.46)
	Raw Materials (Total)	716.16	127.84
ii.	Finished Goods	89.30	148.81
	Finished Goods-in-Transit	93.97	56.94
	Finished Goods (Total)	183.27	205.75
iii.	Stock in Trade/Bought Out Products	624.02	114.93
	Stock in Trade/Bought Out Products-in-Transit	364.07	-
	Stock in Trade/Bought Out Products (Total)	988.09	114.93
iv.	Intermediary Products	37.43	28.40
v.	By Products	2.90	3.25
vi.	Stores & Spares, Packing Materials and Petroleum Products	423.54	330.44
	Less: Provision for Obsolescence etc./Loss under Investigation (Refer Note No. 55)	(24.16)	(23.29)
		399.38	307.15
vii.	Certified Emission Reduction Credits (CER) / Renewable Energy Certificates (REC) (Refer Note No. 64)	0.38	0.05

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

₹ Crore

NOTE NO. 10	"CURRENT ASSETS" "INVENTORIES"	AS AT 31.03.2022	AS AT 31.03.2021
	(No. of CER Units C.Y. 9,73,738 , P.Y. 9,73,738)		
	(No. of REC Units C.Y. 4667, P.Y. 2497)		
	TOTAL	2327.61	787.37
	Inventory Includes:		
	Stores and Spares		
	a) Under Inspection	3.74	4.24
	b) Platinum & Rhodium stolen in earlier year and under investigation which is not available for verification	0.21	0.21
	c) With Fabricators	56.67	33.80
	Cost of Inventories Recognised as expense	5623.69	3170.91
	Write down of Inventories Charge to P&L (Difference Between Cost & NRV)	12.76	0.70
	Reversal of Write downs	-	-

₹ Crore

NOTE NO. 11	" CURRENT INVESTMENTS"	AS AT 31.03.2022	AS AT 31.03.2021
	Current Investments - Unquoted		
	Investments in Mutual Funds (Refer Note No. 73)	8.04	-
	TOTAL	8.04	-

₹ Crore

NOTE NO. 12	"CURRENT ASSETS" "FINANCIAL ASSETS - TRADE RECEIVABLES"	AS AT 31.03.2022	AS AT 31.03.2021
	Subsidy Receivable (Unsecured - Considered Good)	2793.95	1104.03
	Trade Receivables		
	Secured - Considered good	126.22	122.85
	Unsecured - Considered good	106.97	221.16
	Significant Increase in Credit Risk	0.03	0.09
		233.22	344.10
	Less : Provision for Expected Credit Loss *	(0.44)	(0.73)
	Total - Trade Receivables	232.78	343.37
	TOTAL	3026.73	1447.40
	(Refer Note No. 78)		
	* The company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix. The provision matrix takes into account historical credit loss experience. The expected credit loss (ECL) allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting is as follows.		
	ECL % - Ageing		
	Not Due	0.10	0.14

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

		₹ Crore	
NOTE NO. 12	"CURRENT ASSETS" "FINANCIAL ASSETS - TRADE RECEIVABLES"	AS AT 31.03.2022	AS AT 31.03.2021
	00 - 90 days	2.92	2.37
	91 - 180 days	30.26	20.77
	181 - 365 days	78.46	66.90
	> 365 days (fully secured)	-	-
	Age of Receivables (₹ Cr)		
	Receivable from GoI (Not tested for ECL)	7.65	35.47
	Not Due - Other Trade Receivables	219.15	300.60
	00 - 90 days	6.14	6.84
	91 - 180 days	-	0.28
	181 - 365 days	0.05	0.14
	> 365 days (fully secured)	0.23	0.77
	Movement in ECL allowance (₹ Cr)	233.22	344.10
	Balance at Beginning of the year	0.73	3.97
	Movement	(0.29)	(3.24)
	Balance at End of the year	0.44	0.73

Out of the Total Trade Receivables, Trade Receivables amounting to ₹ 126.22 Crore as on 31.03.2022 (PY ₹ 122.85 Crore) are secured against collaterals in form of Deposits / Bank Guarantees received and held by the company

		₹ Crore	
NOTE NO. 13	"CURRENT ASSETS" "FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS"	AS AT 31.03.2022	AS AT 31.03.2021
	Cash and Cash Equivalents		
i.	Balances with Bank	114.72	6.23
ii.	Cash on Hand	0.01	-
iii.	Deposits with Original Maturity less than 3months	985.00	1465.00
	TOTAL	1099.73	1471.23

The above cash and cash equivalent have not been pledged.

		₹ Crore	
NOTE NO. 14	"CURRENT ASSETS" "FINANCIAL ASSETS - OTHER BANK BALANCES"	AS AT 31.03.2022	AS AT 31.03.2021
i.	Margin Money Deposit / Bond Money Received from Employees	63.03	47.06
ii.	In Unpaid Dividend Account *	1.50	2.03
	TOTAL	64.53	49.09

* Earmarked balances with banks / No amounts are due & payable to Investor Education & Protection Fund

₹ Crore

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

		₹ Crore	
NOTE NO. 15	"CURRENT ASSETS" "FINANCIAL ASSETS - LOANS"	AS AT 31.03.2022	AS AT 31.03.2021
i.	Secured Considered Good Loans- Employees	0.08	0.19
ii.	Unsecured Considered Good (Refer Note No. 59.2) Loan- Other CPSE	5.10	6.00
iii.	Significant Increase in Credit Risk	-	-
iv.	Credit Impaired	-	-
	TOTAL	5.18	6.19

		₹ Crore	
NOTE NO. 16	"CURRENT ASSETS" "FINANCIAL ASSETS - OTHERS"	AS AT 31.03.2022	AS AT 31.03.2021
i.	Fair value of Derivatives (Refer Note No. 73)	12.05	3.81
ii.	Interest Receivable	1.05	1.44
iii.	Receivables towards Rent / Services provided *	56.04	290.09
	TOTAL	69.14	295.34

* Expected Credit Loss-NIL

* Includes an amount of ₹ 27.11 Crore Receivable from Government of India towards Import of Urea on Government Account (P.Y. ₹ 247.02 crore)

		₹ Crore	
NOTE NO. 17	"CURRENT ASSETS" "OTHER CURRENT ASSETS"	AS AT 31.03.2022	AS AT 31.03.2021
i.	Advances other than Capital Advances		
	Security Deposits		
	Unsecured -Considered Good	0.69	0.29
ii.	Other Advances		
	Unsecured -Considered Good		
	i. Contractors	22.18	79.44
	ii. Employees	0.26	0.14
	iii. GST Receivable	115.20	56.10
	iv. Prepaid Expenses	20.58	18.87
	Total Other Advances	158.22	154.55
iii.	Non Current Assets held for Disposal		
	(Refer Note No. 58)	-	0.48
iv.	Employee Benefit Asset	0.03	0.06
	TOTAL	158.94	155.38

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

₹ Crore

NOTE NO. 18	"EQUITY" "EQUITY SHARE CAPITAL"	AS AT	AS AT
		31.03.2022	31.03.2021
Authorised			
	80,00,00,000 Equity Shares of ₹10/- each.	800.00	800.00
Issued, Subscribed and Paid Up			
	55,16,88,100 Equity shares of ₹10/- each fully paid up.	551.69	551.69
	TOTAL	551.69	551.69

RECONCILIATION OF SHARES OUTSTANDING AT THE BEGINNING AND END OF THE REPORTING PERIOD

	31.03.2022		31.03.2021	
	No.	₹ Crore	No.	₹ Crore
EQUITY SHARES				
At the beginning of the year	551688100	551.69	551688100	551.69
Issued during the year				
Outstanding at the end of the year	551688100	551.69	551688100	551.69

Terms/Rights Attached to Equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each share holder is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY

Particulars	31.03.2022		31.03.2021	
	% age of shareholding	No.	% age of shareholding	No.
President of India	75.00%	413769483	75.00%	413769483

DETAILS OF SHAREHOLDING OF PROMOTERS IN THE COMPANY

Particulars	31.03.2022		31.03.2021	
	% age of shareholding	No.	% age of shareholding	No.
President of India	75.00%	413769483	75.00%	413769483

₹ Crore

NOTE NO. 19	"EQUITY" "OTHER EQUITY"	AS AT	AS AT
		31.03.2022	31.03.2021
i. Other Reserves			
General Reserve			
	Opening Balance	2746.17	2589.95
	Add: Transferred from Retained Earnings	522.49	156.22
	Closing Balance	3268.66	2746.17
Equity Instruments through Other Comprehensive Income Reserve			

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

₹ Crore

NOTE NO. 19	"EQUITY" "OTHER EQUITY"	AS AT	
		31.03.2022	31.03.2021
	Opening Balance	58.84	54.03
	Add: Other Comprehensive Income for the Year (Net of Tax)	10.04	4.81
	Closing Balance	68.88	58.84
ii. Retained Earnings			
	Opening Balance / Adjustments	-	-
	Profit for the Year	704.36	381.94
	Adjustment for Remeasurement of Defined Benefit Plans (Net of Tax)	(9.19)	(2.84)
	Less: Dividends Paid	19 A (172.68)	(222.88)
	Less: Dividend Distribution Tax	19 A -	-
	Less: Transfer to General Reserve	(522.49)	(156.22)
	Closing Balance	-	-
	TOTAL	3337.54	2805.01

For FY 2021-22, The Board of Directors have recommended a final dividend of ₹ 2.50 per equity share (P.Y. ₹ 1.78 per equity share) which is subject to approval by shareholders of the Company. This is in addition to the interim dividend of ₹ 1.35 per equity share (P.Y. 1.20 per equity share) paid by the Company.

₹ Crore

NOTE NO. 19A	"DIVIDEND"	AS AT	
		31.03.2022	31.03.2021
	Dividends on Equity Shares paid during the year		
	Final Dividend for the FY 2020-21 [₹ 1.78 (P.Y. ₹ 2.84) per equity share of ₹10 each]	98.20	156.68
	Interim Dividend for the FY 2021-22 [₹ 1.35 (P.Y. ₹ 1.20) per equity share of ₹ 10 each]	74.48	66.20
	TOTAL	172.68	222.88

₹ Crore

NOTE NO. 20	"NON-CURRENT LIABILITIES" "FINANCIAL LIABILITIES - BORROWINGS"	AS AT		AS AT	
		31.03.2022		31.03.2021	
		Non Current	Current	Non Current	Current
SECURED					
Non Convertible Debentures (NCDs)					
6.59% Listed Secured Non Convertible Debentures (RCF Series I -2020)					
Listed Secured Non Convertible Debentures(NCDs) (RCF Series I -2020) in Nos. 5000 have been issued at an interest rate of 6.59% per annum for a tenure of 5 years having face value of ₹ 10 lakhs each on 05th August 2020 which are redeemable on 05th August 2025. Such NCDs are secured by way of a Registered Debenture Trust Deed with a first pari-passu charge over subsidy receivables from Government of India and movable fixed assets (plant and machinery) present and future located at Trombay and Thal, excluding movable fixed assets of MP and HP Nitric Acid Plant situated at Trombay.					
		499.70	-	499.62	-
		499.70	-	499.62	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

		₹ Crore			
NOTE NO. 20	"NON-CURRENT LIABILITIES" "FINANCIAL LIABILITIES - BORROWINGS"	AS AT 31.03.2022		AS AT 31.03.2021	
		Non Current	Current	Non Current	Current
Term Loan from Banks					
1	Rupee Loan from Banks				
a.	Kotak Mahindra Bank Limited A loan of ₹150 crore availed from Kotak Mahindra Bank is secured by first pari passu charge by way of hypothecation on movable plant and machinery of any plant located at Trombay (excluding movable fixed assets of the Medium Pressure (MP) and High Pressure (HP) Nitric Acid Plant situated at Trombay) to the extent of 1.25 times of the loan amount. The rate of interest is linked to Repo Rate plus fixed spread of 1.99% per annum . Repayment of the said loan would fall due for ₹ 27.27 crore in F.Y. 2022-23, ₹ 27.27 crore in F.Y. 2023-24, ₹ 27.27 crore in F.Y. 2024-25, ₹ 27.27 crore in F.Y. 2025-26, ₹ 27.27 crore in F.Y. 2026-27, ₹ 6.83 crore in F.Y. 2027-28.	115.91	27.27	143.18	6.82
b.	Kotak Mahindra Bank Limited A loan of ₹ 250 crore availed from Kotak Mahindra Bank is secured by first pari passu charge by way of hypothecation on movable fixed assets (machinery and equipments) of the Ammonia plant situated at Thal to the extent of 1.25 times of the amount borrowed from bank. The rate of interest is linked to 3 months MIBOR (reset after every 3 months) plus fixed margin of 1.11% per annum. The said loan has been fully prepaid during the year.	-	-	58.83	58.82
c.	Exim Bank A loan of ₹ 117 crore availed from EXIM Bank is secured by first pari passu charge by way of hypothecation on movable fixed assets (machinery and equipments) present and future of the Urea Plant situated at Thal to the extent of 1.25 times of the amount borrowed from bank. The rate of interest is linked to 1 year G-sec (reset after every 3 months) plus fixed margin of 1.20% per annum. The said loan has been fully prepaid during the year.	-	-	34.41	27.53
d.	State Bank of India A loan of ₹ 350 crore availed from State Bank of India is secured by first pari passu charge by way of hypothecation on movable fixed assets (machinery and equipments) present and future of the Ammonia 1 Plant, Suphala Plant, Urea Plant, Ammonia V Plant, New Sewage Water Treatment Plant situated at Trombay to the extent of 1.25 times of the amount borrowed from bank. The rate of interest is linked to 3 months MCLR as notified by the bank from time to time. The balance outstanding loan has been fully prepaid during the year.	-	-	85.20	51.84
		115.91	27.27	321.62	145.01

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

₹ Crore

NOTE NO. 20	"NON-CURRENT LIABILITIES" "FINANCIAL LIABILITIES - BORROWINGS"	AS AT 31.03.2022		AS AT 31.03.2021	
		Non Current	Current	Non Current	Current
2	Foreign Currency Loan / External Commercial Borrowings (ECB)				
a.	Yes Bank Limited A Foreign Currency Term Loan of ₹ 55 crore equivalent to USD 8.21 Million availed by the Company from Yes Bank Limited, is secured by way of hypothecation on movable fixed assets (machinery and equipments) of the Medium Pressure (MP) and High Pressure (HP) Nitric Acid Plant situated at Trombay to the extent of 1.25 times of the loan amount. The rate of interest is fixed at 3.70% per annum. Repayment of the said loan would fall due for ₹ 6.22 crore in F.Y. 2022-23.	-	6.22	6.03	12.07
b.	State Bank of India ECB of EURO 25.50 million availed by the Company from State Bank of India, Antwerp Branch, under RBI Loan Registration no. 201709145 is secured by way of hypothecation on movable fixed assets (machinery and equipments) of the GTG & HRSG project situated at Thal to the extent of 1.25 times of the loan amount. The rate of interest is 6 months EURIBOR plus margin of 1.05% per annum. Repayment of the said loan would fall due for ₹ 35.98 crore in F.Y. 2022-23 and ₹ 35.98 crore in F.Y. 2023-24.	35.76	35.75	72.73	36.36
c.	State Bank of India ECB of EURO 25.00 million availed by the Company from State Bank of India, New York Branch, under RBI Loan Registration no. 202011111 is secured by way of first pari-passu charge on movable assets (both present and future) located at Thal and Trombay (excluding movable fixed assets of the Medium Pressure (MP) and High Pressure (HP) Nitric Acid Plant situated at Trombay) to the extent of 1.25 times of the loan amount. The rate of interest is 6 months EURIBOR plus margin of 1.40% per annum. Repayment of the said loan would fall due for ₹ 30.89 crore in F.Y. 2022-23, ₹ 30.89 crore in F.Y. 2023-24, ₹ 30.89 crore in F.Y. 2024-25, ₹ 30.89 crore in F.Y. 2025-26, ₹ 30.89 crore in 2026-27, ₹ 30.89 crore in F.Y. 2027-28 crore and ₹ 15.44 crore in F.Y. 2028-29.	169.19	30.62	143.04	10.79
		204.95	72.59	221.80	59.22
UNSECURED					
Non Convertible Debentures (NCDs)					
6.59% Listed Unsecured Non Convertible Debentures (RCF Series I -2022)					
	Listed Unsecured Non Convertible Debentures(NCDs) (RCF Series I -2022) in Nos. 3000 have been issued at an interest rate of 6.59% per annum for a tenure of 3 years having face value of ₹ 10 lakhs each on 31st January 2022 which are redeemable on 31st January 2025.	299.85	-	-	-
		299.85	-	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

		₹ Crore			
NOTE NO. 20	"NON-CURRENT LIABILITIES" "FINANCIAL LIABILITIES - BORROWINGS"	AS AT 31.03.2022		AS AT 31.03.2021	
		Non Current	Current	Non Current	Current
Term Loan from Banks					
HDFC Bank		-	140.96	-	-
A loan of ₹178.98 crore is availed from HDFC Bank at a rate of interest linked to Repo Rate plus fixed margin of 0.70% per annum. Repayment of the said loan would fall due for ₹ 140.96 crore in FY 2022-23.					
		-	140.96	-	-
Amount disclosed under the head "CURRENT BORROWINGS" (Refer Note No. 27)			(240.82)		(204.23)
TOTAL		1120.41	-	1043.04	-
Details of Borrowings and Transaction Costs					
A External Commercial Borrowings					
Total External Commercial Borrowings		205.86	66.87	217.09	47.66
Less: Transaction Costs		0.91	0.50	1.32	0.51
Carrying value of External Commercial Borrowings		204.95	66.37	215.77	47.15
B Non-Convertible Debentures					
i 6.59% Listed Secured Non Convertible Debentures (RCF Series I -2020)		500.00	-	500.00	-
Less: Transaction Costs		0.30	-	0.38	-
Carrying value of Non-Convertible Debentures		499.70	-	499.62	-
ii 6.59% Listed Unsecured Non Convertible Debentures (RCF Series I -2022)		300.00	-	-	-
Less: Transaction Costs		0.15	-	-	-
Carrying value of Non-Convertible Debentures		299.85	-	-	-

		₹ Crore	
NOTE NO. 21	"NON-CURRENT LIABILITIES" "FINANCIAL LIABILITIES - LEASE LIABILITIES"	AS AT 31.03.2022	AS AT 31.03.2021
		Lease Liabilities	7.53
TOTAL		7.53	9.17

		₹ Crore	
NOTE NO. 22	"NON-CURRENT LIABILITIES" "FINANCIAL LIABILITIES - TRADE PAYABLES"	AS AT 31.03.2022	AS AT 31.03.2021
		Trade Payables	-
(A) Outstanding Dues of Micro Enterprises and Small Enterprises		-	-
(B) Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises (Refer Note No. 52 & 79)		-	211.79
TOTAL		-	211.79

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

		₹ Crore	
NOTE NO. 23	"NON-CURRENT LIABILITIES" "FINANCIAL LIABILITIES - OTHERS"	AS AT 31.03.2022	AS AT 31.03.2021
	Security Deposit from Vendors	29.98	26.52
	TOTAL	29.98	26.52

		₹ Crore	
NOTE NO. 24	"NON-CURRENT LIABILITIES" "PROVISIONS"	AS AT 31.03.2022	AS AT 31.03.2021
	Provision for Employee Benefits		
i.	Leave Salary Encashment	78.26	87.53
ii.	Post Retirement Medical Benefits	115.47	98.57
iii.	Long Service Award	0.22	0.22
	TOTAL	193.95	186.32

		₹ Crore	
NOTE NO. 25	"NON-CURRENT LIABILITIES" "DEFERRED TAX LIABILITIES (NET)"	AS AT 31.03.2022	AS AT 31.03.2021
a.	Deferred Tax Liability:		
i.	Depreciation	304.04	302.04
ii.	Fair Value of Investments	23.04	19.67
iii.	Revenue from TDR	8.39	8.39
iv.	Other Temporary Differences	1.49	1.69
	Total	336.96	331.79
b.	Deferred Tax Asset:		
i.	Provision for Doubtful Debts/Claims/Advances	10.95	11.23
ii.	Provision for Obsolescence of Stores	3.42	3.46
iii.	Provision for Diminution in Value of Investments	8.91	8.91
iv.	Expenditure Allowable on Payment Basis	66.26	58.28
v.	Other Temporary Differences	33.35	30.58
	Total	122.89	112.46
	Net Deferred Tax Liability	214.07	219.33

		₹ Crore	
NOTE NO. 26	"OTHER LIABILITIES"	AS AT 31.03.2022	AS AT 31.03.2021
I	NON CURRENT		
	Others		
i.	Advance Rent Received	26 A 1.53	2.28
ii.	Government Grants	26 B 0.69	0.78
iii.	Deferred Income	28.71	31.11
	TOTAL OTHER NON CURRENT LIABILITIES (I)	30.93	34.17

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

		₹ Crore	
NOTE NO. 26	"OTHER LIABILITIES"	AS AT 31.03.2022	AS AT 31.03.2021
II CURRENT			
(a)	Revenue Received in Advance		
	Income Received in Advance from Customers (Contract Liabilities)	26 C 111.08	57.46
(b)	Other Advances		
	Retention Money	12.50	12.50
(c)	Other Liabilities:		
i.	Advance Rent Received	26 A 0.75	2.15
ii.	Government Grants	26 B 0.07	0.18
iii.	Deferred Deposit	2.51	3.90
iv.	Statutory Dues:		
a.	Withholding Taxes	16.21	14.00
b.	GST Payable	19.23	12.84
v.	Others	15.97	0.02
		54.74	33.09
TOTAL OTHER CURRENT LIABILITIES (II)		178.32	103.05

		₹ Crore	
NOTE NO. 26A	"ADVANCE RENT RECEIVED"	AS AT 31.03.2022	AS AT 31.03.2021
	At at 1st April	4.43	6.99
	Received / (Repaid) during the Year	-	-
	Released to the Statement of Profit and Loss	2.15	2.56
	As at 31st March	2.28	4.43
	Current	0.75	2.15
	Non-Current	1.53	2.28

		₹ Crore	
NOTE NO. 26B	"GOVERNMENT GRANTS"	AS AT 31.03.2022	AS AT 31.03.2021
	At at 1st April	0.96	1.28
	Received / (Repaid) during the Year	-	-
	Released to the Statement of Profit and Loss	0.20	0.32
	As at 31st March	0.76	0.96
	Current	0.07	0.18
	Non-Current	0.69	0.78

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

₹ Crore

NOTE NO. 26C	"INCOME RECEIVED IN ADVANCE FROM CUSTOMERS (CONTRACT LIABILITIES)"	AS AT	AS AT
		31.03.2022	31.03.2021
	At at 1st April	57.46	48.40
	Received during the Year	111.08	57.46
	Released to the Statement of Profit and Loss	57.46	48.40
	As at 31st March	111.08	57.46
	Current	111.08	57.46
	Non-Current	-	-

₹ Crore

NOTE NO. 27	"CURRENT LIABILITIES" "FINANCIAL LIABILITIES - BORROWINGS"	AS AT	AS AT
		31.03.2022	31.03.2021
(a)	Working Capital Loans		
	I. Secured		
	a. From Banks (Repayable on Demand) *		
	i. Cash Credit	-	8.89
	ii. Working Capital Demand Loan	670.00	350.00
	Total Secured	670.00	358.89
	II. Unsecured		
	a. From Banks		
	i. Foreign Currency Loans from Banks-Buyers Credit **	686.99	143.14
	ii. Rupee Loans ***	250.00	-
		936.99	143.14
	b. Other Loans		
	Commercial Paper ****	-	317.49
	net of unamortised interest ₹ NIL (P.Y. ₹ 2.51 crores)		
	Total Unsecured	936.99	460.63
	Total Working Capital Loans	1606.99	819.52
(b)	Current Maturities of Long Term Debt (Refer Note No. 20)		
	I. Secured	99.86	204.23
	II. Unsecured	140.96	-
	TOTAL	240.82	204.23
	TOTAL	1847.81	1023.75

*Cash Credit from banks carrying interest of 6.95% per annum (PY 7.35%-7.75% per annum) and Working Capital Demand Loans carrying interest of 3.75%-4.10% per annum (PY 4.00%-7.00% per annum) are secured by hypothecation of entire Company's current assets including all stocks, book debts and other moveable assets, both present and future.

**Unsecured Foreign Currency Loans from Banks are in the form of Buyers Credit and carry interest in the range of 0.30% -2.00% per annum (PY 0.35% - 2.25% per annum). These loans are repayable within 180 days.

*** Unsecured Short Term Rupee Loans carrying interest of 3.90%-4.50% per annum (PY 3.95%-7.40% per annum).

****Unsecured Commercial Papers carry interest of around 3.68%-5.00% per annum (PY 3.70%-6.00% per annum).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

₹ Crore

NOTE NO. 28	"CURRENT LIABILITIES" "FINANCIAL LIABILITIES - LEASE LIABILITIES"	AS AT	AS AT
		31.03.2022	31.03.2021
	Lease Liabilities	2.77	2.63
	TOTAL	2.77	2.63

₹ Crore

NOTE NO. 29	"CURRENT LIABILITIES" "FINANCIAL LIABILITIES - TRADE PAYABLES"	AS AT	AS AT
		31.03.2022	31.03.2021
	Trade Payables (including Acceptances)*		
	(A) Outstanding Dues of Micro Enterprises and Small Enterprises (Refer Note No. 56)	36.55	40.01
	(B) Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	2306.54	865.06
	TOTAL	2343.09	905.07

(Refer Note No. 79)

Trade payables are normally non-interest bearing and are usually settled within 30-days from the date of receipt of invoice unless they are contracted with specific credit terms as applicable.

* Acceptances include arrangements where operational suppliers of goods and services are initially paid by banks while the Company continues to recognise the liability till settlement with the banks which are normally effected within a period of 180 days amounting to ₹ 392.41 crores (P.Y. ₹38.27 crores)

₹ Crore

NOTE NO. 30	"CURRENT LIABILITIES" "FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES"	AS AT	AS AT
		31.03.2022	31.03.2021
i.	Interest Accrued But Not Due on Borrowings	30.69	26.20
ii.	Unclaimed Dividend *	1.50	1.06
iii.	Payables on Capital Account	124.14	51.36
iv.	Standing Deposit from Customers	71.65	73.16
v.	Trade Deposit from Customers	78.82	78.56
vi.	Earnest Money Deposit & Security Deposit from Vendors	106.13	90.41
vii.	Other Payables - Tie Ups	8.47	7.77
viii.	Ex-gratia & Employee Benefits	97.16	65.64
	TOTAL	518.56	394.16

* No amounts are due & payable to Investor Education & Protection Fund

₹ Crore

NOTE NO. 31	"CURRENT LIABILITIES" "PROVISIONS"	AS AT	AS AT
		31.03.2022	31.03.2021
	Provision for Employee Benefits		
i.	Leave Salary Encashment	97.68	91.60
ii.	Post Retirement Medical Benefits	9.36	7.73
iii.	Ex-gratia / Gratuity Payable	-	16.25
iv.	Payable to Provident Fund	16.09	3.59
v.	Long Service Award	0.01	0.06
	TOTAL	123.14	119.23

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

₹ Crore

NOTE NO. 32	"CURRENT LIABILITIES" "CURRENT TAX LIABILITIES NET"	AS AT	AS AT
		31.03.2022	31.03.2021
	Provision for Taxation Current Year (net of Advance Tax)	38.39	12.19
	TOTAL	38.39	12.19

₹ Crore

NOTE NO. 33	"REVENUE FROM OPERATIONS"	Year Ended	Year Ended
		31.03.2022	31.03.2021
1. Sales			
A.Manufactured Products	33A		
Fertilizers		2570.57	2218.66
Industrial Products		2265.51	1023.50
		4836.08	3242.16
B.Bought-out Products	33A		
Fertilizers		478.13	536.47
Net Sales		5314.21	3778.63
2. Other Operating Revenues			
Subsidy on Urea & Complex Fertilizers* (Refer Note No. 51)	33B	7441.75	4457.33
Sale of Scrap		7.39	1.94
Management Fees -For Services rendered		11.67	12.04
Margin on Tie- ups		37.15	31.24
	TOTAL	7497.96	4502.55
Revenue from Operations		12812.17	8281.18

*Subsidy includes ₹ 72.09 crore (P.Y. ₹ 85.43 crore) in respect of earlier years, determined during the year

₹ Crore

NOTE NO. 33A	"SALES - PRODUCT WISE BREAK-UP"	Year Ended	Year Ended
		31.03.2022	31.03.2021
1 Manufactured			
A. Fertilizers			
Suphala 15 : 15 : 15		1381.04	1000.60
Urea / Neem Coated Urea		1138.20	1165.14
Others		51.33	52.92
		2570.57	2218.66
B. Industrial Products			
Ammonia		825.66	225.44
Dilute Nitric Acid		147.12	90.01
Concentrated Nitric Acid		158.49	94.77
Ammonium Bi-carbonate		62.48	58.93
Sodium Nitrate		0.16	0.71

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

₹ Crore

NOTE NO. 33A	"SALES - PRODUCT WISE BREAK-UP"	Year Ended 31.03.2022	Year Ended 31.03.2021
	Sodium Nitrite	0.69	3.49
	Methylamines	126.09	95.62
	Ammonium Nitrate Melt	750.56	361.60
	Others	194.26	92.93
		2265.51	1023.50
2	Bought-out Products		
	Imported Di Ammonium Phosphate	226.65	199.37
	Imported Muriate of Potash	82.54	79.19
	Imported S 15 15 15	111.93	-
	Imported NPK 10:26:26	-	62.30
	Imported NPK 20:20:0	38.79	178.27
	Others	18.22	17.34
		478.13	536.47
	TOTAL	5314.21	3778.63

₹ Crore

NOTE NO. 33B	"SUBSIDY ON UREA & COMPLEX FERTILIZERS"	Year Ended 31.03.2022	Year Ended 31.03.2021
1.	Manufactured Fertilizers		
	Price	6513.80	3805.91
	Freight	437.40	388.31
		6951.20	4194.22
2.	Bought-out Fertilizers		
	Price	456.20	226.57
	Freight	34.35	36.54
		490.55	263.11
	TOTAL	7441.75	4457.33

₹ Crore

NOTE NO. 34	" OTHER INCOME"	Year Ended 31.03.2022	Year Ended 31.03.2021
1.	Interest Income on Financial Assets carried at Amortised Cost		
a.	On Loans to Employees	0.05	0.05
b.	On Deposits with Bank and Others	27.56	13.20
c.	From Customers [includes ₹ 20.72 crore (P.Y. ₹ 9.92 crore) crore dues from DOF]	22.28	12.69
d.	From Others	0.11	0.02
		50.00	25.96
2.	Interest Income on Taxes		
a.	On Income Tax Refund	0.60	0.92
b.	On Sales Tax Refund	0.65	3.78

₹ Crore

NOTE NO. 34	" OTHER INCOME"	Year Ended 31.03.2022	Year Ended 31.03.2021
	TOTAL	1.25	4.70
		51.25	30.66
3. Dividend Income			
	Dividend from Equity Investment measured at fair value through OCI	0.27	0.17
		0.27	0.17
4. Other Non-Operating Income			
a. Net Gain arising on Financial Assets measured at FVTPL			
i.	Gain / (Loss) on Sale of Mutual Fund Investments	4.63	0.90
ii.	Gain / (Loss) on Derivatives	0.36	(0.63)
		4.99	0.27
b.	Profit on Sale of Fixed Assets (Net)	8.53	-
c.	Bad Debts Recovered	0.28	0.08
d.	Foreign Exchange Gain	-	23.25
e.	Rental Income Including Other Recoveries	40.08	44.69
f.	Lease Compensation of Railway Siding	0.21	0.21
g.	Government Grants (Refer Note No. 26B)	0.20	0.32
h.	Amortisation of Deferred Deposits	5.54	5.50
i.	Miscellaneous Income	25.12	21.54
		79.96	95.59
	Less: Transfer to Research and Development Expenses (Refer Note No. 41C)	(0.02)	(0.08)
	TOTAL	136.45	126.61

₹ Crore

NOTE NO. 35	"COST OF MATERIALS CONSUMED"	Year Ended 31.03.2022	Year Ended 31.03.2021
Raw Materials	35A	5337.91	2899.64
Packing Materials		133.24	104.89
Add: Raw Materials of Impaired Plants		(1.11)	4.46
Less : Transferred to Research & Development (Refer Note No. 41C)		(0.21)	-
	TOTAL	5469.83	3008.99

₹ Crore

NOTE NO. 35A	"ITEMWISE BREAKUP OF MATERIALS CONSUMED"	Year Ended 31.03.2022	Year Ended 31.03.2021
RAW MATERIALS			
	Rock Phosphate	112.70	65.76
	Di-Ammonium Phosphate	16.09	5.09
	Mono-Ammonium Phosphate	535.81	249.15
	Muriate of Potash	375.72	271.77
	Sulphur	35.96	13.43
	Natural Gas	4197.15	2237.22
	Others	64.48	57.22

₹ Crore

NOTE NO. 35A	"ITEMWISE BREAKUP OF MATERIALS CONSUMED"	Year Ended 31.03.2022	Year Ended 31.03.2021
	SUB TOTAL	5337.91	2899.64
	Less : Transferred to Research and Development (Refer Note No. 41C)	(0.21)	-
	TOTAL	5337.70	2899.64

₹ Crore

NOTE NO. 36	"PURCHASES OF STOCK IN TRADE"	Year Ended 31.03.2022	Year Ended 31.03.2021
	Imported Di Ammonium Phosphate	1556.50	240.77
	Imported Muriate of Potash	-	169.13
	Imported S 15:15:15	151.66	-
	Imported S : 20:20:0	18.10	243.23
	NPK 10:26:26	-	75.85
	Others	19.01	25.97
	SUB TOTAL	1745.27	754.95
	Less: Transferred to Plant for internal consumption		
	Imported DAP / MOP	(3.06)	(5.74)
	TOTAL	1742.21	749.21

₹ Crore

NOTE NO. 37	"CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN TRADE"	Year Ended 31.03.2022	Year Ended 31.03.2021
Opening Stock			
	Finished Goods 37A	205.75	283.83
	Intermediary Products	28.40	28.90
	By-Products	3.25	5.77
	Stock in Trade 37A	114.93	3.33
	Certified Emission Reduction Credits (CER) / Renewable Energy Certificates (REC)	0.05	-
	SUB TOTAL	352.38	321.83
Closing Stock			
	Finished Goods 37B	183.27	205.75
	Intermediary Products	37.43	28.40
	By-Products	2.90	3.25
	Stock in Trade 37B	988.09	114.93
	Certified Emission Reduction Credits (CER) / Renewable Energy Certificates (REC)	0.38	0.05
	Sub-Total	1212.07	352.38
	TOTAL	(859.69)	(30.55)

₹ Crore

NOTE NO. 37A	"OPENING STOCK - PRODUCT WISE BREAK-UP"	Year Ended 31.03.2022	Year Ended 31.03.2021
Finished Goods			
1. Manufactured			
A. Fertilizers			
	Urea (Trombay)	21.41	46.26
	Urea (Thal)	103.86	130.17
	Complex Fertilizers	65.93	87.24
	Others	8.50	15.92
B. Industrial Products			
	Methanol	4.07	0.12
	Concentrated Nitric Acid	0.13	0.24
	Ammonium Bi-carbonate	0.46	-
	Sodium Nitrate	0.08	0.22
	Sodium Nitrite	0.14	0.02
	Methylamines	0.72	1.03
	Ammonium Nitrate Melt	0.02	0.02
	Dimethyl Formamide	0.10	1.17
	Dimethyl Acetamide	0.09	0.08
	Argon Gas / Liquid	0.10	0.39
	Formic Acid	-	0.95
	Others	0.14	-
		205.75	283.83
2. Bought-out Products			
Fertilizers			
	Imported Di Ammonium Phosphate	0.05	1.55
	Imported Muriate of Potash	86.76	0.77
	Imported NPK 12:32:16	27.34	-
	Imported NPK 20:20:0	-	0.09
	Others	0.78	0.92
		114.93	3.33
	TOTAL	320.68	287.16

₹ Crore

NOTE NO. 37B	"CLOSING STOCK - PRODUCT WISE BREAK-UP"	Year Ended 31.03.2022	Year Ended 31.03.2021
Finished Goods			
1. Manufactured			
A. Fertilizers			
	Urea (Trombay)	18.47	21.41
	Urea (Thal)	103.03	103.86
	Complex Fertilizers	52.01	65.93
	Others	5.19	8.50
B. Industrial Products			
	Methanol	2.65	4.07
	Concentrated Nitric Acid	0.10	0.13
	Ammonium Bi-carbonate	0.07	0.46
	Sodium Nitrate	-	0.08
	Sodium Nitrite	-	0.14
	Methylamines	0.10	0.72
	Ammonium Nitrate Melt	0.03	0.02
	Dimethyl Formamide	0.09	0.10
	Dimethyl Acetamide	1.17	0.09
	Argon Gas / Liquid	0.21	0.10
	Others	0.15	0.14
		183.27	205.75
2. Bought-out Products			
Fertilizers			
	Imported Di Ammonium Phosphate	987.93	0.05
	Imported Muriate of Potash	-	86.76
	Imported NPK 12:32:16	-	27.34
	Others	0.16	0.78
		988.09	114.93
	TOTAL	1171.36	320.68

₹ Crore

NOTE NO. 38	"EMPLOYEE BENEFITS EXPENSE"	Year Ended 31.03.2022	Year Ended 31.03.2021
	Salaries, Wages and Bonus	554.41	506.08
	Contribution to Provident Fund and Other funds	59.21	27.85
	Contribution to Gratuity Fund	18.78	7.06
	Workmen and Staff Welfare Expenses	66.46	56.84
		698.86	597.83
	Less: Transferred to Research and Development (Refer Note No. 41C)	(3.50)	(1.65)
	Share recoverable from Thal Ammonia Extension and Others	(41.58)	(31.29)

₹ Crore

NOTE NO. 38	"EMPLOYEE BENEFITS EXPENSE"	Year Ended 31.03.2022	Year Ended 31.03.2021
		(45.08)	(32.94)
	TOTAL	653.78	564.89

₹ Crore

NOTE NO. 39	"FINANCE COSTS"	Year Ended 31.03.2022	Year Ended 31.03.2021
1	Interest on Financial Liabilities carried at Amortised Cost		
a.	Interest on Term Loans from Banks	20.25	35.85
b.	Interest on Non-Convertible Debentures	36.20	21.58
c.	Interest on Working Capital from Banks	43.48	92.84
d.	Interest on Other Loans and Deposits	5.68	16.15
e.	Unwinding of Discount on Deposits	4.34	4.71
f.	Other Borrowing Costs	1.28	1.05
g.	Exchange Differences Regarded as an Adjustment to Borrowing Costs	9.26	5.48
h.	Interest Expense on Lease Liabilities	0.95	1.07
		121.44	178.73
2	Other Finance Costs	4.45	0.84
	TOTAL	125.89	179.57

₹ Crore

NOTE NO. 40	"DEPRECIATION AND AMORTISATION EXPENSES / IMPAIRMENT"	Year Ended 31.03.2022	Year Ended 31.03.2021
i.	Depreciation on Property Plant and Equipment	178.55	170.36
ii.	Impairment / (reversal) on Property Plant and Equipment	-	0.20
iii.	Depreciation on Investment Property	0.19	0.19
iv.	Amortisation on Intangible Assets	1.57	1.32
v.	Depreciation on Right of Use Asset	3.53	3.52
	Total Depreciation / Amortisation Impairment provided during the year	183.84	175.59
	Less : Under Research and Development (Refer Note No. 41C)	(0.29)	(0.33)
	As reported under Statement of Profit & Loss:	183.55	175.26

₹ Crore

NOTE NO. 41	" OTHER EXPENSES"	Year Ended 31.03.2022	Year Ended 31.03.2021
	Stores and Spares	54.37	39.00
	Power and Fuel	3651.05	2122.25
	Water Charges	110.63	135.07
	Repairs and Maintenance	174.52	151.97
	Freight and Handling Charges	652.69	649.98
	Rent	5.60	8.89
	Rates and Taxes	26.34	11.64
	Insurance	39.76	44.22
	Miscellaneous Expenses	102.01	74.31

₹ Crore

NOTE NO. 41	" OTHER EXPENSES"	Year Ended 31.03.2022	Year Ended 31.03.2021
Less: Transferred to Research & Development Expenses (Refer Note No. 41C)		(0.20)	(0.18)
TOTAL		4816.77	3237.15

₹ Crore

NOTE NO. 41A	"REPAIRS AND MAINTENANCE"	Year Ended 31.03.2022	Year Ended 31.03.2021
Plant and Machinery		134.22	118.06
Buildings		26.65	21.87
Other Assets		14.14	12.20
		175.01	152.13
Less: Transferred to Research & Development Expenses (Refer Note No. 41C)		(0.49)	(0.16)
TOTAL		174.52	151.97

₹ Crore

NOTE NO. 41B	"MISCELLANEOUS EXPENSES"	Year Ended 31.03.2022	Year Ended 31.03.2021
Security Expenses-Factory and Others		46.77	46.28
Electricity Charges-Township and Offices		4.89	5.77
Advertisement		0.94	0.71
Bank Charges		3.96	1.87
Promotion and Publicity		5.65	3.46
Hire Charges for Vehicles		3.38	3.29
Travelling Expenses		2.31	1.13
Research and Development Expenses	41C	5.12	2.48
Loss on Fixed Assets Sold /Discarded		0.77	0.58
Losses/ Damages and Other Amounts Written Off		-	0.27
Foreign exchange Loss/(Gain)		14.56	-
Corporate Social Responsibility Expenses		6.98	3.58
Provision for Doubtful Debts/ Claims/ Advances		0.64	1.16
Provision for Obsolescence of Stores		2.88	2.31
Bad Debts Written Off		-	1.69
Provision of Earlier Years no Longer Required		(4.06)	(12.72)
Liabilities for Expenses no Longer Required		(12.53)	(7.02)
Recovery of Share of Common Expenses		(15.66)	(16.78)
Other Expenses **		35.41	36.25
TOTAL		102.01	74.31

** Includes Directors' Sitting Fees C.Y. ₹ 33,85,000, P.Y. ₹ 19,60,000

		₹ Crore	
NOTE NO. 41C	"RESEARCH & DEVELOPMENT EXPENSES"	Year Ended 31.03.2022	Year Ended 31.03.2021
	Salaries and Staff Welfare Expenses	3.50	1.65
	Repairs and Maintenance	0.49	0.16
	Depreciation	0.29	0.33
	Direct Research Expenditure	0.45	0.24
	Other Expenses	0.06	0.02
	Handling Charges	0.14	0.16
	Materials Consumed	0.21	-
	SUB TOTAL	5.14	2.56
	Less: Transferred from Other Income	(0.02)	(0.08)
	TOTAL	5.12	2.48

		₹ Crore	
NOTE NO. 42	"EXCEPTIONAL ITEMS"	Year Ended 31.03.2022	Year Ended 31.03.2021
	Fair valuation (Gain) / Loss - Transferable Development Rights	(0.28)	(4.71)
	Reversal of Gas Pool Provision on Non Urea - AMRCD Award (Refer Note No. 68)	(127.35)	-
	TOTAL	(127.63)	(4.71)

		₹ Crore	
NOTE NO. 43	"OTHER COMPREHENSIVE INCOME"	Year Ended 31.03.2022	Year Ended 31.03.2021
Items that will not be reclassified to profit or loss			
	Remeasurements of Defined Benefit Plans	(12.28)	(3.80)
	Fair Value Equity Instruments (IPL Shares)	13.41	6.42
		1.13	2.62
	Less: Income Tax / Deferred Tax Relating to Above Items	(0.28)	(0.65)
	TOTAL	0.85	1.97

		₹ Crore	
NOTE NO. 44	"DISCLOSURE OF FINANCIAL ASSETS AND LIABILITIES AS PER IND AS 107 "	AS AT 31.03.2022	AS AT 31.03.2021
I) FINANCIAL ASSETS			
a.	BREAKUP OF FINANCIAL ASSETS AT FAIR VALUE THOROUGH OCI		
	Investments - Fully Paid Shares	92.09	78.68
	TOTAL	92.09	78.68
b.	BREAKUP OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT & LOSS		
	Derivatives	12.05	3.81
	Transferable Development Rights	36.31	36.03
	Investments in Mutual Funds	8.04	-
	TOTAL	56.40	39.84

₹ Crore

NOTE NO. 44	"DISCLOSURE OF FINANCIAL ASSETS AND LIABILITIES AS PER IND AS 107 "	AS AT 31.03.2022	AS AT 31.03.2021
c.	BREAKUP OF FINANCIAL ASSETS CARRIED AT AMORTISED COST / COST		
	Loans	15.40	21.51
	Others Financial Assets	57.09	291.53
	Trade Receivables	3026.73	1447.40
	Cash and Cash Equivalents	1099.73	1471.23
	Other Bank Balances	64.53	49.09
	TOTAL	4263.48	3280.76
d.	BREAKUP OF FINANCIAL ASSETS CARRIED AT COST		
	Investments - Joint Ventures	805.48	534.48
	TOTAL	805.48	534.48
	TOTAL FINANCIAL ASSETS	5217.45	3934.76
II) FINANCIAL LIABILITIES			
a.	BREAKUP OF FINANCIAL LIABILITIES CARRIED AT AMORTISED COST		
	Borrowings	2968.22	2066.79
	Trade Payables	2343.09	1116.86
	Interest Accrued but Not Due on Borrowings	30.69	26.20
	Unclaimed Dividend	1.50	1.06
	Creditors on Capital Account	124.14	51.36
	Standing Deposit from Customers	71.65	73.16
	Trade Deposit from Customers	78.82	78.56
	Earnest Money Deposit & Security Deposit from Vendors	136.11	116.93
	Ex-gratia & Employee Benefits	97.16	65.64
	Other Payables - Tie Ups	8.47	7.77
	ROU Lease Liability	10.30	11.80
	TOTAL	5870.15	3616.13
	TOTAL FINANCIAL LIABILITIES	5870.15	3616.13

The above referred carrying values of Financial Assets and Liabilities approximate its fair value as at the balance sheet date

45. Contingent Liabilities not provided for:

45.1 Claims against the Company not acknowledged as debts to the extent ascertainable (including interest wherever, ascertainable/can be reliably estimated) and not provided for net of payment/liability provided: -

(₹ Crore)

Sr. No	Particulars	As at 31.03.2022	As at 31.03.2021
1	Invoices/ debit notes and claims raised by GAIL(India) Ltd.		
a	Increased gas transmission charges for ONGC pipeline. Stay order obtained from Mumbai High Court and directed to resolve through arbitration. (Refer Note no. 52)	-	64.30
b	Levy of Market priced gas differential for use of APM/Domestic Gas for Non-Fertilizer Non-Urea operations (Refer Note no. 52)	-	1246.12
c	For non-submission for FICC certified gas utilization data (Refer Note no. 52)	-	39.39
	Sub total	-	1349.81
2	Claims on the Company not acknowledged as debts by Contractors / Suppliers/ Arbitrators etc.	125.15	142.65
3	Demands raised by various authorities that may arise in respect of matters in appeal		
	Excise Duty (D) (Refer note no 45.1.1)	70.33	70.33
	Excise Duty (S)	18.52	18.52
	Sales Tax	6.26	7.33
	Income Tax	48.20	39.19
	Service Tax (D)	13.92	13.92
	Service Tax (S)	2.40	2.40
	Custom Duty (D)	80.93	80.93
	Custom Duty (secured by Bank Guarantee)	-	25.62
4	Water charges claimed by Municipal Corporation of Greater Mumbai(Refer note no 45.1.2)	36.86	38.24
5	Claims preferred by local authorities	8.85	8.79
	GRAND TOTAL	411.41	1797.74

(D)-Demands raised / (S) – Show cause notice issued.

45.1.1 Includes an amount of ₹ 24.82 crores (P.Y. ₹ 24.82 crores) towards duty, interest and penalty relating to purchase of Naphtha at concessional rate of excise duty for the purposes other than mentioned in the exemption notification for the period November-1996 to October-2005. The demand for the period upto February-2005 for ₹ 21.28 crores (P.Y. ₹ 21.28 crores) has been appealed against by the Company and the matter is resting with the Honorable Supreme Court, which is yet to be heard. For the balance demand pertaining to subsequent period (i. e March 2005), amounting to ₹ 3.54 crore order has been stayed by CESTAT, which has been appealed by the department to High Court. Pending hearing, no provision is considered necessary.

45.1.2 Demand of ₹ 33.48 crore raised by Municipal Corporation of Greater Mumbai (BMC) towards additional sewerage charges levied from 05.04.1987 are disputed by the Company in a Writ Petition filed in Bombay High Court. The Honorable High Court vide its interim Order dated 10-11-92 has granted stay on recovery of the demand for the period up to the date of the Order and directed the Company to pay sewerage charges from the date of the order which is being paid by the Company. The matter has been disposed off by the High Court and the Company approached Supreme Court. Supreme Court has now directed the Bombay High Court to hear the matter and decide on merits based on facts of the case. The Stay granted on the said matter continues.

As a part of an agreement entered into with BMC for obtaining raw sewerage, the Company has paid an interest free deposit of ₹ 16.00 crore to BMC representing approximately 50% of the disputed demand which would be adjustable against the disputed demand in case the Court rules in favor of BMC. No provision is considered necessary for the disputed demand of ₹ 33.48 crore as the claim of BMC is not tenable.

- 45.1.3 Owing to non-compliance of Corporate Governance requirements as mandated by SEBI, with reference to composition of Independent Directors in the Board and appointment of Woman Independent Director, Company is in receipt of notice of penalty aggregating to ₹ 0.79 crore (P.Y. ₹ 0.65 Crore) from the stock exchanges (BSE & NSE). Since the appointment of Directors is done by Government of India, Company had approached its Administrative Ministry for ensuring the compliance and has also approached the stock exchanges for condonation/waiver of the penalty. Company is confident that this penalty would be waived. Further the Company had complied with the said Corporate Governance requirements during the period 01st Dec, 2021 to 06th March, 2022.
- 45.2 The amount of claims in respect of legal cases filed against the Company for labour matters relating to regular employees and not acknowledged as debts is not ascertainable and hence no provision is made. However, with respect to matter relating to payment of overtime wages, a stay order has been obtained by the Company from High Court, pending disposal with submission of Bank guarantee amounting to ₹12.00 Crore.
- 45.3 In respect of clause 45.1 to 45.2 above, it is not practicable for the Company to estimate the closure of these issues and the consequential timing of cash flows, if any.

46. Other Commitments: (₹ Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
Capital Expenditure Commitments (net of advances)	187.63	92.92
Commitment Towards Investments in JV (Talcher Fertilizers Ltd)	378.71	648.71
Corporate Guarantee	2.20	2.20

47. Wagons leased to Indian Railways “Under Own your Wagons Scheme”

The lease agreement with Railways has expired in FY 2019-20 and is under renewal. As the wagons are still in the custody of Railways, Company has recognized income of ₹ 0.35 crore (P.Y ₹ 0.35 crore) for the period after completion of finance lease based on the minimum lease rentals expected to be negotiated with Railways.

As the terms of lease are yet to be finalized the said transaction is now treated as Short-term Operating Lease.

- 48 Formalities relating to transfer of certain immovable and other properties situated at Trombay Unit, from Fertilizer Corporation of India Limited to the Company on reorganization of the former in 1978 are not yet completed. Out of property cards for a total area of 30,42,108 Sq. meters (P.Y. 30,44,530 Sq. meters), property cards for 3,75,826 Sq. meters (P.Y. 3,75,826 Sq. meters) are yet to be transferred in the name of the Company. The Company is in the process of obtaining transfer of title deeds in its favour.

Out of total area of 50,52,476 Sq. meters’ area at Thal Unit, the title deeds relating to area of 32,27,573 Sq. meters (P.Y. 32,27,573 Sq. meters) area are in the name of the Company. The balance title deeds w.r.t 18,24,903 Sq meter of land are in the process of being transferred in the name of Company. The capitalization of Freehold land at Thal Unit includes land at Kihim having carrying cost of ₹ 0.02 crore, pending execution of documents and transfer of title deeds in the name of Company, due to dispute.

49. In respect of immovable properties other than land i.e. buildings and other structures, situated at its Trombay and Thal units they are self-constructed properties on the land owned by the Company as evidenced by property cards/title deeds of land.

The Company asserts that all these properties are its own and has clear title to the same since such properties are self-constructed on Company's land, although no separate title documents for self-constructed properties are readily available. Company has obtained opinion to that effect from legal and regulatory experts on land matters and also has other documentary evidence in that regard.

The Company had come into existence in 1978 as a result of Government of India reorganizing Fertilizer Corporation of India Ltd. and National Fertilizers Ltd. Consequent to the same, major portion of immovable assets at its Trombay unit became vested with the Company. In case of Thal unit, such properties on the Company's land were erected over the years following land acquisition effected around 1978. Thus records pertaining to self-constructed properties are not readily available since they date back to more than 40 years. Company has initiated the process of obtaining appropriate evidence of the approvals/permissions taken for construction of the self-constructed properties from the respective regulatory authorities.

Apart from such properties, immovable properties, including land for which title deeds are not in the name of the Company is detailed as under: -

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ in crores)	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
PPE	Land				
	Thal Land	1.60	No	1978-84	The Company is in the process of obtaining the Transfer of title deeds in its favour and is in the process of resolving the matter in respect to its valuation.
	Trombay Land	0.24	No	1978	The Company is in the process of obtaining the Transfer of title deeds in its favour.
	Building				
	Thal - Kihim-Township	3.09	No	1984	The Company is in the process of obtaining evidence of title / permissions / approvals etc.

50. Balance of subsidy receivables including subsidy receivable from Government are recognized on estimated basis and are subject to confirmation. Some of the balances of trade payables, current liabilities, loans and advances are subject to confirmation / reconciliation and consequential adjustments if any.

51. The Company is eligible to receive subsidy from Fertilizer Industry Co-Ordination Committee (FICC) / Department of Fertilizers (DOF) on Urea, Phosphatic and Potassic (P & K) Fertilizers at the rates notified from time to time.

Subsidy is further adjusted for escalations/de-escalations in the cost of inputs and other costs, as estimated by the management based on the prescribed norms in line with known policy parameters. Accordingly, the subsidy adjusted on account of this escalations/de-escalations basis for the year amounts to ₹ 1588.30 crore receivable from FICC/DOF (PY ₹ 82.44 crore refundable).

Upon introduction of Direct Benefit Transfer(DBT) schemes for all Fertilizer Companies, there is shift in procedure for generation of subsidy claims with respect to Price subsidy & disbursement thereon. As per the same, Company is entitled for generation of claims on the basis of actual sale by the retailers on weekly basis through POS machines. Accordingly, as on 31.03.2022, quantity of 4.54 LMT of urea and P&K having subsidy amounting ₹ 1037.19 Crore has been recognized in the current period, as such quantity has been sold to dealers but the payment of the same will become due under DBT on actual sale by the retailers through POS machines. (P.Y quantity 6.08 LMT and subsidy ₹ 716.21 crore)

52. Pursuant to the Ministry of Petroleum & Natural Gas (MoPNG) order No. L-13013/3/2012- GP-I, dated: 16th December 2015, GAIL (I) Ltd. had sought a differential levy on usage of gas for non-fertilizer/Non-Urea operations, amounting to ₹1457.92 crore for the period commencing from 1st July, 2006 till 30th June, 2019 by initiating arbitration proceeding before Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD).

The matter was heard in the meeting of the AMRCD on 17th June 2021 and vide its order dated 6th July 2021, AMRCD has determined the total claim to be paid by the company in this regard at an amount of ₹ 87.17 crore. This sum thus settles the price differential towards the use of APM/Domestic gas for non-fertilizer/Non-Urea operations for the period commencing from 1st July 2006 till 15th May, 2016 (subsequent to which Company sourced market priced gas). Further, a related claim by GAIL(I) Ltd in regard to the Gas Transportation Charges of ₹ 19.65 crore, for the period December 2013 to January 2016 have also been directed to be paid. The aggregate sum of ₹ 106.82 crore has been fully paid by the Company in accordance with the resolution by AMRCD.

Possible liability from the FY 2016-17 onwards is yet to be crystalized as the Company has submitted the data to FICC for verification in order to recalculate the claim as per MoPNG directives dated 16th December 2015 as per highest rate of RLNG. Taking a conservative estimate of any liability arising from such claim, the excess provision of ₹ 127.35 crore not considered necessary has been derecognized and reported as exceptional item.

Accordingly, the demand from GAIL (I) Ltd towards the issues referred to in Sr.No.1 (A, B & C) of note no. 45.1 stands settled.

53. On 20th and 22nd March, 2019 respectively, both the Gas Turbine Generator (GTG) plants at Thal unit stopped operating. Upon failure, the matter was taken up with the LSTK contractor who had supplied the turbines, for repair, as the same were covered under warranties. The matter was referred by the LSTK contractor for repairs to the Original Equipment Manufacturer (OEM) who had indicated a total estimated expenditure of about 98 Million SEK (₹ 74.51 crore excluding taxes and duties).

To mitigate future losses, Company procured a Gas generator and commissioned a Gas Turbine Generator plant in August 2019.

In the best interests of the Company, based on the acceptance of Notice to Proceed as proposed by the LSTK contractor, the equipment's were sent for repair to the foreign Original Equipment Manufacturer (OEM) which has been received during the year. As per the Notice to proceed, the final settlement of the repair costs can either be decided mutually or in the event not agreed upon, the settlement of disputes clause as per contract can be invoked.

As the equipment's are covered under warranties, the Company is of the view that no additional costs would devolve on the Company. Further the Company has initiated arbitration proceedings towards the LSTK contractor citing loss of profits owing to higher energy costs, higher maintenance costs etc. In response, counterclaims have been made by the LSTK contractor.

54. Disclosures relating to Impairment of Non-Financial Assets:

Company has carried out impairment testing of its Cash Generating Units (CGU) which is carried out considering an estimated useful life of 10 Years for arriving at the value in use. In determining value in use for the CGU, the cash flows were discounted at a rate of 7.00% on pre-tax basis.

The status of provision made towards impairment is as under: -

FY 2021-22

(₹ Crore)

Sr No.	Plant	Provision for Impairment made during the year	Reversal of Impairment Provision made during the year	Balance in Provision account at the end of the year	Recoverable Amount	Reportable Segments In which these Plants/Assets are used
1	Dimethyl Formamide	-	-	0.10	0.43	Chemical Segment
2	Carbon Mono Oxide	-	-	11.07	2.01	Chemical Segment
	Total	-	-	11.17	2.44	

FY 2020-21

(₹ Crore)

Sr No.	Plant	Provision for Impairment made during the year	Reversal of impairment Provision made during the year	Balance in Provision account at the end of the year	Recoverable Amount	Reportable Segments In which these Plants/Assets are used
1	Dimethyl Formamide	-	-	0.10	0.43	Chemical Segment
2	Carbon Mono Oxide	0.21	0.01	11.07	2.01	Chemical Segment
	Total	0.21	-	11.17	2.44	

The recoverable amount of ₹ 2.44 crore PY (₹ 2.44 crore) is based on value in use and is determined at the level of the CGU. Higher raw material prices coupled with steep fall in realizations warranted in carrying out a review of the recoverable amount of the said plants and related equipment's resulting in provision towards impairment.

Key assumptions based on which recoverable amount is most sensitive.

The calculation of value in use for the identified CGU is most sensitive to the following assumptions.

1. Selling Prices

The extant selling prices are considered for forecasting cash flow estimates for arriving at the value in use. The selling prices are assumed to be kept constant in future year projections.

2. Discount Rate

Discount rate is estimated considering the entity's incremental borrowing rate which is arrived at considering the present debt structure etc.

3. Sales Quantity

The sales projections have been worked out considering the present demand scenario and the operating capacities of the plants.

4. Raw Material Prices - Considering current prices of raw materials.

The estimates of cash flows are done considering current raw material prices at the reporting date and the same are assumed to be remain constant in the future year projections as any increase in the same is expected to be passed on to the market.

55. Inventory includes stores and spares declared as surplus with further classification as disposable surplus. Since such surplus stores on disposal may not fetch full book value a suitable provision has been made. Consequent to full provision for impairment made in respect of plants referred in note no. 54, Company has also provided towards inventory of specific spares relating to the said plants. The value of such inventory and provision towards the same is as under: -

(₹ Crore)

Sr.No.	Particulars	As on 31.03.2022	As on 31.03.2021
A	1 Surplus Stores and Spares	21.51	19.83
	2 Disposable Surplus	14.35	13.40
	3 Specific stores and spares of impaired assets	10.86	10.86
	4 Material Stolen	0.21	0.21
	Total (2+3+4)	25.42	24.47
B	1 Provision made for Disposable Surplus	13.64	12.77
	2 Provision reckoned on stores and spares for impaired assets	10.31	10.31
	3 Provision for Material Stolen	0.21	0.21
	Total	24.16	23.30
C	1 Provision reckoned on Raw materials of Impaired assets - Rapidwall Plant - Trombay	3.35	4.46

56. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act 2006 is as under: (₹ Crore)

Sr. No.	Particulars	As at 31.03.2022	As at 31.03.2021
1	Principal amount remaining unpaid	36.55	40.01
2	Interest due thereon	0.02	0.02
3	Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
4	Interest due and payable for the period of delay making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	0.33	0.17
5	Interest accrued and remaining unpaid	0.35	0.19
6	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 Micro, Small and Medium Enterprises Development Act, 2006.	0.54	0.19

Dues to Micro and small enterprises have been determined to the extent such parties have been identified on the basis of information given by such parties/available with the Company. This has been relied upon by the auditors.

57. Based on the nature of business activities undertaken by the Company and requirement of Ind AS 108-Operating Segment, following are the operating segments identified

Segment	Nature of activities
Fertilizers	Production and supply of various grades of Fertilizers for agricultural use.
Chemicals	Production of various chemicals and supply to diverse industries
Trading	Represents fertilizers imported / locally sourced and marketed for agricultural use.

The necessary disclosures as required under Ind AS 108-Operating Segments are given in Annexure-1.

The segment revenue and segment results are arrived at based on the revenues generated out of sale of such products and the costs attributable are reduced for arriving at the segment results. Assets are allocated to operating segments based on the intended use for which the asset was primarily installed. Liabilities are allocated to operating segments to which it relates to.

58. Non-Current Asset Held for Sale:

(₹Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
Plant & Machinery & other assets	-	0.48
Total	-	0.48

59. Disclosures under Ind AS 24 on Related Party Transactions are given below:

59..1 Transactions with Joint Controlled Entities

Relationship

JOINT CONTROLLED ENTITIES

Name of the Company	No of Shares	Country of Incorporation	% of Ownership interest as at	
			31-03-2022	31-03-2021
1) FACT-RCF BUILDING PRODUCTS LTD. (FRBL) *	32870000 of ₹ 10 each	India	50.00	50.00
2) URVARAK VIDESH LTD.(UVL) *	180002 of ₹ 10 each	India	33.33	33.33
3) TALCHER FERTILIZERS LIMITED (TFL) #	805480826 of ₹ 10 each	India	33.33	33.33

*Consequent to full provision recognized towards the investments made in FRBL and UVL as per Indian GAAP, the carrying value as on the date of transition has been recognized as deemed cost of investment which is NIL as on Ind AS transition date. i.e. 1st April 2015.

Further URVARAK VIDESH LTD. (UVL) has been declared as Dormant Company on 04.11.2015 by Registrar of Companies, New Delhi.

The shareholding is subject to change depending on the final value of the assets transferred by FCIL to Talcher Fertilizer Ltd.

Transactions during the year with the above referred related parties:

(₹ Crore)

Sr. No.	Particulars	Year ended 31.03.2022	Year ended 31.03.2021
1	Contribution towards share capital-TFL	270.00	375.98
2	Share of Expenses from TFL	5.74	2.69

Balance Outstanding:

(₹ Crore)

Sr. No.	Particulars	As at 31.03.2022 Joint Ventures	As at 31.03.2021 Joint Ventures
1	Advances Given –FRBL *	40.23	40.23
2	Share of Expenses receivable from TFL	5.20	9.88

*The same has been fully provided.

Company has given guarantee of ₹ 2.20 crore, PY (₹ 2.20 crore) for working capital facilities from banks on behalf of FRBL. Since such facility has not been availed, no provision towards financial guarantee and corresponding asset has been recognized.

59.2 Transactions with other entities- where Directors are interested:

Name of the entity & transactions

(i) Fertilizers and Chemicals Travancore Ltd (FACT Ltd) -Owing to Shri K. U. Thankachen Director (Marketing) given additional charge of Director (Marketing) of the said entity upto 31.05.2020.

(₹ Crore)

S.No.	Nature of Transaction	2021-22	2020-21
1	Interest Earned on Inter Corporate loan (upto 31.05.2020)	-	0.32

(ii) **Indian Potash Limited (IPL)** - Shri S. C. Mudgerikar is a Nominee Director in the said entity since 07th, February, 2020.

(₹ Crore)

S. No	Nature of Transaction	2021-22	2020-21
1	Transactions during the year*	16.72	-
	Dividend	0.27	0.16
	Sitting Fees	0.03	0.01
2	Accounts receivable/(payable) as at 31st March	-	-

*Procurement of MAP during the year

(iii) **Projects and Development India Limited (PDIL)** - Owing to Ms Nazhat J. Shaikh having been given additional charge as Director (Finance) of the said entity from 04th February, 2022.

(₹ Crore)

S.No	Nature of Transaction	2021-22	2020-21
1	Transactions during the year	1.89	2.33
2	Accounts receivable/(payable) as at 31st March	(0.66)	(0.51)

b) **Disclosure as required by Regulation 34(3) and 53(f) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 -**

(₹ Crore)

S.No	Particulars	Current Year		Previous Year	
		Entity in which Directors are interested	Amount as on 31.03.2022	Maximum amount outstanding during the year ended 31.03.2022	Amount as on 31.03.2021
1	Loans and Advances in the nature of Loans to FACT Ltd *	-	-	21.30	26.59

*Director of the Company interested in FACT until 31.05.2020.

c) **Disclosure as per Section 186 of the Companies Act, 2013**

(₹ Crore)

Sr. No.	Name of Party	Amount as on 31.03.2022	Amount as on 31.03.2021
1.	FACT Ltd (Joint Venture Partner in FRBL) Inter corporate Loan (upto 31.05.2020)	-	21.30
2.	Corporate Guarantee	2.20	2.20
3.	Investment in Indian Potash Limited	0.17	0.17
4.	Investment in Talcher Fertilizers Limited	805.48	535.48

59.3 Key Management Personnel

a) Whole Time Directors & Company Secretary

- i. Shri S C Mudgerikar , Chairman & Managing Director
- ii. Shri. Sudhir Panadare, Director (Technical) (Upto 31.05.2021)
- iii. Shri. Umesh Dongre, Director (Finance) and CFO (upto 30.11.2021)
- iv. Shri K U Thankachen, Director(Marketing)
- v. Ms Nazhat J. Shaikh, Director (Finance) and CFO (from 01.12.2021)
- vi. Shri Milind M. Deo, Director (Technical) (from 27.12.2021)
- vii. Shri Jai Bhagwan Sharma, Company Secretary

b) Independent Directors

- i. Prof. Anil Kumar Singh (upto 06.03.2022)
- ii. Dr Shambhu Kumar (upto 06.03.2022)
- iii. Smt Shashi Bala Bharti
- iv. Shri Chandra Bhushan Pandey (from 29.11.2021)
- v. Shri Kashee Nath Akela (From 01.12.2021)
- vi. Shri Gopinathan Nair Annilkumar (from 27.12.2021)

c) Government Nominee Directors

- i. Ms Alka Tiwari (upto 14.01.2022)
- ii. Ms. Aparna S. Sharma

Details relating to parties referred above:

(i) **Remuneration:** (₹ Crore)

Particulars	Year ended 31.3.2022	Year ended 31.3.2021
Shri. S C Mudgerikar	0.73	0.60
Shri. Sudhir Pandare	0.65	0.62
Shri. Umesh Dongre	0.54	0.59
Shri K U Thankachen	0.68	0.60
Smt. Nazhat J Shaikh	0.18	-
Shri. Milind M Deo	0.14	-
Shri. Jaibhagwan Sharma	0.47	0.40
Total	3.39	2.82

The above amount includes salaries and allowances, contribution to Provident fund, pension etc. and actual payments towards leave encashment, if any including provisions made for gratuity, leave encashment and post-retirement medical benefits made on actuarial basis.

There have been no outstanding loans and advances from the above referred parties as at year end.

(ii) **Sitting Fees in case of Independent Directors** (₹ Crore)

Particulars	Year ended	Year ended
	31.3.2022	31.3.2021
Prof. Anil Kumar Singh	0.12	0.09
Dr Shambhu Kumar	0.10	0.07
Ms Shashi Bala Bharti	0.09	0.03
Shri Chandra Bhushan Pandey	0.01	-
Shri Kashee Nath Akela	0.01	0.00
Shri Gopinathan Nair Annilkumar	0.01	-
Total	0.34	0.20

59.4 Transaction with other Government related Entities

Since Government of India owns 75% of the Company's equity share capital (under the administrative control of Ministry of Chemicals and Fertilizers), the disclosures relating to transactions with Government controlled entities have been reported in accordance with para 26 of Ind AS 24 - Related Party Disclosures.

Certain transactions which are individually and collectively significant carried out with Government related entities for purchase of Gases, for procurement of Raw Materials / Finished Goods, Assets / Spare parts from Original equipment manufacturers etc. the details of which are as under:

(₹ Crore)

Name of Entity	Nature of Transaction	2021-22	2020-21
Sale of Product/Services during the year			
Hindustan Petroleum Corp Ltd	Renting of Pipeline/Renting of Immovable Property	4.74	-
Bharat Petroleum Corporation Limited	Renting of Immovable Property /Sale of Industrial chemicals/ Renting of Pipeline	43.71	35.53
Indian Oil Corporation Ltd	Sale of Industrial chemicals/ Lease Rent for Petrol Pump	252.65	121.59
The Singareni Collieries Co. Ltd.	Sale of Industrial chemicals	59.75	26.75
Fertilizers and Chemicals Travancore Ltd	Repayment of Loans and Interest received	5.60	7.64
Purchase of Product/Services during the year			
GAIL (India) Ltd	Procurement of Gas / Transportation Charges/Pool difference payment	7,105.34	3,885.14
Mangalore Refinery & Petrochemicals	Procurement of Sulphur	38.19	8.81
Indian Oil Corporation Ltd	Procurement of Lube Oil/High Speed Diesel	4.97	-
Bharat Heavy Electricals Limited	Procurement of Capital Goods	3.02	7.49
Hindustan Petroleum Corp Ltd	Procurement of Furnace Oil	3.36	-
Bharat Petroleum Corporation Limited	Procurement of Molten Sulphur & Lubes	6.78	-
Balmer Lawrie & Co Ltd	Procurement of chemicals	1.00	-
Bharat Earthmovers Ltd	Procurement of Capital Goods	1.21	-

Name of Entity	Nature of Transaction	2021-22	2020-21
Accounts Receivable			
Indian Oil Corporation Ltd	Trade & other receivable	37.89	29.19
Bharat Petroleum Corporation Limited	Trade & other receivable	1.58	4.14
Fertilizers and Chemicals Travancore Ltd	Inter Corporate Loan & other receivable	15.74	21.30
Accounts Payable			
GAIL (India) Ltd	Trade & other payables	616.26	521.99
Mangalore Refinery & Petrochemicals	Trade & other payables	6.43	1.41
Bharat Heavy Electricals Limited	Trade & other payables	3.54	10.39
Bharat Petroleum Corporation Limited	Trade & other payables	67.72	76.46
Hindustan Petroleum Corp Limited	Trade & other payables	0.11	-
Indian Oil Corporation Limited	Trade & other payables	0.95	-
Balmer Lawrie & Corporation Limited	Trade & other payables	0.22	-

The above referred transactions have been carried out on arm's length basis with the said entities.

59.5 Transaction with Trusts (₹ Crore)

Name of Related Party	Nature of Transactions	2021-22	2020-21
Contribution to Trust			
RCF Ltd Employees Provident Fund Trust	Contribution	31.32	25.23
RCF Ltd Employees Gratuity Fund	Contribution	13.94	1.62
Reimbursement of Gratuity payment made on behalf of Trust			
RCF Ltd Employees Gratuity Fund	Reimbursement	37.40	28.14
Balance payable/(receivable) as on 31st March of financial year			
RCF Ltd Employees Provident Fund Trust	Contribution	5.42	6.19
RCF Ltd Employees Gratuity Fund	Contribution/Net of reimbursement due	(7.58)	(22.62)

60. Disclosure as per Ind AS 37 on "Provisions, Contingent Liabilities and Contingent Assets" as on 31st March 2022:

(₹ Crore)

Sr. No.	Particulars	Balance as on 01.04.2021	Addition	Utilization	Reversal	Balance as on 31.3.2022
a)	Disputes and Claims, Legal Matters	2.00 (2.00)	- -	- -	- -	2.00 (2.00)

Figures in brackets are in respect of previous year.

61. Earnings per Share –Basic and Diluted

Particulars	Year ended 31.3.2022	Year ended 31.3.2021
Net profit after tax as per Statement of Profit and loss (₹ crore) (A)	704.36	381.94
Weighted Average Numbers of Equity Shares for calculating basic EPS(B)	55,16,88,100	55,16,88,100
Basic earnings per Share (in Rupees) (Face Value of ₹ 10/- per share) (A)/(B)	12.77	6.92
Diluted earnings per Share (in Rupees) (Face Value of ₹ 10/- per share) (A)/(B)	12.77	6.92
EPS from continuing operations (Face Value of ₹ 10/- per share)	12.77	6.92

62 “Financial Reporting of interests in Joint Ventures”

The required information is as under: -

JOINT CONTROLLED ENTITIES

Name of the Company	Country of Incorporation	Percentage of ownership interest as on	
		31.03.2021	31.03.2022
1) FACT-RCF BUILDING PRODUCTS LTD.	India	50.00	50.00
2) URVARAK VIDESH LTD.	India	33.33	33.33
3) TALCHER FERTILIZERS LIMITED	India	33.33	33.33

A) FACT-RCF BUILDING PRODUCTS LTD:- A Joint venture Company with Fertilizers and Chemicals Travancore Ltd. (FACT) for manufacture of rapid building materials from Gypsum at Kochi.

Summarized financial information of Company’s investment in
FACT-RCF BUILDING PRODUCTS LTD. (FRBL)

(₹ Crore)

Sr. No.	Particulars	As at 31.03.2022 (Audited)	As at 31.03.2021 (Audited)
1	Non-Current Assets	2.84	3.51
2	Cash and Cash Equivalent	0.29	0.32
3	Current Assets other than Cash and Cash Equivalent	10.25	13.22
4	Non-Current Liabilities	57.95	51.94
5	Current Liabilities	93.13	94.23
6	Equity	(137.71)	(129.12)
7	Proportion of the company’s ownership	50%	50%
8	Carrying amount of the investment*	-	-

(₹ Crore)

Sr. No.	Particulars	Year Ended 31.03.2022 (Audited)	Year Ended 31.03.2021 (Audited)
1	Income	3.50	16.48
2	Cost of materials consumed	-	-
3	Change in inventories	1.23	0.03
4	Depreciation and amortization expense	-	-
5	Finance costs	6.01	5.39
6	Employee benefits expenses	0.88	0.79
7	Other Expenses	3.96	16.32
8	Profit/Loss from continuing operations before exceptional item	(8.58)	(6.05)
9	Exceptional Item	-	-
10	Profit/Loss Before Tax	(8.58)	(6.05)
11	Total comprehensive income for the year	(8.58)	(6.05)
12	Company's Share of profit / (loss) for the year	(4.29)	(3.03)

* Owing to the Company's share of losses exceeding its interest in the joint venture, the share of loss stands discontinued to be recognized. Accordingly, Company has not recognized share of loss of ₹ 4.29 crore for the year (P.Y. ₹ 3.03 crore) and ₹ 68.84 crore cumulatively up to the year ended 31.03.2022 (₹ 64.55 crore) cumulatively up to the year ended 31.03.2021.

B) URVARAK VIDESH LTD:- A joint venture with National Fertilizers Ltd. and KRIBHCO for revival of closed Fertilizer Units of FCI/HFC group of companies has been formed. Further URVARAK VIDESH LTD. (UVL) has been declared as Dormant Company on 04.11.2015 by Registrar of Companies, New Delhi.

Summarized financial information of Company's investment in URVARAK VIDESH LTD.

(₹ Crore)

Sr. No.	Particulars	As at 31.03.2022 (Audited)	As at 31.03.2021 (Audited)
1	Non-Current Assets { ₹ 1 (P.Y ₹ 1)}	-	-
2	Cash and Cash Equivalent	0.01	0.01
3	Current Assets other than Cash and Cash Equivalent	0.06	0.08
4	Non-Current Liabilities	-	-
5	Current Liabilities	0.02	0.02
6	Equity	0.05	0.06
7	Proportion of the Company's ownership	33.33%	33.33%
8	Carrying amount of the investment*	0.02	0.02

(₹ Crore)

Sr. No.	Particulars	Year Ended 31.03.2022 (Audited)	Year Ended 31.03.2021 (Audited)
1	Income { ₹ 37,491 (P.Y ₹ 44,776)}	-	-
2	Cost of materials consumed	-	-
3	Depreciation and amortization expense	-	-

(₹ Crore)

Sr. No.	Particulars	Year Ended 31.03.2022 (Audited)	Year Ended 31.03.2021 (Audited)
4	Finance costs	-	-
5	Employee benefits expenses	-	-
6	Other Expenses	0.01	0.01
7	Profit/(Loss) from continuing operations	(0.01)	(0.01)
8	Total comprehensive income for the year	(0.01)	(0.01)
9	Company's Share of profit / (loss) for the year	-	-

*Company, on implementation of Ind AS had adopted the carrying amount as per IGAAP as its deemed cost of its investment in joint ventures.

C) TALCHER FERTILIZERS LIMITED: - A Joint Venture Company with Coal India Limited (CIL), GAIL (India) Limited and Fertilizer Corporation of India Limited (FCIL) was incorporated on 13th November 2015 for revival of the FCIL's fertilizer unit at Talcher by establishing and operating new coal gasification based fertilizer complex (Ammonia/Urea Complex).

Summarized financial information of Company's investment in TALCHER FERTILIZERS LTD.

(₹ Crore)

Sr. No.	Particulars	As at 31.03.2022 (Audited)	As at 31.03.2021 (Audited)
1	Non-Current Assets	1949.89	1267.00
2	Cash and Cash Equivalent	632.05	939.63
3	Current Assets other than Cash and Cash Equivalent	168.35	24.52
4	Non-Current Liabilities	-	-
5	Current Liabilities	355.98	640.90
6	Equity	2394.31	1590.24
7	Proportion of the Company's ownership	33.33%	33.33%
8	Carrying amount of the investment	805.48	535.48
9	Capital Commitment	9216.15	7715.43

(₹ Crore)

Sr. No.	Particulars	Year Ended 31.03.2022 (Audited)	Year Ended 31.03.2021 (Audited)
1	Income	21.53	13.77
2	Cost of materials consumed	-	-
3	Depreciation and amortization expense	0.58	0.11
4	Finance costs	-	-
5	Employee benefits expenses	-	-
6	Other Expenses	26.82	6.02
7	Profit/(Loss) from continuing operations	(5.87)	7.63
8	Total comprehensive income for the year	(5.94)	6.36
9	Company's Share of profit / (loss) for the year	(1.97)	2.54

63. Miscellaneous expenses include auditors' remuneration as per details given below:

(₹ Crore)

Sr. No.	Particulars	Year ended 31.03.2022	Year ended 31.03.2021
1	Audit fees for the year	0.25	0.23
2	Audit fees for Limited review	0.03	0.03
3	Audit fees for Consolidated Financial Statements	0.02	0.01
4	Certification Fees	0.13	0.08
5	Reimbursement of other expenses	0.04	0.01

64. The position of (Net) Certified Emission Reductions (CER's) or Carbon Credits allotted and held by the Company is as under :-

Particulars	Unit	2021-22	2020-21
CER's at the beginning of the year (includes 28,772 CERS held on behalf of supplier of Catalyst)	No.	973738	9,73,738
CER's Allotted	No.	-	-
CER's Sold	No.	-	-
CER's held at year end (includes 28,772 CERS held on behalf of supplier of Catalyst)	No.	973738	9,73,738
CER's under certification	No.	Nil	Nil
Depreciation, operating and maintenance cost of emission reduction equipment's expensed during the year	₹ Crore	0.01	0.01

65. Employee Benefits:

The required disclosure under Ind AS 19 Employee Benefits is given below.

General Description of Defined Benefit Plan

1) Provident Fund: -

a) The Provident Fund contributions are made to a Trust administered by the Company. The interest rate payable to the members of the Trust shall not be lower than statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952.

During the year an amount of ₹ 43.82 crore (P.Y. ₹ 28.70 crore) has been charged off to statement of Profit and loss towards contribution by the Company.

b) As per Ind AS 19 Employee Benefits, for Defined Benefit plans, Company is required to ascertain the present value of the defined benefit obligation and compare with the fair value of the Plan assets to determine the surplus or deficit, if any, as at Balance Sheet date. Deficit, if any, needs to be accounted in the books of the Company. Accordingly, Company had recognized a liability of ₹ 3.59 crore as at 31.03.2021. Upon review of fair value plan assets as compared to present value of the defined benefit obligation, the deficit stands increased to ₹ 16.09 crore as at 31.03.2022 resulting in an additional provision of ₹ 12.50 Crore during the year. (P.Y. ₹ 15.48 crore reversal in provision).

The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:

Particulars	As at 31st March 2022	As at 31st March 2021
Maturity profile assumed upto	5 years	5 years
Expected guaranteed interest rate	8.10%	8.50%
Discount rate	7.23%	6.86%

The funds of the trust have been invested under various securities as per the pattern of investment mandated by Employees Provident Fund Organization (EPFO) Guidelines.

Changes in the benefit obligation and fair value of plan assets as at March 31, 2022

(₹ Crore)

Particulars	F.Y. 2021-22		
	Defined Benefit Obligation	Fair Value of Plan Asset	Net Benefit Asset
Opening Balance	(1,007.37)	1,003.78	(3.59)
Service Cost	(31.32)	-	
Net Interest Expenses	(77.32)	77.32	
Benefits Paid	176.35	(176.35)	
Return on Plan Asset (excluding amounts included in net Interest Expense)	-	-	
Difference in Book value & Fair Value of Plan Asset	-	(9.71)	
Experience Adjustment	-	-	
Settlement /Transfer in	(1.98)	1.98	
Settlement /Transfer out	-	-	
Contribution by Plan Participants Employees	(40.99)	40.99	
Contribution by Employer	-	31.32	
Other adjustment	(0.08)	(2.71)	
Closing Balance	(982.71)	966.62	(16.09)

Changes in the benefit obligation and fair value of plan assets as at March 31, 2021

(₹ Crore)

Particulars	F.Y.2020-21		
	Defined Benefit Obligation	Fair Value of Plan Asset	Net Benefit Asset
Opening Balance	(1039.92)	1020.85	(19.07)
Service Cost	(29.92)	-	
Net Interest Expenses	(81.69)	81.69	
Benefits Paid	188.68	(188.68)	
Return on Plan Asset (excluding amounts included in net Interest Expense)	-	3.69	
Difference in Book value & Fair Value of Plan Asset	-	10.74	
Experience Adjustment	-	-	
Settlement /Transfer in	(0.41)	0.41	
Settlement /Transfer out	-	-	
Contribution by Plan Participants Employees	(44.10)	44.10	
Contribution by Employer	-	30.97	
Closing Balance	(1007.37)	1003.78	(3.59)

2) Gratuity: -

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to fifteen days' salary last drawn for each completed year of service depending upon the date of joining the same is payable on death, separation from service, or retirement, whichever is earlier. The benefit vests after five years of continuous service. During the year, the charge on account of Gratuity to Statement of Profit and Loss is ₹ 13.99 crore (PY ₹ 0.34 crore).

3) Leave Encashment: -

The Company has been accounting for provision on account of leave encashment on retirement based on actuarial valuation carried out as at the Balance Sheet date.

The liability for the leave encashment on retirement as at 31st March 2022 is ₹ 175.93 crore (P.Y. ₹ 179.13 crore).

4) Post-Retirement Medical Benefits: -

The Company has been accounting for provision on account of post-retirement medical benefits based on actuarial valuation carried out as at the Balance Sheet date. Employees of the company upon retirement/separation under Voluntary Retirement Scheme are entitled to medical benefits as per agreed upon scheme in force.

The liability for the Post-Retirement Medical Benefits on retirement as at 31st March 2022 is ₹ 124.83 crore (P.Y. ₹ 106.30 crore).

5) Long Term Service Award:

As a part of cordial relation and appreciation of long dedicated service, Company is honoring its employees with a memento on completion of 25 years of service.

General Description of Defined Contribution Plan

Contributory Superannuation Scheme:

The scheme is a defined contribution scheme. Employees are required to exercise their option to be a part of the scheme and make a contribution equivalent to the amount contributed by the Company to the fund, upon becoming the member of the scheme. Under the scheme the employee shall be eligible for pension provided they have put in at least 15 years of service in the Company and superannuate from the Company which is as per Government of India guidelines. During the year Company has recognized an expenditure of ₹ 12.11 crore (P.Y. ₹ 11.05 crore) as contribution towards the said scheme.

Gratuity & Post-Retirement Medical Benefits:

The following table shows the impact of actuarial valuation as recognized in the financial statements in respect of Gratuity and Post-retirement medical benefits.

(₹ Crore)

Particulars	As at 31st March 2022		As at 31st March 2021	
	Gratuity (Funded)	Post-Retirement Medical Benefits (Non-Funded)	Gratuity (Funded)	Post-Retirement Medical Benefits (Non-Funded)
1) Components of Employer expenses				
Current Service Cost	4.21	2.13	8.32	2.21
Past Service cost	16.07	-	-	-
Net Interest Cost / (Income)	(1.55)	7.34	0.02	6.41
Net expense/(gain) recognized in the statement of Profit and Loss (refer note below)	18.73	9.47	8.34	8.62

(₹ Crore)

Particulars	As at 31st March 2022		As at 31st March 2021	
	Gratuity (Funded)	Post-Retirement Medical Benefits (Non-Funded)	Gratuity (Funded)	Post-Retirement Medical Benefits (Non-Funded)
Remeasurement of the net defined benefit liability	-	-	-	-
Actuarial Gains or Losses due to changes in Financial Obligations	(5.13)	6.97	(0.26)	(0.85)
Actuarial Gains or Losses due to experience adjustments	1.62	10.00	(6.88)	4.07
Return on plan assets excluding amounts included in Net Interest Expense	1.21	-	(0.42)	-
Components of defined benefit cost/(Income) recognized in other comprehensive income	(4.78)	17.06	(6.72)	10.52
2) Changes in Benefit Obligations				
Present value of Obligation at year beginning	264.14	106.29	293.59	94.15
Service Cost	4.21	2.13	8.32	2.21
Interest Cost	18.12	7.34	20.09	6.41
Past Service cost	16.07	-	-	-
Liability Transferred In/ Acquisitions	0.32	-	0.05	-
Actuarial(gain)/Loss	(3.58)	17.06	(7.14)	10.52
Benefits paid	(44.98)	(8.00)	(50.76)	(7.00)
Present value of Obligation at year end	254.30	124.82	264.14	106.29
3) Changes in Plan Assets				
Fair value of Plan Assets , at year beginning	286.76	-	293.31	-
Assets Transferred In/Acquisitions	0.32	-	0.05	-
Expected return on Plan Assets	19.67	-	20.32	-
Employer's contributions	(1.09)	-	24.51	-
Benefits paid	(44.98)	-	(50.76)	-
Actuarial gain/(Loss)	-	-	-	-
Return on plan Asset excluding interest income.	1.21	-	(0.42)	-
Fair value of Plan Asset at the year end	261.89	-	286.76	-
Present Value of funded defined benefit obligation	(254.30)	(124.83)	(264.14)	(106.29)
Fair value of Plan Asset	261.89	-	286.76	-
Net (Liability)/Asset arising from defined benefit obligation	7.58	-	22.62	-
Insurance Fund	261.89	-	286.76	-
Total	261.89	-	286.76	-
Actuarial Assumptions				
Discount Rate(per annum)	7.23%	7.40%	6.86%	6.91%

(₹ Crore)

Particulars	As at 31st March 2022		As at 31st March 2021	
	Gratuity (Funded)	Post-Retirement Medical Benefits (Non-Funded)	Gratuity (Funded)	Post-Retirement Medical Benefits (Non-Funded)
Expected Rate of Return on Assets (per annum)	7.23%	-	6.86%	-
Salary Escalation/Annual increase in health care cost	8.00%	4.00%	8.00%	4.00%
Rate of Employee Turnover	2.00%	2.00%	2.00%	2.00%
Contribution to defined benefit plan during the next financial year	-	-	-	-
Sensitivity Analysis for Significant Assumptions is as given below				
One percentage point increase in discount rate	(12.68)	(8.79)		(7.80)
One percentage point decrease in discount rate	14.46	10.31		9.19
One percentage point increase in salary increase	6.35	-		-
One percentage point decrease in salary increase	(6.96)	-		-
One percentage point increase in employee turnover rate	0.79	-		-
One percentage point decrease in employee turnover rate	(0.91)	-		-

Maturity Analysis of Projected Benefit Obligation (from the fund)				
1 st Following Year	48.82	8.84	50.23	7.73
2 nd Following Year	27.08	8.11	31.44	7.53
3 rd Following Year	30.93	7.84	41.43	7.28
4 th Following Year	27.82	7.69	29.72	7.15
5 th Following Year	31.81	7.69	26.77	7.15
Sum of Years 6 to 10	94.96	38.68	93.26	36.41
Sum of Years 11 and above	170.03		145.83	

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Estimates of future salary increase considered in the actuarial valuation take into account inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market.

66. The position of Foreign currency exposures are as under:

The position of Hedged Foreign currency exposures are as under: -

(₹ Crore)

Particulars	Hedged Exposure	Cross Currency	As on 31.03.2022	As on 31.03.2021
Foreign Currency exchange contracts	Buyer's credit/Supplier's credit availed for import	USD	748.91	196.31
	Long Term Borrowings	USD/EUR	103.41	83.06

The position of Unhedged Foreign currency exposures are as under: -

(₹ Crore)

Particulars	Unhedged Exposure	Cross Currency	As on 31.03.2022	As on 31.03.2021
Foreign Currency exchange contracts	Foreign currency term loans	USD / EUR	175.54	199.79
	Buyer's credit/Suppliers credits for imports (including Interest accrued but not due) / Trade Payables (net)/ Deposits received	USD / EUR / SEK/ JPY	1476.06	89.94

Derivative Financial Instruments

The status of derivative financial instruments outstanding is as under: -

(In Million)

Hedging Instrument	Currency	Hedged Exposure	Currency	As on 31.03.2022	As on 31.03.2021
Forwards/ Call Spreads / Seagull options	USD / INR	Buyers Credit / Suppliers credit/ Foreign Currency Long Term Loans	USD	99.20	27.53
	EUR/INR	External Commercial Borrowings	EUR	11.85	5.54
	EUR/USD	External Commercial Borrowings	EUR	1.82	3.41

67. Contingent Assets:

- As per the Arbitration award received in its favor for the compensation claimed in respect of surrender of land to Mumbai Metropolitan Regional Development Authority (MMRDA) on 23rd May, 2018, Company is eligible for compensation either in the form of cash / TDRs amounting to ₹ 75.17 crore along with interest over and above the entitled compensation as recommended by Arbitration award. Company has filed an execution application, however MMRDA has obtained stay against the same from Mumbai High Court subject to deposit of 25% of the disputed amount with the Court. MMRDA has deposited 25% of the disputed amount as directed by the Court and the Company has withdrawn the same amounting to ₹ 27.93 crores in F.Y.2020-21 upon submission of bank guarantees of equivalent amount in favour of the Court.
- Further, in respect to action initiated towards certain parties for recovery of its dues, Company has filed Execution Petitions attaching properties in existence upon receipt of favorable orders from Court amounting to ₹ 0.63 crore (P.Y. ₹ 0.63 crore)

68. Exceptional items:

Exceptional item consists of:

(₹ Crore)

Sr. No.	Particulars	Year ended	
		31.03.2022	31.03.2021
A.	Transferrable Development Right		
	Loss / (Gain) on Revaluation of Development Right Certificate received / receivable from MMRDA towards surrender of land in earlier years to MMRDA/MCGM.	0.28	(3.03)
	Fair value gain on account of valuation of Development Right Certificate receivable from Municipal Corporation of Greater Mumbai towards surrender of land.	(0.56)	(1.68)
	Net Exceptional Expense / (Income)	(0.28)	(4.71)
B.	Gas Transmission charges by GAIL		
	Liability towards Gas Transmission charges as per PNGRB order on ONGC Uran Trombay Pipeline as per AMRCD order	19.65	0.00
	Reversal of excess liability of price differential for use of APM/Domestic gas for non-fertilizer/ Non-Urea operations as per AMRCD order	(147.00)	0.00
	Net Exceptional Expense / (Income)	(127.35)	0.00
	Grand Total (A+B)	(127.63)	(4.71)

69. Disclosure relating to Corporate Social Responsibility “CSR” Activities

Company during the year has incurred an expenditure of ₹ 6.98 crore (P.Y. ₹ 3.58 crore) towards the same which is reported under Note No. 37 “Other Expenses” & Note 37B “Miscellaneous expenses”.

The expenditure incurred is under the following heads: -

(₹ Crore)

	Year ended 31.03.2022		Year ended 31.03.2021	
	Construction / Acquisition of any assets (i)	On the purpose other than (i)	Construction / Acquisition of any assets (i)	On the purpose other than (i)
Health Care	-	4.38	-	3.11
Rural Development	-	1.80	-	0.25
Skill Development & livelihood	-	0.17	-	0.15
Promoting Education	-	0.26	-	0.07
Women Empowerment	-	0.37	-	0.00
Total	-	6.98	-	3.58

The other disclosures are as under: -

₹ Crore

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Gross amount required to be spent by the Company during the year	6.94	3.58
Amount spent during the year (on purpose other than construction / acquisition of assets controlled by the Company)	6.98	3.58
Amount yet to be paid in cash	0.12	-

Details of CSR expenditure to be reported in accordance with Schedule III of Companies Act

₹ Crore

F. Y.	Amount required to be spent during the year	Amount spent during the year	Balance c/f as at 31.03.2022	Amount charged off to statement of P&L	Shortfall	Reason for Short fall	Related Party	Provision of liability by entering Contractual obligation
2021-22	6.94	*7.48	0.50	6.98	Nil	N.A.	Nil	N.A.
2020-21	3.58	4.22	0.64	3.58	Nil	N.A.	Nil	N.A.

*Includes ₹ 0.64 crores excess amount carried forward from previous year.

70. Income Tax

Reconciliation of tax expense and the accounting profit as per below:

₹ Crore

Sr. No.	Particulars	Year ended 31.03.2022	Year ended 31.03.2021
1	Accounting profit before tax from continuing operations	943.91	527.98
2	At the effective income tax rate of (31st March 2022: 25.17% and 31st March 2021: 25.17%)	237.56	132.89
Effect of :--			
3	Expenses that are not deductible in determining Taxable Profit	0.46	1.63
4	Income that is exempt from taxation	-	-
5	Effect of deferred tax of previous period	18.56	14.69
6	Other permanent differences	1.90	1.90
7	Sub Total (Sr. No. 1+2+3+4+5+6)	258.48	151.11
8	Adjustment in respect of current income tax of previous year	(18.93)	(5.07)
9	Income tax expense reported in the statement of profit or loss (Sr. No. 6+7)	239.55	146.04
10	Effective income tax rate (in %) (Sr.No.9 / Sr. No. 1)*100	25.38	27.66

71. Deferred Tax

₹ Crore

For the Year 2021-22				
	Opening Balance 01.04.2021	Recognized in P&L	Recognized in OCI	Closing Balance 31.03.2022
DEFERRED TAX LIABILITY				
Property Plant & Equipment and Intangible Assets	302.04	2.00	-	304.04
Revaluation of FVTOCI Investments to Fair value	19.67	-	3.37	23.04
Other temporary differences	1.69	(0.20)	-	1.49
TDR Accrued	8.39	-	-	8.39
TOTAL	331.79	1.80	3.37	336.96
DEFERRED TAX ASSET				
Provision for doubtful debts/claims/advances	11.23	(0.28)	-	10.95

₹ Crore

For the Year 2021-22				
	Opening Balance 01.04.2021	Recognized in P&L	Recognized in OCI	Closing Balance 31.03.2022
Provision for obsolescence of stores	3.46	(0.04)	-	3.42
Provision for diminution in value of investments	8.91	-	-	8.91
Expenditure allowable on payment basis	58.28	7.98	-	66.26
Other temporary differences	30.58	2.77	-	33.35
TOTAL	112.46	10.43	-	122.89
NET DEFERRED TAX LIABILITY	219.33	(8.63)	3.37	214.07

For the Year 2020-21

₹ Crore

	Opening Balance 01.04.2020	Recognized in P&L	Recognized in OCI	Closing Balance 31.03.2021
DEFERRED TAX LIABILITY				
Property Plant & Equipment and Intangible Assets	287.81	14.23	-	302.04
Revaluation of FVTOCI Investments to Fair value	18.06	-	1.61	19.67
Other temporary differences	0.77	0.92	-	1.69
TDR Accrued	8.39	-	-	8.39
TOTAL	315.03	15.15	1.61	331.79
DEFERRED TAX ASSET				
Provision for doubtful debts/claims/advances	11.95	(0.72)	-	11.23
Provision for obsolescence of stores	4.14	(0.68)	-	3.46
Provision for diminution in value of investments	-	8.91	-	8.91
Expenditure allowable on payment basis	69.29	(11.01)	-	58.28
Other temporary differences	31.07	(0.49)	-	30.58
TOTAL	116.45	(3.99)	-	112.46
NET DEFERRED TAX LIABILITY	198.58	19.14	1.61	219.33

72. Hedging activities and derivatives

Derivatives not designated as hedging instruments

The Company has foreign currency denominated borrowings in the nature of External Commercial borrowings (ECBs), Foreign Currency Term Loan (FCTL) for its long term requirements and Buyers Credit, Suppliers credit for meeting its short term fund requirement. The Company has a hedging policy in place to manage its foreign currency risk relating to these borrowings. The Company uses various products for hedging like Forex Forward Contracts, Forward Rate Agreements, Plain Vanilla Options (call option and put option), Seagull options, Interest Rate Swaps, Currency Swaps including Cross-Currency Swaps etc. The Company undertakes hedging through these products considering the tenor of the underlying instrument and the same are not designated as cash flow hedges.

73. Fair values

The management has assessed that its financial assets and liabilities like cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term

maturities of these instruments.

The following methods and assumptions were used to estimate the fair values for the given below financial assets.

- **UNQUOTED EQUITY SHARES OF INDIAN POTASH LIMITED**

The fair values of the unquoted equity shares have been estimated using a DCF model. The Company avails the services of professional valuer's for valuation of the same and the fair values so reported are based on a valuation report received from an investment valuation expert.

- **INVESTMENT IN MUTUAL FUND**

The fair values of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

- **DERIVATIVES NOT DESIGNATED AS HEDGES**

The Company enters into derivative financial instruments with various banks. Interest rate swaps, foreign exchange forward contracts, derivative instruments are valued using valuation techniques, which employs the use of market observable inputs (i.e. based on inputs/statement of position received from banks). All derivative contracts with banks are unsecured.

- **INVESTMENT PROPERTIES**

The value of the investment properties are based on the information and a study of the micro market in discussions with industry experts, local brokers and regional developers.

Fair values hierarchy is detailed as below

(₹ Crore)

Fair values Hierarchy	31.03.2022			31.03.2021		
	Significant observable inputs	Significant observable inputs	Significant unobservable inputs	Significant observable inputs	Significant observable inputs	Significant unobservable inputs
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investment in Unquoted Equity Shares of Indian Potash Ltd.			92.09			78.68
Investment in Mutual Funds	8.04			-		
Derivative Instruments not Designated as Hedges		12.05			3.81	
TDRs recognized at fair market value		36.31			36.03	
Financial Liability						
Assets for which Fair values are disclosed						
Investment Properties		893.88			928.46	

74. Financial risk Management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise of loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support operations of its subsidiaries/joint ventures, if any.

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 FVTOCI investments and enters into derivative transactions.

The Company is exposed to market risk (including interest rate risk and currency risk), credit risk and liquidity risk. The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures, the use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, use of financial hedging instruments.

The Company's management oversees these risks with the support of a Risk Management Committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The Risk Management Committee provides assurance to the Company's management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

All derivative activities for risk management purposes are carried out by designated officers who have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. These risks are summarized below:

- **Interest Rate Risk:**

Interest Rate Risk Management:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risks because the Company borrows funds at both fixed and floating interest rates.

The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align interest rate views and defined risk appetite, ensuring the most cost-effective hedging structures are applied and accordingly the Company enters into interest rate swaps.

Interest Rate Sensitivity Analysis:

The sensitivity analysis has been determined based on the exposure to interest rate risk on the long term borrowings outstanding as at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year with a 50 basis point increase or decrease. The detailed sensitivity analysis is given below:

(₹ Crore)

Nature of Floating interest rate Loans	Total outstanding floating rate loans	Current interest rate	Change	Impact on Profit and Loss Account Profit / (Loss)
As on 31.3.2022				
EUR Borrowings	272.72	1.31%	0.50%	(1.36)
			-0.50%	1.36
INR Borrowings	143.18	5.99%	0.50%	(0.72)
			-0.50%	0.72
Total	415.90			(2.08)
As on 31.3.2021				
EUR Borrowings	264.76	1.25%	0.50%	(1.32)
			-0.50%	1.32
INR Borrowings	466.63	8.34%	0.50%	(2.33)
			-0.50%	2.33
Total	731.39			(3.66)
				3.66

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

- **Credit Risk:**

Credit Risk Management:

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigation the risk of financial loss from defaults.

Trade receivables consist of a large number of customers, spread across diverse geographical areas for its fertilizers segment and across geographical areas and industries in respect of its chemicals segment. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The credit risk on liquid funds is limited because the counterparties are primarily Public Sector mutual funds and further the Company invests only in 100% debt oriented schemes of such funds. As regards derivative financial instruments the same is also limited because the counterparties are banks whose operations are regulated by the Reserve Bank of India.

- **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 equity price risk and commodity risk. The Company's activities expose it's primarily to the financial risk of changes in foreign currency risk and interest rates risk.

- **Liquidity risk**

Liquidity risk management

Liquidity risk management refers to the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

(₹ Crore)

Company's Financial Liabilities	As at 31.03.2022					
	Demand	<3 Months	3-12 Months	1-5 years	>5 Years	Total
Borrowings	-	1387.42	460.40	1074.13	46.27	2968.22
Trade Payables	1239.29	1039.14	64.66	-	-	2343.09
Other Financial Liabilities	274.98	139.69	48.03	20.81	65.03	548.54
Lease Liability	-	0.82	1.95	4.21	3.32	10.30
TOTAL	1514.27	2567.07	575.04	1099.15	114.62	5870.15
As at 31.03.2021						
Borrowings	8.89	848.20	166.66	953.72	89.32	2066.79
Trade Payables	572.52	332.55	-	211.79	-	1116.86
Other Financial Liabilities	334.62	3.01	15.74	2.28	65.03	420.68
Lease Liability	-	0.89	2.23	5.32	3.36	11.80
TOTAL	916.03	1184.65	184.63	1173.11	157.71	3616.13

• **Foreign Currency Risk:**

The Company undertakes transactions denominated in foreign currencies, consequently, exposure to exchange rate fluctuations arise. The Company has a Board approved Hedging Policy in place entailing parameters for hedging its foreign currency exposures completely before their maturities. The Company manages its exchange rate exposures within the approved parameters of the hedging policy through various derivative instruments such as options, swaps etc.

Foreign Currency Sensitivity Analysis:

The Company is mainly exposed to the currency of USD and EUR. The following table details the Company's sensitivity to a 5% increase and decrease in the INR as against the USD/EUR. The sensitivity analysis includes only outstanding foreign currency denominated monetary items i.e. loans in foreign currency and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number indicates an increase in profit or equity where the INR strengthens 5% against USD/EUR. For a 5% weakening of INR as against USD/EUR, there would be a comparable impact on the profit or equity, and the number would be negative.

As on 31st March 2022									
Currency	Financial Liabilities			Total Exposure (Net) in Foreign Currency	Exchange rate as on 31.3.2022	Total Exposure in INR	Change	Change	Impact on Profit and Loss Account (+Profit /-Loss)
	Trade Payables / Deposits received	Bank Loans (Long term + Short Term)*	Interest accrued but not due on borrowings						
Foreign Currency in Million					Rs. per Foreign Currency	Rs. in Crore	%	Rs. per Foreign Currency	Rs. in Crore
USD	201.05	91.44	0.14	292.64	75.81	2,218.42	5.0%	3.7904	(110.92)
							-5.0%	(3.7904)	110.92
EUR	(0.03)	32.21	0.09	32.27	84.66	273.22	5.0%	4.2330	(13.66)
							-5.0%	(4.2330)	13.66
Other Currencies	-	-	-	-	-	12.24	5.0%		0.61
							-5.0%		(0.61)
Total				324.91		2,503.87			

* of the above, an amount of ₹ 852.32 crores are hedged by way of Financial Derivative Instruments

As on 31st March 2021									
Currency	Financial Liabilities			Total Exposure (Net) in Foreign Currency	Exchange rate as on 31.3.2021	Total Exposure in INR	Change	Change	Impact on Profit and Loss Account (+Profit /-Loss)
	Trade Payables(net) / Deposits received	Bank Loans (Long term + Short Term) *	Interest accrued but not due on borrowings						
Foreign Currency in Million					Rs. per Foreign Currency	Rs. in Crore	%	Rs. per Foreign Currency	Rs. in Crore
USD	19.34	21.94	0.04	41.32	73.50	303.72	5.0%	3.6752	(15.19)
							-5.0%	(3.6752)	15.19
EUR	-	30.75	0.07	30.82	86.10	265.38	5.0%	4.3050	(13.27)
							-5.0%	(4.3050)	13.27
Other Currencies	-	-	-	-	-	-	5.0%		-
							-5.0%		-
Total				72.14		569.10			

* of the above, an amount of ₹ 279.37 crores are hedged by way of Financial Derivative Instruments

75. Capital Management

For the purpose of the Company's Capital management, capital includes equity capital and all other reserves. The primary objective of the Company's capital management is to maximize 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. The Company, for its capex requirement, borrows to the extent of 70% of the requirement and the remaining 30% shall be sourced from the internal accruals. Further, the Company, being a Public sector undertaking, is governed by the guidelines of the Department of Investment & Public Asset Management (DIPAM), which specifies the minimum percentage of dividend that can be declared. Accordingly, the Company has to manage its capex in such a way that the minimum dividend payout as stipulated is met. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

Gearing Ratio:

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. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in financial covenants of any interest-bearing loans and borrowings in the currency period.

No changes have been made in the objectives, policies and processes for managing capital during the years ended 31st March 2022 & 31st March 2021.

(₹Crore)

Particulars	31.03.2022	31.03.2021
Borrowings (Current + Non-Current)	2968.22	2066.79
Trade Payables	2343.09	1116.86
Total Debt (A)	5311.31	3183.65
Total Capital (B)	3889.23	3356.70
Total Capital and Net Debt (C)	9200.54	6540.35
Gearing Ratio (A/C*100)	57.73	48.68

76. **Changes in Financial Liabilities arising from Financing Activities for FY 2021-22**

(₹ Crore)

Particulars	As at 31.03.2021	Cash flows (net)	Other changes	Non-Cash Changes		As at 31.03.2022
				Foreign Exchange Movement	Current / Non-current classification	
Borrowings - Non Current (refer Note 20)	1,043.04	321.28	(0.98)	(2.11)	(240.82)	1120.41
Borrowings - Current (refer Note 27)	1023.75	575.79	(0.50)	7.95	240.82	1847.81
Acceptances / Suppliers credit (refer Note 29)	38.27	352.34	-	1.80	-	392.41
ROU Lease Liabilities (ref Note 21 & 28)	11.80	(4.16)	2.66	-	-	10.30

Changes in Financial Liabilities arising from Financing Activities for FY 2020-21

(₹Crore)

Particulars	As at 31.03.2020	Cash flows (net)	Other changes	Non-Cash Changes		As at 31.03.2021
				Foreign Exchange Movement	Current / Non-current classification	
Borrowings - Non Current (refer Note 20)	600.91	652.75	(1.71)	(4.68)	(204.23)	1043.03
Borrowings - Current (refer Note 27)	4212.85	(3399.99)	(3.02)	9.68	204.23	1023.75
Acceptances / Suppliers credit (refer Note 29)	48.51	(8.04)	-	(2.20)	-	38.27
ROU Lease Liabilities (ref Note 21 & 28)	11.41	(4.13)	4.52	-	-	11.80

77. **Disclosure as per Ind AS 116 – Leases**

(₹ Crore)

Sr. No.	Particulars	31-03-2022	31-03-2021
Details pertaining to Lease Arrangement considered as ROU			
1	Total Gross Lease liability	15.57	15.74
2	Total Discounted lease liability	10.31	11.80
3	Cash Outflow due to Lease Liability	4.16	4.13
4	Interest charged to PL	0.95	1.08
5	Depreciation charged to PL	3.53	3.51
6	Cancellations charged to PL	-	-
7	Maturity Profile of Lease Liability		
	On Demand	-	-
	Less Than 3 Months	0.81	0.89
	3 to 12 Months	1.93	2.23

(₹ Crore)

Sr. No.	Particulars	31-03-2022	31-03-2021
	1 to 5 years	4.22	5.32
	5 Years & Above	3.35	3.37
	Grand Total	10.31	11.80
Details pertaining exemptions availed as Short Term Lease Arrangement and not considered above			
8	During the year charged to P&L	8.99	12.19
9	Disclosure of undiscounted lease receivables wrt to assets given on Operating lease as a lessor		
	On Demand	-	-
	Less Than 3 Months	0.89	8.03
	3 to 12 Months	2.64	24.30
	1 to 5 years	12.05	73.98
	5 Years & Above	6.24	6.21
	Grand Total	21.82	112.52

78. Trade Receivables ageing schedule (Current/Non - Current)

(₹ Crore)

FY 2021-22							
Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed- Considered Good							
Subsidy Receivable	-	*2725.49	10.88	33.72	7.12	16.74	2793.95
Trade Receivable	219.15	8.47	4.73	0.84	-	-	233.19
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	0.03	-	-	-	0.03
Undisputed Trade Receivables – credit impaired	-	-	-	0.08	0.35	1.55	1.98
Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total-Sundry Debtors	219.15	2733.96	15.64	34.64	7.47	18.29	3029.15
Less: Provision for ECL							0.44
Less: Provision for Credit Impaired							1.98
Total-Sundry Debtors							3026.73

* Includes unbilled subsidy amounting to Rs.2501.47 crores, recognized as per principle settlement of subsidy claims by DOF FICC.

(₹Crore)

FY 2020-21

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed- Considered Good							
Subsidy Receivable	-	*1072.97	0.09	8.29	6.14	16.54	1104.03
Trade Receivable	300.60	42.01	0.22	1.17	-	0.01	344.01
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	0.09	-	-	-	0.09
Undisputed Trade Receivables – credit impaired	-	-	-	0.11	0.14	1.46	1.71
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total-Sundry Debtors	300.60	1114.98	0.40	9.57	6.28	18.01	1449.84
Less: Provision for ECL							0.73
Less: Provision for Credit Impaired							1.71
Total-Sundry Debtors							1447.40

* Includes unbilled subsidy amounting to Rs.1010.96 crores, recognized as per principle settlement of subsidy claims by DOF FICC.

79. Trade Payables aging schedule (Current/Non - Current)

FY 2021-22

(₹ Crore)

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed MSME	-	35.75	0.08	-	-	35.84
Undisputed Others	57.11	2194.78	0.97	0.98	2.71	2256.55
Disputed dues – MSME	-	0.59	0.04	0.04	0.04	0.71
Disputed dues - Others	-	30.40	13.63	1.82	4.13	49.98
Total	57.11	2261.52	14.72	2.84	6.88	2,343.09

FY 2020-21

(₹ Crore)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed MSME	-	38.67	-	-	-	38.67
Undisputed Others	128.31	611.27	25.11	1.28	3.42	769.39
Disputed dues – MSME	-	0.80	0.31	0.18	0.05	1.34
Disputed dues - Others	211.78	64.44	1.89	9.80	19.55	307.46
Total	340.09	715.18	27.31	11.26	23.02	1116.86

80. Details of Capital-Work-in Progress (CWIP)

 (a) CWIP aging schedule outstanding as on 31st March

FY 2021-22

(₹ Crore)

CWIP	Amount in CWIP for a period of				TOTAL
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) Projects in Progress					
Major Projects	120.90	63.17	266.60	10.09	460.76
Other Projects	40.45	9.72	0.35	1.65	52.17
Total (A)	161.35	72.89	266.95	11.74	512.93
(b) Projects temporarily suspended					
Major Projects	-	-	-	-	-
Other Projects	-	-	-	-	-
Total (B)	-	-	-	-	-
Grand Total (A+B)	161.35	72.89	266.95	11.74	512.93

FY 2020-21

(₹ Crore)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) Projects in Progress					
Major Projects	70.92	266.80	8.38	1.70	347.80
Other Projects	47.59	8.88	1.72	0.36	58.55
Total (A)	118.51	275.68	10.10	2.06	406.35
(b) Projects temporarily suspended					
Major Projects	-	-	-	-	-
Other Projects	-	-	-	-	-
Total (B)	-	-	-	-	-
Grand Total (A+B)	118.51	275.68	10.10	2.06	406.35

(b) Details of capital-work-in progress completion schedule, whose completion is overdue or has exceeded its cost compared to its original plan

FY 2021-22

(₹ Crore)

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
(a.) Projects in Progress*				
New Motor Driven N2 Compressor	18.46	-	-	-
Gas Turbine	409.00	-	-	-
Ammonia Plant Revamp	-	16.12	-	-
Total (A)	427.46	16.12	-	-
(b.) Projects temporarily suspended				
Total (B)	-	-	-	-
Grand Total (A+B)	427.46	16.12	-	-

*There has been no cost overrun in respect of above projects.

FY 2020-21

(₹ Crore)

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
(a.) Projects in Progress*				
Gas Turbine	-	336.58	-	-
Ammonia Plant Revamp	-	8.80	-	-
Total (A)	-	345.38	-	-
(b.) Projects temporarily suspended				
Total (B)	-	-	-	-
Grand Total (A+B)	-	345.38	-	-

*There has been no cost overrun in respect of above projects.

81. Details of Benami Property Held

The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(₹ Crore)

Details of such property	Amount	Details of Beneficiaries	Schedule No. of Balance Sheet	Reason not booked	Proceeding details	Nature of proceedings, status and company's view
Not Applicable						

82. Disclosures relating to borrowings availed against security of current assets

Quarterly returns of current assets filed by the company with banks and financial institutions are in agreement with books of accounts.

83. The Company has not been declared willful defaulter by any bank or financial institution or any other lender.

84. There are no material transactions with respect to struck off companies as mentioned under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

85. The Company does not have any charges or satisfaction of charges which are yet to be registered with ROC beyond the statutory period.
86. Provision regarding the number of layers prescribed under Section 2 (87) of the Act read with the Companies (Restriction on number of layers) Rules, 2017 is not applicable.
87. The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of Income Tax Act, 1961).
88. The Company has not traded or invested in crypto currency or virtual currency during the respective financial year/period.
89. The Company does not have any scheme of arrangements which have been approved by the Competent Authority in terms of Section 230 to 237 of the Companies Act, 2013.
90. 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:
- 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 like to or on behalf of the Ultimate Beneficiaries.
91. 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:
- 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 the behalf of the Ultimate Beneficiaries.

92. Analytical Ratios

(₹ Crore)

Sr. No.	Particulars	Numerator	Denominator	Current. Year F.Y. 2021-22	Previous. Year F.Y. 2020-21	Variance	Reason for change if variation more than 25%
1	Current Ratio	Current Assets	Current Liabilities	1.41	1.79	21%	xx
2	Debt-Equity Ratio	Total Debt	Shareholders' Equity	0.76	0.62	23%	xx
3	Debt Service Coverage Ratio	Earnings available for debt service	Debt service	3.07	2.29	34%	Improved EBIDTA
4	Return on Equity (ROE)	Net Profit after Tax	Average Shareholders' Equity	19.44	11.38	71%	Improved operating performance
5	Inventory Turnover Ratio	COGS or Sales	Average Inventory	16.38	24.57	(33%)	High year-end inventory owing to shipment undertaken/in transit.

(₹ Crore)

Sr. No.	Particulars	Numerator	Denominator	Current. Year F.Y. 2021-22	Previous. Year F.Y. 2020-21	Variance	Reason for change if variation more than 25%
6	Trade Receivables Turnover Ratio	Revenue from operations	Avg. Accounts Receivables	5.73	2.76	108%	High rate of gas which is a pass through in Urea subsidy impacted overall revenue and receivables and does the ratio.
7	Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	0.14	0.18	(22)%	xx
8	Net Capital Turnover Ratio	Revenue from operations	Working Capital	6.57	4.46	46%	Higher Operating Revenues and lower working capital requirement
9	Net Profit Ratio	Profit after Tax	Revenue from operations	5.50	4.61	19%	xx
10	Return on Capital Employed	EBIT	Capital Employed	20.52	17.26	19%	xx
11.	Return on Investment –Unquoted-Equity & MF	Income generated from investments	Time weighted average investments	19.04	10.85	75%	Higher dividend income and fair value gains

93. Restatement for the year ended 31st March 2022, 31st March 2021 and as at 01st April 2020

A) EAC Opinion: Company was charging off the utilities generated from trial run production and consumed internally to Profit and Loss Account and only net commissioning expenses were included under Capital Work in progress. In the absence of any specific guidance under Indian Accounting Standard, as to value of trial run production consumed internally and the treatment thereof, the matter has been referred to the Expert Advisory Committee of ICAI by the Company, for a seeking an opinion on the said matter.

On 26th July 2022 Company has received an opinion stating that Company is not correct in crediting CWIP with the value of utilities during trial run phase and consumed in ongoing commercial production and charging off the said amount to the Statement of Profit and Loss Account. Further, they have opined that financial statements are required to be restated since the accounting treatment w.r.t trial run production is not as per Indian Accounting Standards and thus the Company has to give effect to the same in accordance with Ind-AS 8, for all accounting periods, where such treatment was followed after applicability of Ind-AS. Accordingly such restatement is being done effective from FY 2017-18 onwards

B) Change in Accounting Policy: Consequent to receipt of an EAC opinion Company has suitably modified its Accounting Policy w.r.t treatment of expenditure on account of utilities generated and internally consumed in compliance with EAC opinion.

In accordance with Ind AS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' and Ind AS 1, 'Presentation of Financial Statements', the Company has retrospectively restated its Balance Sheet as at 31st March 2022(Current Year), 31st March 2021(Previous Year) and 1st April 2020 (beginning of the preceding period) and Statement of Profit and Loss

and Statement of Cash Flows for the year ended 31st March 2022 and 31st March 2021, for the reasons as stated above
Reconciliation of financial statement line items which are retrospectively restated are as under:

i) Reconciliation of restated items of Balance Sheet as at 31st March 2022 and 31st March 2021

(₹ Crore)

Particulars	Note	31 st March 2022			31 st March 2021		
		As previously reported	Adjustments	As restated	As previously reported	Adjustments	As restated
Property, plant and equipment	1	2101.78	13.44	2115.22	2145.21	14.07	2159.28
Capital Work in Progress	1.4	466.25	46.68	512.93	392.67	13.68	406.35
Other Non-Current Assets	9	187.56	-	187.56	186.11	(4.61)	181.50
Inventories	10	2327.69	(0.08)	2327.61	787.55	(0.18)	787.37
Trade Receivables	12	3028.87	(2.14)	3026.73	1449.54	(2.14)	1447.40
Total Assets		10480.28	57.90	10538.18	7626.30	20.82	7647.12
Other Equity	19	3298.08	39.46	3337.54	2786.78	18.23	2805.01
Deferred Tax Liabilities(Net)	25	213.07	1.00	214.07	217.80	1.53	219.33
Other Financial Liabilities- Current	30	515.00	3.56	518.56	393.10	1.06	394.16
Current Tax Liabilities (Net)	32	24.51	13.88	38.39	12.19	0.00	12.19
TOTAL EQUITY AND LIABILITIES		10480.28	57.90	10538.18	7626.30	20.82	7647.12

Reconciliation of restated items of Balance Sheet as at 1 April 2020

(₹ Crore)

Particulars	Note	01 st April 2020		
		As previously reported	Adjustments	As restated
Property, plant and equipment	1	2107.62	14.70	2122.32
Capital Work in Progress	1.4	433.49	-	433.49
Other Non-Current Assets	9	203.84	(1.52)	202.32
Inventories	10	949.94	-	949.94
Trade Receivables	12	4551.23	(2.14)	4549.09
Total Assets		10290.59	11.04	10301.63
Other Equity	19	2634.58	9.40	2643.98
Deferred Tax Liabilities(Net)	25	196.94	1.64	198.58
Other Financial Liabilities- Current	30	335.33	-	335.33
Current Tax Liabilities (Net)	32	53.39	-	53.39
TOTAL EQUITY AND LIABILITIES		10290.59	11.04	10301.63

ii) Reconciliation of restated items of Statement of Profit and Loss for the year ended 31st March 2022 and 31st March 2021

(₹Crore)

Particulars	Note	31 st March 2022			31 st March 2021		
		As previously reported	Adjustments	As restated	As previously reported	Adjustments	As restated
Cost of Materials Consumed	35	5502.83	(33.00)	5469.83	3022.67	(13.68)	3008.99
Changes in Inventories of Finished Goods and Stock in Trade	37	(859.59)	(0.10)	(859.69)	(30.73)	0.18	(30.55)
Employee Benefits Expense	38	651.28	2.50	653.78	563.83	1.06	564.89
Finance Costs	39	124.69	1.20	125.89	179.57	-	179.57
Depreciation and Amortization Expense / Impairment	40	182.92	0.63	183.55	174.63	0.63	175.26
Profit Before Tax		915.14	28.77	943.91	516.17	11.81	527.98
Tax Expense							
(1) Current Tax		254.43	12.68	267.11	128.88	3.09	131.97
(2) Deferred Tax		(8.10)	(0.53)	(8.63)	19.25	(0.11)	19.14
(3) Taxation Adjustment of Earlier Years Excess(-)/ Short(+)		(14.32)	(4.61)	(18.93)	(5.07)	-	(5.07)
Profit/ (loss) for the Period		683.13	21.23	704.36	373.11	8.83	381.94
Total Comprehensive Income for the Year		683.98	21.23	705.21	375.08	8.83	383.91

iii) Reconciliation of Statement of Cash Flows for the year ended 31st March 2022 and 31st March 2021

(₹ Crore)

Particulars	31 st March 2022			31 st March 2021		
	As previously reported	Adjustments	As restated	As previously reported	Adjustments	As restated
Adjustments for :						
Net Profit Before Tax	915.14	28.77	943.91	516.17	11.81	527.98
Depreciation/Amortisation/Loss on Impairment of Assets	183.21	0.63	183.84	174.96	0.63	175.59
Rental Income Derived from Investment Properties *	-	(36.39)	(36.39)	-	(34.96)	(34.96)
Interest and Finance Charges	124.69	1.20	125.89	179.57	-	179.57
Trade Receivables and Other Assets	(1356.74)	1.20	(1355.54)	4384.27	-	4384.27
Inventories	(1539.90)	(0.10)	(1540.00)	159.78	0.18	159.96

(₹ Crore)

Particulars	31 st March 2022			31 st March 2021		
	As previously reported	Adjustments	As restated	As previously reported	Adjustments	As restated
Trade Payables and Other Liabilities	1470.20	2.50	1472.70	(49.54)	1.06	(48.48)
Net Cash Generated / (Used) from Operating Activities -- A	(589.90)	(2.19)	(592.09)	5232.37	(21.28)	5211.09
Additions to Property Plant & Equipment /Intangible Assets (Net of Trade Credit)	(136.95)	(33.00)	(169.95)	(232.19)	(13.68)	(245.87)
Rental Income Derived from Investment Properties *	-	36.39	36.39	-	34.96	34.96
Net Cash Generated / (Used) from Investing Activities ----- B	(382.06)	3.39	(378.67)	(631.28)	21.28	(610.00)
Interest Paid	(120.20)	(1.20)	(121.40)	(157.11)	-	(157.11)
Net Cash Generated / (Used) from Financing Activities --- C	600.46	(1.20)	599.26	(3131.17)	-	(3131.17)
Net Increase/Decrease(-) in Cash and Cash Equivalent (A+B+C)	(371.50)	-	(371.50)	1,469.92	-	1,469.92
Cash and Cash Equivalents as at 1st April (Opening Balance)	1471.23	-	1471.23	1.31	-	1.31
Cash and Cash Equivalents as at 31st March (Closing Balance)	1099.73	-	1099.73	1471.23	-	1471.23

*As observed by CAG on Cash Flow statement, rental income derived from Investment Properties hitherto classified under operating Cash Flow have now been reported under Cash Flow from Investing Activities.

Earnings per share

As a result of the above-mentioned adjustments, basic and diluted earnings per share for the financial year 2021-22 and 2020-21 stands revised as below:

Particulars	31 st March 2022			31 st March 2021		
	As previously reported	Adjustments	As restated	As previously reported	Adjustments	As restated
Basic & Diluted (₹) Earning Per Share	12.38	0.38	12.77	6.76	0.16	6.92

94. The standalone financial statements were authorized for issue in accordance with a resolution passed by the Board of Directors on 12th August, 2022.
95. The financial statements as approved by the Board of Directors are subject to audit by Comptroller and Auditor General of India and final approval by its Shareholders.
96. **Covid-19 Impact Analysis:**

For the year financial year 2021-22 Company has assessed the situation anticipates adverse impact in delay in commissioning of projects and the ensuing benefits due to delayed supply of equipments and restrictions in movement of personnel from foreign countries / within India required for the project.

97. The figures of the previous year have been re-arranged and regrouped wherever necessary and / or practicable to make them comparable with those of the current year and as per Schedule III amendments as mandated by Companies Act, 2013.

98. **Events occurring after the Balance sheet date**

Board of Directors have recommended a final dividend of ₹ 2.50 per equity share of ₹ 10/- each (P.Y. ₹ 1.78 per equity share of ₹10/- each) i.e. 25.00 % on paid up equity share capital of the Company for the financial year 2021-22 which is subject to approval of Shareholders of the Company.

For and Behalf of the Board of Directors

**RASHTRIYA CHEMICALS
AND FERTILIZERS LTD.**

(S. C. Mudgerikar)
Chairman and
Managing Director
DIN : 03498837

(Nazhat Shaikh)
Director (Finance)
DIN : 07348075

(J. B. Sharma)
Company Secretary
Membership. No. FCS5030

Dated : 12th August, 2022
Place: Mumbai

As per our report of even date attached

For M. M. Nissim & Co LLP
Chartered Accountants
Firm Registration No.
107122W / W100672

(N. Kashinath)
Partner
Membership. No. 036490

For Gokhale & Sathe
Chartered Accountants
Firm Registration No.
103264W

(Atul Kale)
Partner
Membership. No. 109947

Dated : 12th August, 2022
Place: Mumbai

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

STANDALONE SEGMENTWISE REVENUE & RESULTS FOR THE YEAR ENDED 31STMARCH 2022

Annexure-1

(₹ Crore)

Sr. No	Particulars	Fertilizers	Trading	Industrial Chemicals	Unallocated	Total
SEGMENT REVENUE						
i.	Sales (Incl. Subsidy wherever applicable)	9521.77	968.68	2265.51	-	12755.96
ii.	Other operating Income	42.94	0.07	1.53	11.67	56.21
	Total Revenue	9564.71	968.75	2267.04	11.67	12812.17
SEGMENT RESULT						
i.	Segment Results	365.87	39.21	504.71	(18.87)	890.92
ii.	Interest Expense					125.89
iii.	Interest Income					51.25
iv.	Profit Before Exceptional Items					816.28
v.	Less: Exceptional Item - Expenditure / (Income)					(127.63)
vi.	Profit before Tax					943.91
vii.	Tax - Current					267.11
viii.	Deferred Tax Liability / (Asset)					(8.63)
ix.	Tax adjustments of earlier years (excess) / short					(18.93)
x.	Net Profit					704.36
OTHER INFORMATION						
i.	Segment Assets	6687.38	1054.45	370.33	2426.02	10538.18
ii.	Segment Liabilities	159.89	965.55	103.58	5449.93	6648.95
Other Disclosures						
iii.	Capital Expenditure	251.80	-	-	3.79	255.59
iv.	Depreciation and Amortisation	166.63	-	11.32	5.89	183.84
v.	Impairment	-	-	-	-	-
vi.	Other Non Cash Expenses	3.24	-	-	0.28	3.52

STANDALONE SEGMENTWISE REVENUE & RESULTS FOR THE YEAR ENDED 31ST MARCH 2021

(₹ Crore)

Sr. No	Particulars	Fertilizers	Trading	Industrial Chemicals	Unallocated	Total
	SEGMENT REVENUE					
i.	Sales (Incl. Subsidy wherever applicable)	6412.87	799.59	1023.50	-	8235.96
ii.	Other operating Income	32.92	0.01	0.26	12.03	45.22
	Total Revenue	644579	7999.60	1023.76	12.03	8281.18
	SEGMENT RESULT					
i.	Segment Results	335.12	98.42	229.52	9.12	672.80
ii.	Interest Expense					179.57
iii.	Interest Income					30.66
iv.	Profit Before Exceptional Items					523.27
v.	Less: Exceptional Item - Expenditure / (Income)					(4.71)
vi.	Profit before Tax					527.98
vii.	Tax - Current					131.97
viii.	Deferred Tax Liability / (Asset)					19.14
ix.	Tax adjustments of earlier years (excess) / short					(5.07)
x.	Net Profit					381.94
	OTHER INFORMATION					
i.	Segment Assets					
ii.	Segment Liabilities	4395.20	233.42	318.93	2709.93	7647.12
	Other Disclosures	1047.40	76.55	79.55	3086.92	4290.42
iii.	Capital Expenditure	201.62	-	-	8.75	210.37
iv.	Depreciation and Amortisation	138.81	-	31.64	4.94	175.39
v.	Impairment	0.20	-	-	-	0.20
vi.	Other Non Cash Expenses	0.23	-	-	3.24	3.47

*Finance income and costs, and Corporate expenses are not allocated to individual segments as the same are managed on a group basis.

*Current taxes, deferred taxes and write back of excess tax provisions are also not allocated to those segments as they are also managed on a group basis.

*Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

REONCILIATIONS TO AMOUNTS REFLECTED IN FINANCIAL STATEMENTS

(₹ Crore)

Sr. No.	PARTICULARS	AS AT 31.03.2022	AS AT 31.03.2021
I	OPERATING REVENUE		
	Segment Revenue		
	India	12800.50	8268.81
	Outside India	-	0.34
	Segment Revenue	12800.50	8269.15
	Unallocated - Management fees	11.67	12.03
	Total Operating Revenue	12812.17	8281.18
II	RECONCILIATION OF PROFITS		
	Segment Profit	909.79	663.06
	Add: Interest Income	51.25	30.66
		961.04	693.72
	less: Finance Costs	125.89	179.57
	Corporate Expenses (net)	18.87	(9.12)
	Profit Before Exceptional Items	816.28	523.27
	Less: Exceptional Item - Expenditure / (Income)	(127.63)	(4.71)
	Profit Before Tax	943.91	527.98
III	RECONCILIATION OF ASSETS		
	Segment Assets	8112.16	4937.55
	Investments	941.92	650.19
	Corporate Assets + CWIP	25.96	28.16
	Non Current Tax Asset	96.33	80.12
	Derivatives (MTM Gain)	12.05	3.81
	Cash & Bank balances	1149.41	1518.62
	Other assets *	200.35	428.67
	Total Assets	10538.18	7647.12
IV	RECONCILIATION OF LIABILITIES		
	Segment Liabilities	1229.02	1203.50
	Borrowings Long-Term	1120.41	1043.04
	Borrowings Short-Term	2304.85	1478.52
	Deferred Tax Liabilities	214.07	219.33
	Current Tax Liability	38.39	12.19
	Derivatives (MTM Loss)	-	-
	Other Current Financial Liabilities	122.11	76.90
	Other Non Current Financial Liabilities	0.05	0.18
	Other Liabilities	1620.05	256.76
	Total Liabilities	6648.95	4290.42

* Includes an amount of ₹ 27.11 Crore receivable from Government of India towards Import of Urea on Government Account (P.Y. ₹ 247.02 Crore)

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT (REVISED)

TO THE MEMBERS OF RASHTRIYA CHEMICALS
AND FERTILIZERS LIMITED

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of **RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED** (hereinafter referred to as “the Holding Company”) and its jointly controlled entities comprising of the Consolidated Balance Sheet as at **March 31, 2022** the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year ended **March 31, 2022** and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as “the Consolidated Ind AS Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Holding Company as at March 31, 2022 and its consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Ind AS Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements* section of our report. We are independent of the Holding Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Consolidated Ind AS Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

Emphasis of Matter

We draw attention to the following matters:

a. Revision / Restatement of Consolidated Ind AS Financial Statements:

i. Note - 65:

We had issued our audit report dated May 27, 2022 on Consolidated Ind AS Financial Statements, approved by the Board of Directors in their meeting held on May 27, 2022. On receipt of Expert Advisory Council (EAC) opinion from the Institute of Chartered Accountants of India on accounting treatment of captive generation and consumption of power and steam generated from the Company's Gas Turbine Power Generation Plant and Heat Recovery Steam Generation Plant and pending closure of audit of Consolidated Financial Statements by Comptroller Auditor General of India, the Company has decided to revise the Consolidated Ind AS Financial Statements and restatement of previous year comparative figures along with Opening Balance sheet as at April 1, 2020, giving effect to the EAC opinion. Accordingly, the Consolidated Ind AS Financial Statements have been revised/restated to that extent and approved by the Board of Directors on August 12, 2022. Our audit procedures in relation to the subsequent events are restricted solely to revision/restatement to the Consolidated Ind AS Financial Statements pursuant to the decision of the Board of Directors.

ii. Note – 59 C and 67:

Our report on Consolidated Financial Statements dated May 27, 2022, approved by Board of Directors of the Company, is revised based on the revision in consolidated financial statements on directions of Comptroller and Auditor General of India (CAG) to consolidate the figures of Jointly Controlled Entities based on the respective audited financial statements instead of the unaudited management certified financial statements dated May 27, 2022.

b. Note No. 49 – Property, Plant and Equipment: Titledeeds of Immovable properties:

In respect of immovable properties other than land, situated at its Trombay and Thal units they are self-constructed properties on the land owned by the Holding Company as evidenced by property cards/title deeds of land.

The Holding Company asserts that all these properties are its own and has clear title to the same since such properties are self-constructed on Holding Company's land, although no separate title documents for self-constructed properties are readily available. The Holding Company

has obtained opinion to that effect from legal and regulatory experts on land matters and also has other documentary evidence in that regard.

The Holding Company had come into existence in 1978 as a result of Government of India reorganising Fertilizer Corporation of India Ltd. and National Fertilizers Ltd. Consequent to the same, major portion of immovable assets at its Trombay unit became vested with the Holding Company. In case of Thal unit, such properties on the Holding Company's land were erected over the years following land acquisition effected around 1978. Thus, records pertaining to self-constructed properties are not readily available since they date back to more than 40 years. The Holding Company has initiated the process of obtaining appropriate evidence of the approvals/permissions taken for construction of the self-constructed properties from the respective regulatory authorities.

Apart from such properties, immovable properties, including land for which title deeds are not in the name of the Holding Company is mentioned in the Consolidated Ind AS Financials statements. (Refer Note 50 to Consolidated Ind AS Financial Statements)

c. Note No. 52 – Gas pooling applicable to Fertilizer (Urea) sector:

Pursuant to the Ministry of Petroleum & Natural Gas (MoPNG) order No. L-13013/3/2012-GP-I, dated: 16th December 2015, GAIL had sought a differential levy on usage of gas for non-fertilizer/non-Urea operations, amounting to Rs. 1457.92 Crore for the period commencing from 1st July, 2006 till 30th June, 2019 by initiating arbitration proceeding before Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD).

The matter was heard in the meeting of the AMRCD on 17th June 2021 and vide its order dated 6th July 2021, AMRCD has determined the total claim to be paid by the Holding Company in this regard at an amount of Rs. 87.17 Crore. This sum thus settles the price differential towards the use of APM/Domestic gas for non-fertilizer/Non-Urea operations for the period commencing from 1st July 2006 till 15th May, 2016 (subsequent to which the Holding Company sourced market priced gas). Further, a related claim by GAIL in regard to the Gas Transportation Charges of Rs. 19.65 Crore, for the period December 2013 to January 2016 have also been directed to be paid. The aggregate sum of Rs. 106.82 Crore has been fully paid by the Holding Company in accordance with the resolution by AMRCD.

Possible liability from the financial year 2016-17 onwards is yet to be crystallised as the Holding Company has submitted the data to FICC for verification in order to recalculate the claim as per MoPNG directives dated 16th December 2015 as per highest rate of RLNG. Taking a

conservative estimate of any liability arising from such claim, the excess provision of Rs. 127.35 Crore not considered necessary has been derecognized and reported as exceptional item.

d. Note No. 53 – Gas turbine Generator (GTG) plants at Thal unit:

Pursuant to the sudden failure of both Gas Turbine Generator (GTG) plants at Thal unit in March 2019, the matter for effecting repairs under the warranty period was taken up with the LSTK contractor. Through the contractor the Original Equipment Manufacturer (OEM) had indicated a total estimated repair expenditure of about 98 Million SEK (Rs. 74.51 Crore excluding taxes and duties). The said GTG plants have been sent to the OEM for repairs and they have been received duly repaired. In the interim, the Holding Company has initiated arbitration proceedings for costs and loss of profits and does not consider a provision necessary as the said costs are covered under warranties. In response, counter claims have been made by the contractor.

e. Note no. 70 - Impact of COVID-19 Pandemic:

Although no significant impact of Covid 19 pandemic has been noted on the financial and operational results for the year ended 31st March 2022, the continuing Covid 19 epidemic could result in consequences on the external economic environment. A definitive assessment of the said impact on the Holding Company is highly uncertain and being dependent on the evolving situation can be undertaken only after the situation stabilises.

Our opinion is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in our audit are:

1. Revenue Recognition and measurement in respect of subsidy income.
2. Estimation of Provision & Contingent Liabilities.
3. Information Technology General Control.

Sr. No.	Key Audit matter	Response to Key Audit Matter
1.	<p>Revenue recognition and measurement in respect to subsidy income.</p> <p>Recognition of subsidy is generally made on the basis of in principle recognition/approval / settlement of claims from Government of India/Fertilizer Industry Co-ordination Committee while finalizing the financial statements.</p> <p>During the year, Subsidy adjusted on account of the escalations/de-escalations basis for the year amounts to Rs. 1588.30 Crore receivable from FICC/DOF (PY Rs. 82.44 Crore refundable).</p> <p>Such adjustments have been done for escalations/de-escalations in the cost of inputs and other costs, as estimated by the management based on the prescribed norms in line with known policy parameters.</p> <p>MRP of Urea being fixed by Government of India, the Holding Company is entitled for subsidy wherein certain inputs costs are a pass through and compensation for production beyond a level of production known as Reassessed capacity is restricted to lower of Import Parity Price (IPP) of Urea plus other incidental charges which the government incurs on imported Urea, or its own concession price, as determined under extant policies for Urea. Further subsidy income is net of adjustments of recoveries towards sale/transfer for surplus ammonia or non-conversion of entire ammonia into Urea.</p> <p>Since there is a time lag between actual expenditure incurred and notification of concession rates for the year, Management exercises significant judgement in arriving at the income entitlement on account of same for the year.</p> <p>Therefore, there is a risk of revenue being misstated on account of errors in estimation of concession/IPP rates yet to be notified, due to absence of notification available and change in methodology/ calculation, if any for arriving at price concession.</p>	<p>Our Procedure included:</p> <p>Accounting policies and principles:</p> <p>We have reviewed the Company's Accounting policies for Subsidy on Urea as mentioned under "Note A. Statement of Significant Accounting policies III) D) Revenue Recognition" of the financial statements and the same is compared with the applicable Ind AS.</p> <p>Tests of controls:</p> <p>We have evaluated the design, implementation and operating effectiveness of key controls over recognition of subsidy income.</p> <p>Tests of details:</p> <p>We have verified the supporting documentation for determining that the subsidy was recognized in the correct accounting period and as per notified rates.</p> <p>In absence of notified rates, we have verified calculation of estimated rates based on information available with the Holding Company for such costs which are a pass through.</p> <p>In case estimation of income is based on other parameters like IPP of Urea etc. verification of the same is based on available information in public domain.</p> <p>Testing reasonability of assumptions based on past trends, consistency in application and changes in the same owing to change in Government policies</p> <p>Performing substantive analytical procedures: -</p> <p>Ascertainment and analysis of variations with respect of amounts estimated and actually entitled upon notification with respect to previous years.</p> <p>We also assessed as to whether the disclosures in respect of revenue were adequate.</p>
2	<p>Estimation of Provision & Contingent Liabilities</p> <p>In the recognition and measurement of provisions, there is uncertainty about the timing or amount of the future expenditure required to settle the liability.</p> <p>In respect of contingent liabilities, there are estimates and assumptions made to determine the amount to be disclosed as at the year ended 31 March 2022, the amounts involved are significant. There is a high degree of judgement required for the recognition and measurement of provisions and disclosure of contingent liabilities.</p> <p>There is a risk of material misstatement that the estimates are incorrect and that the provisions or contingent liabilities are materially misstated.</p>	<p>Internal enquiry:</p> <p>We enquired of the senior management and inspected the minutes of the board and various committees of the board where relevant, for claims arising and challenged whether provisions are required.</p> <p>Tests of details:</p> <p>In respect of significant claims, we checked the amount of claim, nature of issues involved, management submissions and corroborated the same with external evidence, where available.</p> <p>Enquiry and confirmation of lawyers:</p> <p>In respect of matters which are under dispute, we have assessed opinion of the Holding Company's in-house Legal Department / external lawyers wherever necessary.</p>

3	<p>Information Technology Controls</p> <p>A significant part of the Holding Company's financial reporting process is heavily reliant on IT systems with automated processes and controls over the capture, storage and extraction of information. A fundamental component of these processes and controls is ensuring appropriate user access and change management protocols exist and being adhered to. These protocols are important because they ensure that access and changes to IT systems and related data are made and authorised in an appropriate manner. As our audit sought to place a high level of reliance on IT systems and application controls related to financial reporting, high proportion of the overall audit effort was in Information Technology (IT) Systems and Controls. We focused our audit on those IT systems and controls that are significant to the Holding Company's financial reporting process.</p>	<p>We focused our audit on those IT systems and controls that are significant to the Holding Company's financial reporting process.</p> <p>We assessed the design and tested the operating effectiveness of the Holding Company's IT controls including those over user access and change management as well as data reliability.</p> <p>In a limited number of cases, we adjusted our planned audit approach as follows:</p> <ul style="list-style-type: none"> - We extended our testing to identify whether there had been unauthorized or inappropriate access or changes made to critical IT systems and related data; - Where automated procedures were supported by systems with identified deficiencies, we extended our procedures to identify and test alternative controls; and - Where required, we performed a greater level of testing to validate the integrity and reliability of associated data and reporting. <p>Further, We have relied on provisional observations of independent consultant's report.</p>
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Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Holding Company's Annual report but does not include the financial statements and our auditor's report thereon. The Holding Company's Annual report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Holding Company's Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Responsibilities of management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the Act) with respect to the preparation of these Consolidated Ind AS Financial Statements that give a true and fair view of the financial

position, the financial performance, total comprehensive income, changes in equity and cash flows of the Holding Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 the assets of the Holding Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Ind AS Financial Statements, the respective management of the Holding Company and its Joint ventures are responsible for assessing the ability of each Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

The respective Board of Directors of the Holding Company and its Joint Ventures are responsible for overseeing the financial reporting process of each Company.

Auditor's responsibilities for the Audit of Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 Ind AS Financial Statements.

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

- Identify and assess the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the Consolidated Ind AS Financial Statements 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 the Management use of the going concern basis of accounting in preparation of Consolidated Ind AS Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 Ind AS Financial Statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding Company and its Joint Ventures to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the Consolidated Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 Consolidated Ind AS 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.

Other Matters

- a) The accompanying statement includes the audited financial results/statement and other financial information in respect of:
 1. As regards Urvarak Videsh limited, a joint venture, whose financial statement/information/results includes the Holding Company's share of net loss of Rs. 21,694 for the year ended 31st March 2022 as considered in the Consolidated Ind AS Financial statements for the year ended 31st March 2022.
 2. As regards FACT-RCF Buildings Products Limited a joint venture, the Holding Company doesn't include its share of loss as the Holding Company's share of losses exceeds its interest in Joint venture for the year ended 31st March 2022.

The independent auditor's of this entity has given a qualified

opinion on issues concerning Going Concern, and certain other matters viz., Impairment provisioning and non-compliance of provisions of certain sections of the Companies Act, 2013.

3. As regards Talcher Fertilizers Limited a joint venture whose financial statement/information/results includes the Holding Company's share of net loss of Rs 1.97 Crore for the year ended 31st March 2022 as considered in the Consolidated Ind AS Financial statements for the year ended 31st March 2022.

The independent auditor's of this entity has given a qualified opinion on issues concerning maintenance of measurement book as per Government of India directive, non-compliance of draft letter of acceptance terms as per tender and no title documents or rent agreements for registered office.

These financial statements of above-mentioned Joint Ventures have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated financial statements, in so far relates to the amounts and disclosures included in respect of these joint ventures and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far relates to the aforesaid Joint Venture is based solely on reports of the other auditors. In our opinion and according to information given to us by the management these financial statement/ information/result referred to in point a(1), a(2) and a(3) are not material to the Holding Company.

Our opinion on the statement is not modified in respect of the above matters with respect to our reliance on the work done and the report of other auditors in para a(1), a(2) and a(3).

- b) Pursuant to Notes 57C, 65 and 67 to the Consolidated Ind AS Financial Statements
 - (i) On accounting treatment of captive generation and consumption of power and steam generated from the Company's Gas Turbine Power Generation Plant and Heat Recovery Steam Generation Plant opinion issued by the EAC and CAG directions this Audit report supersedes our earlier report dated May 27, 2022.
 - (ii) As observed by Comptroller and Auditor General of India on Cash flow statements; rental income on investment properties classified under operating cash flows has now been reported under cash flows from investing activities.

Our Opinion is not modified with respect to the above matter.

Report on Other Legal and Regulatory Requirements

4. 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 A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

5. As required by section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such jointly controlled entities as was audited by other auditors as noted in the 'Other Matters' paragraph, we report to the extent applicable that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and reports of other auditors.
- c. The Consolidated Balance sheet, Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.
- d. In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- e. The Holding Company being a government company, the provision of section 164(2) is not applicable in accordance with the Notification No. GSR 463 (E) dated 5th June 2015 issued by MCA. Accordingly, no reporting in regard to Clause 3(g) of section 143 is required.
- f. With respect to the adequacy of the internal financial controls with reference to the Consolidated Ind AS Financial Statements of the Holding Company and its Joint Ventures the operating effectiveness of such controls, refer to our separate report in "Annexure B".

6. 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:

- a. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company and its jointly controlled entities – Refer Note 45 to the Consolidated Ind AS Financial Statements;
- b. The Holding Company and its jointly controlled entities has made provision, as required under the applicable law or accounting standards, for material foreseeable losses,

if any, on long-term contracts including derivative contracts;

- c. There is no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.
- d. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any kind of funds) by the Holding Company or its Joint Venture companies 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 Joint Venture companies incorporated in India or
- e. 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, no funds have been received by the Holding Company or its Joint Venture 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 Joint

Venture 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 Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
 - f. 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 clause (iv) (a) and (iv) (b) contain any material mis-statement.
 - g. The dividend declared or paid during the year by the Holding Company or its subsidiary companies incorporated in India is in compliance with section 123 of the Act.
7. With respect to the other matters to be included in the Auditor’s Report as per section 197 (16) of the Act:

In accordance with requirements of section 197 (16) of the act as amended: As per notification number G.S.R. 463 (E) dated June 5, 2015 issued by Ministry of Corporate Affairs, Section 197 of the Act as regards the managerial remuneration is not applicable to the Company, since it is a Government Company.

For M M Nissim & Co LLP

Chartered Accountants
Firm Regn. No.107122W/W100672

CA. N. Kashinath

Partner
Membership No. 036490
UDIN: 22036490AOWKQZ8229
Place: Mumbai
Dated: August 12, 2022

For Gokhale & Sathe

Chartered Accountants
Firm Regn. No. 103264W

CA. Atul Kale

Partner
Membership No. 109947
UDIN: 22109947AOWLNN5405

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in Para 1 under ‘Report on Other Legal & Regulatory Requirements’ in our Report of even date.)

As required by paragraph 3(xxi) of the CARO 2020, we report that the auditors of the following companies incorporated in India have given qualification or adverse remarks in their CARO report on the Standalone Ind AS Financial Statements of respective companies to be included in the Consolidated Ind AS financial statements of the Holding Company:

Name of the Entities	CIN	Relationship with Holding Company	Date of respective auditor’s report	Paragraph number in the respective CARO 2020 Reports
URVARAK VIDESH LIMITED	U24120DL2008GOI181057	Joint Controlled Entity	April 27,2022	XVII
FACT-RCF BUILDING PRODUCTS LIMITED	U26992KL2008PLC022347	Joint Controlled Entity	May 4, 2022	(i)(a), (v), (vii) (a), (vii) (b), (ix)(a), (ix) (b), xiv, (xvii) and (xix)
Talcher Fertilizers Limited	U24120OR2015PLC019575	Joint Controlled Entity	August 2, 2022	(i)(c) and (xiii)

For M M Nissim & Co LLP

Chartered Accountants
Firm Regn. No.107122W/W100672

CA. N. Kashinath

Partner
Membership No. 036490
UDIN: 22036490AOWKQZ8229
Place: Mumbai
Dated: August 12, 2022

For Gokhale & Sathe

Chartered Accountants
Firm Regn. No. 103264W

CA. Atul Kale

Partner
Membership No. 109947
UDIN: 22109947AOWLNN54O5

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in Para 1 of the section ‘Report on Other Legal & Regulatory Requirements’ in our Independent Auditor’s Report to the members of the company on the Consolidated Ind AS Financial Statements for the year ended March 31, 2022.)

Report On The Internal Financial Controls Under Clause (I) Of Sub-Section 3 Of Section 143 Of The Companies Act, 2013 (“The Act”)

In conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to Consolidated Ind AS Financial Statements of **Rashtriya Chemicals and Fertilizers Limited** (“the Company”) and its Joint Ventures, which are companies incorporated in India as of **March 31, 2022**.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and its Joint Ventures, which are Companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) 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 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 Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to Consolidated Ind AS Financial Statement based on our audit. We conducted our audit in accordance with the ‘Guidance Note’ and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Consolidated Ind AS Financial Statements. 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 respect to the Consolidated Ind AS 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 system with reference to the Consolidated Ind AS Financial Statement and their operating effectiveness.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the Joint Ventures, incorporated in India, 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 Company’s internal financial controls system with respect to Consolidated Ind AS Financial Statements.

Meaning of Internal Financial Controls with reference to the Consolidated Ind AS Financial Statements

A company’s internal financial controls with reference to the Consolidated Ind AS Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls with reference to the Consolidated Ind AS Financial Statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Ind AS Financial Statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only

in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the Consolidated Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls With reference to the Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to the Consolidated Ind AS 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 the Consolidated Ind AS Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Consolidated Ind AS Financial Statements may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our Opinion, to the best of our information and according to explanation given to us, the Company and its Joint Ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to the Consolidated Ind AS Financial Statements in place and such internal financial controls with reference to the Consolidated Ind AS Financial Statements were operating effectively as at 31 March 2022, based on the internal controls over financial reporting criteria established by the Company considering the components of internal control stated in the Guidance Note' on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI, except for Talcher Fertilizers Limited a joint controlled entity incorporated in India where the auditor of the joint controlled entity has qualified his opinion with respect to the following:

a) Contravention of Stamp Act.

b) Non adherence with respect to CVC circular pertaining to policy matters on tenders given on nomination basis, adoption of accounting software and hosting of contracts/orders above Rs. One Crore as per C&P Procedures of GAIL India guidelines.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act, on the adequacy and operating effectiveness of the internal financial controls with respect to financial statement, in so far as it relates to the three jointly controlled entities, namely Urvarak Videsh Limited, FACT RCF Building Products Limited and Talcher Fertilizers Limited, which are companies incorporated in India, is based solely on the report of the other auditor. Our opinion is not modified in respect of this matter.

For M M Nissim & Co LLP

Chartered Accountants
Firm Regn. No.107122W/W100672

CA. N. Kashinath

Partner
Membership No. 036490
UDIN: 22036490AOWKQZ8229
Place: Mumbai
Dated: August 12, 2022

For Gokhale & Sathe

Chartered Accountants
Firm Regn. No. 103264W

CA. Atul Kale

Partner
Membership No. 109947
UDIN: 22109947AOWLNN54O5

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED FOR THE YEAR ENDED 31 MARCH 2022

The preparation of consolidated financial statements of Rashtriya Chemicals and Fertilizers Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory audit/auditors appointed by the Comptroller and Auditor General of India under section 139 (5) read with section 129 (4) of the Act is/are responsible for expressing opinion on the financial statements under section 143 read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 12 August 2022 which supersedes their earlier Audit Report dated 27 May 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of Rashtriya Chemicals and Fertilizers Limited for the year ended 31st March 2022 under section 143(6)(a) read with section 129 (4) of the Act. We conducted a supplementary audit of the Standalone financial statements of Rashtriya Chemicals and Fertilizers Limited, Talcher Fertilizers Limited, FACT-RCF Building Products Limited and Urvarak Videsh Limited for the year ended on that date.

This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

In view of the revision(s) made in the consolidated financial statements by the management, as indicated in Note No. 65 of the financial statements and to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' under section 143 (6) (b) read with section 129 (4) of the Act.

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

Place: New Delhi
Date : 21.11.2022

(Keerti Tewari)
Director General of Audit
Agriculture, Food & Water Resources

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2022

Particulars	Note No.	₹ Crore		
		AS AT 31.03.2022*	AS AT 31.03.2021*	AS AT 01.04.2020*
ASSETS				
1. NON CURRENT ASSETS				
(a) Property, Plant and Equipment	1	2115.22	2159.28	2122.32
(b) Capital Work in Progress	1.4	512.93	406.35	433.49
(c) Right of Use Assets	2	11.69	13.59	13.68
(d) Investment Property	3	5.18	5.91	6.10
(e) Intangible Assets	4	1.60	2.98	2.62
(f) Financial Assets				
(i) Investments	5	926.52	644.80	255.57
(ii) Trade Receivables	6	-	-	-
(iii) Loans	7	10.22	15.32	20.53
(iv) Others	8	-	-	-
(g) Other Non-Current Assets	9	187.56	181.50	202.32
		3770.92	3429.73	3056.63
2. CURRENT ASSETS				
(a) Inventories	10	2327.61	787.37	949.94
(b) Financial Assets				
(i) Investments	11	8.04	-	-
(ii) Trade Receivables	12	3026.73	1447.40	4549.09
(iii) Cash and Cash Equivalents	13	1099.73	1471.23	1.31
(iv) Bank Balances other than (iii) above	14	64.53	49.09	1.29
(v) Loans	15	5.18	6.19	6.50
(vi) Others	16	69.14	295.34	1653.88
(c) Other Current Assets	17	158.94	155.38	75.47
		6759.90	4212.00	7237.48
	TOTAL ASSETS	10530.82	7641.73	10294.11
EQUITY AND LIABILITIES				
A. EQUITY				
(a) Equity Share Capital	18	551.69	551.69	551.69
(b) Other Equity	19	3330.18	2799.62	2636.46
		3881.87	3351.31	3188.15
B. LIABILITIES				
1. NON-CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	20	1120.41	1043.04	600.91
(ii) Lease Liabilities	21	7.53	9.17	9.44
(iii) Trade Payables	22	-	-	-
(A) Total Outstanding Dues of Micro Enterprises and Small Enterprises.		-	-	-
(B) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises.		-	211.79	211.79
(iv) Other Financial Liabilities	23	29.98	26.52	34.45
(b) Provisions	24	193.95	186.32	188.55
(c) Deferred Tax Liabilities(Net)	25	214.07	219.33	198.58
(d) Other Non-Current Liabilities	26	30.93	34.17	39.11
		1596.87	1730.34	1282.83

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2022

Particulars	Note No.	₹ Crore		
		AS AT 31.03.2022*	AS AT 31.03.2021*	AS AT 01.04.2020*
2. CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	27	1847.81	1023.75	4212.85
(ii) Lease Liabilities	28	2.77	2.63	1.97
(iii) Trade Payables	29			
(A) Total Outstanding Dues of Micro Enterprises and Small Enterprises.		36.55	40.01	36.81
(B) Total Outstanding Dues of Creditors Other than Micro Enterprises and Small Enterprises.		2306.54	865.06	959.13
(iv) Other Financial Liabilities	30	518.56	394.16	335.33
(b) Other Current Liabilities	26	178.32	103.05	81.51
(c) Provisions	31	123.14	119.23	142.14
(d) Current Tax Liabilities (Net)	32	38.39	12.19	53.39
		5052.08	2560.08	5823.13
		10530.82	7641.73	10294.11

* Revised / Restated - Refer Note No. 65

Statement of Significant Accounting Policies

A

Notes forming part of Financial Statements

1 - 71

For and on behalf of the Board of Directors
RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED

(S. C. Mudgerikar)
Chairman & Managing Director
DIN : 03498837

(Nazhat Shaikh)
Director (Finance)
DIN : 07348075

(J. B. Sharma)
Company Secretary
Membership No: FCS5030

Dated : 12th August, 2022.
Place: Mumbai

As per our report of even date attached
For M M NISSIM & CO LLP
Chartered Accountants
Firm Regn. No. 107122W / W100672

(N. Kashinath)
Partner
Membership No: 036490

Dated : 12th August, 2022.
Place: Mumbai

For GOKHALE & SATHE
Chartered Accountants
Firm Regn. No. 103264W

(Atul Kale)
Partner
Membership No: 109947

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

₹ Crore

PARTICULARS	Note No.	Year Ended 31.03.2022*	Year Ended 31.03.2021*
I Revenue from Operations	33	12812.17	8281.18
II Other Income	34	136.45	126.61
III Total Income(I+II)		12948.62	8407.79
IV Expenses:			
Cost of Materials Consumed	35	5469.83	3008.99
Purchases of Stock in Trade	36	1742.21	749.21
Changes in Inventories of Finished Goods and Stock in Trade	37	(859.69)	(30.55)
Employee Benefits Expense	38	653.78	564.89
Finance Costs	39	125.89	179.57
Depreciation and Amortization Expense / Impairment	40	183.55	175.26
Other Expenses	41	4816.77	3237.15
Total Expenses		12132.34	7884.52
V Profit Before Exceptional Items (III-IV)		816.28	523.27
VI Share of Profit / (Loss) of Associates / JV's		(1.97)	2.13
VII Profit Before Exceptional Items (V-VI)		814.31	525.40
VIII Exceptional Items	42	(127.63)	(4.71)
IX Profit before tax (VII-VIII)		941.94	530.11
X Tax Expense			
(1) Current Tax		267.11	131.97
(2) Deferred Tax		(8.63)	19.14
(3) Taxation Adjustment of Earlier Years Excess(-)/Short(+)		(18.93)	(5.07)
XI Profit/ (loss) for the year (IX-X)		702.39	384.07
XII Other Comprehensive Income	43		
(i) Items that will not be reclassified to profit or loss			
Remeasurements of Defined Benefit Plans		(12.28)	(3.80)
Fair Value Equity Instruments		13.41	6.42
(ii) Income tax relating to items that will not be reclassified to profit or loss			
Income Tax on Remeasurement of Defined Benefit Plans		3.09	0.96
Deferred Tax on Fair Value Equity Instruments		(3.37)	(1.61)
Other Comprehensive Income for the Year (XII)		0.85	1.97
XIII Total Comprehensive Income for the Year (XI+XII)		703.24	386.04
XIV Earnings Per Equity Share	58		
(i) Basic Earnings Per Share (₹)		12.73	6.96
(ii) Diluted Earnings Per Share (₹)		12.73	6.96

* Revised / Restated - Refer Note No. 65

Statement of Significant Accounting Policies

Notes forming part of Financial Statements

For and on behalf of the Board of Directors
RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED

(S. C. Mudgerikar)
Chairman & Managing Director
DIN : 03498837

(Nazhat Shaikh)
Director (Finance)
DIN : 07348075

(J. B. Sharma)
Company Secretary
Membership No: FCS5030

Dated : 12th August, 2022.
Place: Mumbai

As per our report of even date attached

For M M NISSIM & CO LLP
Chartered Accountants
Firm Regn. No. 107122W / W100672

For GOKHALE & SATHE
Chartered Accountants
Firm Regn. No. 103264W

(N. Kashinath)
Partner
Membership No: 036490

(Atul Kale)
Partner
Membership No: 109947

Dated : 12th August, 2022.
Place: Mumbai

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022

A. EQUITY SHARE CAPITAL

₹ Crore

Balance as at 01.04.2021	Changes in equity share capital during the year	Balance as at 31.03.2022	Balance as at 01.04.2020	Changes in equity share capital during the year	Balance as at 31.03.2021
551.69	-	551.69	551.69	-	551.69

B. OTHER EQUITY

FOR THE YEAR ENDED 31ST MARCH 2022

₹ Crore

PARTICULAR	Reserves and Surplus		Items of Other Comprehensive Income	Total
	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	
Balance as at 01.04.2021	2740.78	-	58.84	2799.62
Profit for the year	-	702.39	-	702.39
Other Comprehensive Income (Net of Tax)	-	(9.19)	10.04	0.85
Total Comprehensive Income for the year	-	693.20	10.04	703.24
Dividend paid Refer note no. 19A	-	(172.68)	-	(172.68)
Transfer to General Reserve	520.52	(520.52)	-	-
Balance as at 31.03.2022*	3261.30	-	68.88	3330.18

FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

PARTICULAR	Reserves and Surplus		Items of Other Comprehensive Income	Total
	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	
Balance as at 01.04.2020	2582.43	-	54.03	2636.46
Profit for the year	-	384.07	-	384.07
Other Comprehensive Income (Net of Tax)	-	(2.84)	4.81	1.97
Total Comprehensive Income for the year	-	381.23	4.81	386.04
Dividend paid Refer note no. 19A	-	(222.88)	-	(222.88)
Transfer from General Reserve	158.35	(158.35)	-	-
Balance as at 31.03.2021*	2740.78	-	58.84	2799.62

* The closing balance in General Reserve is arrived after adjustment of Remeasurement of Defined Benefit Plans amounting to ₹ 9.19 crore (P.Y. ₹ 2.84crore) during the year net of current tax amounting to ₹ 3.09 crore (P.Y. ₹ 0.96 crore)

Nature and purpose of reserves

a. General Reserve: General reserve represents appropriation of profits. This represents a free reserve and is available for dividend distributions. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to the statement of profit and loss.

b. Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

c. Equity Instruments through Other Comprehensive Income Reserve: This reserve represents the cumulative gains and losses arising on the revaluation of equity and debt instruments on the balance sheet date measured at fair value through other comprehensive income. The reserves accumulated will be reclassified to retained earnings and profit and loss respectively, when such instruments are disposed.

For and on behalf of the Board of Directors
RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED

(S. C. Mudgerikar)
Chairman & Managing Director
DIN : 03498837

(Nazhat Shaikh)
Director (Finance)
DIN : 07348075

(J. B. Sharma)
Company Secretary
Membership No: FCS5030

Dated : 12th August, 2022.
Place: Mumbai

As per our report of even date attached

For M M NISSIM & CO LLP
Chartered Accountants
Firm Regn. No. 107122W / W100672

(N. Kashinath)
Partner
Membership No: 036490

Dated : 12th August, 2022.
Place: Mumbai

For GOKHALE & SATHE
Chartered Accountants
Firm Regn. No. 103264W

(Atul Kale)
Partner
Membership No: 109947

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

₹ Crore

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
A Cash Flow From Operating Activities		
Net Profit Before Tax	941.94	530.11
Adjustments for :		
Share of (Profit) / Loss from Joint Ventures	1.97	(2.13)
Exceptional Items - (Income)/ Expenses	(127.63)	(4.71)
Depreciation/Amortisation/Loss on Impairment of Assets	183.84	175.59
Provision / (Reversal) of Obsolescence on Raw Materials	(1.11)	4.46
Profit(-) / Loss on Sale of Assets	(7.76)	0.58
Interest Income	(27.72)	(13.27)
Dividend Income	(0.27)	(0.17)
Rental Income Derived from Investment Properties	(36.39)	(34.96)
Gain / (Loss) on Sale of Current Investments	(4.58)	(0.90)
Interest and Finance Charges	125.89	179.57
Provision for Bad/Doubtful Debts	0.64	1.16
Provision for Obsolescence Stores	2.88	2.31
Provision Written Back	(4.06)	(12.72)
Unrealised Foreign Exchange (Gain) /Loss	1.11	2.42
	106.81	297.23
Operating Profit Before Working Capital Changes	1048.75	827.34
Adjustments for :		
Trade Receivables and Other Assets	(1355.54)	4384.27
Inventories	(1540.00)	159.96
Trade Payables and Other Liabilities	1472.70	(48.48)
	(1422.84)	4495.75
Cash Generated / (Used) from Operations	(374.09)	5323.09
Direct Taxes Paid (Net of Refunds)	(218.00)	(112.00)
Net Cash Generated / (Used) from Operating Activities ----- A	(592.09)	5211.09
B Cash Flow from Investing Activities		
Additions to Fixed Assets (Net of Trade Credit)	(169.95)	(245.87)
Sale of Fixed Assets	9.94	5.13
Purchase of Current Investments	(8588.62)	(2912.98)
Investments in Joint Ventures	(270.00)	(375.97)
Sale of Current Investments	8585.16	2913.88
Inter Corporate Advances / Repayments	6.00	5.29
Interest Received	28.11	12.03
Dividend Received	0.27	0.17
Rental Income Derived from Investment Properties	36.39	34.96
Margin Money Deposits Matured / (Placed) with Banks	(15.97)	(46.64)
	(378.67)	(610.00)
Net Cash Generated / (Used) from Investing Activities ----- B	(378.67)	(610.00)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

₹ Crore

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
C Cash Flow from Financing Activities		
Net Proceeds /Repayment of Working Capital Facilities and Short Term Loans	783.10	(3248.36)
Proceeds from Term loans	640.68	852.75
Repayments of Term loans	(526.72)	(351.63)
Interest Paid	(121.40)	(157.11)
Dividend Paid	(172.24)	(222.69)
Repayment of Lease liabilities	(4.16)	(4.13)
	<u>599.26</u>	<u>(3131.17)</u>
Net Cash Generated / (Used) from Financing Activities ----- C	599.26	(3131.17)
Net Increase/Decrease(-) in Cash and Cash Equivalent (A+B+C)	(371.50)	1,469.92
Cash and Cash Equivalents as at 1st April (Opening Balance)	1471.23	1.31
Cash and Cash Equivalents as at 31st March (Closing Balance)	1099.73	1471.23
Components of Cash and Cash Equivalents		
Cash on Hand	0.01	-
Balance With Scheduled Banks in Current Accounts	114.72	6.23
in Term Deposits with Less Than 3 Months Maturity	985.00	1,465.00
	1099.73	1471.23

Note:

- The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows and presents cash flows by operating, investing and financing activities.
- Figures of the previous year have been regrouped / rearranged wherever necessary to make it comparable to the current year presentation
- The cash credit facilities availed from bank are part of financing activity which do not form part of cash and cash equivalents for Cash Flow Statement purpose.

For and on behalf of the Board of Directors
RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED

(S. C. Mudgerikar)
Chairman & Managing Director
DIN : 03498837

(Nazhat Shaikh)
Director (Finance)
DIN : 07348075

(J. B. Sharma)
Company Secretary
Membership No: FCS5030

Dated : 12th August, 2022.
Place: Mumbai

As per our report of even date attached

For M M NISSIM & CO LLP
Chartered Accountants
Firm Regn. No. 107122W / W100672

(N. Kashinath)
Partner
Membership No: 036490

Dated : 12th August, 2022.
Place: Mumbai

For GOKHALE & SATHE
Chartered Accountants
Firm Regn. No. 103264W

(Atul Kale)
Partner
Membership No: 109947

A. Statement of Significant Accounting Policies forming Part of Consolidated Financial Statements for the year ended 31st March 2022

I) Corporate information

The Company is a public company domiciled in India and is incorporated under 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 Priyadarshini, Eastern Express Highway, Sion Mumbai 400022.

The Company is engaged in the manufacturing and marketing of fertilizers and industrial chemicals.

The consolidated financial statements are approved for issue by the Company's Board of Directors on August 12th, 2022.

II) Basis of preparation and consolidation

- a. The consolidated financial statements of the Company and its joint controlled entities have been prepared in accordance with accounting standards prescribed under Section 133 of the Companies Act 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards)(Amendment) Rules, 2016 and other relevant provisions of the Act. The Company has consistently applied accounting policies to all periods.
- b. The consolidated financial statements have been prepared under the historical cost and on accrual basis, except for the following:-
 - Certain financial assets and liabilities (including Derivative financial instruments) measured at fair value. (Refer to policy at item no "O")
 - Certain provisions recognized using actuarial valuation techniques. (Refer to policy at item no "S")
 - Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. (Refer to policy at item no "Q")
 - Transferable Development Rights (TDRs) received upon surrender of rights on open land which are measured at fair value. (Refer to policy at item no "O")
- c. The consolidated financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest crores (₹ 00,00,000), except when otherwise indicated.
- d. The Company changes the presentation or classification of items in its Financial Statements upon being material and further reclassifies comparative amounts, unless impracticable. No such material reclassification

has been made during the year.

- e. The consolidated financial statements relate to the Company [Rashtriya Chemicals & Fertilizers Ltd.] and Jointly Controlled Entities, viz. [FACT-RCF Building Products Ltd. (FRBL), Urvarak Videsh Ltd. (UVL) and Talcher Fertilizers Limited.(TFL)].

Accounting Convention:

The accounting policies have been consistently applied by the Company and its Jointly Controlled Entities and are consistent with those used to prepare the opening balance sheet as at the transition date.

The financial statements of the Jointly Controlled Entities used in the consolidation are drawn up to the same reporting date as of the Company i.e. for the year ended 31st March 2022

Principles of Consolidation:

The financial statements of Jointly Controlled Entities are combined by applying equity method in accordance with Ind AS 28 - "Investment in Associates and Joint Ventures".

The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate Financial Statements. Differences in accounting policies followed by joint venture entity consolidated have been reviewed and no adjustments have been made, since the impact of these differences is not material.

The following Jointly Controlled Entities are considered in the consolidated financial statements:

Name of the Company	Country of Incorporation	Proportion of Ownership Interest as on 31.03.2022	Date of the entity becoming Joint Venture
FACT -RCF Building Products Ltd.	India	50.00%	02-May-2008
Urvarak Videsh Limited	India	33.33%	18-July-2008
Talcher Fertilizers Limited	India	33.33%	13-Nov-2015

f. Significant Accounting Judgements, Estimates and Assumptions

1.1 The preparation of the Company's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, ex-

penses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities as at the Balance Sheet date.

1.2 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. Any revisions to the accounting estimates are recognized prospectively when revised, in current and future periods.

Some of the significant judgements and assumptions exercised are given as under:-

1.2.1 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 DCF model. 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. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed separately.

1.2.2 Taxes

The Company's tax jurisdiction is in India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. 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.

1.2.3 Defined Benefit Plans

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation 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 plans, the management considers the interest rates of govern-

ment bonds in India.

The mortality rate is based on publicly available mortality tables as defined by LIC. Future salary increases is based on Company's assessment based on past trends.

1.2.4 Subsidy Income

As per extant policies covering subsidy of Urea, major inputs like cost of energy, water etc. are a pass through in the same. Since the notified rates of subsidy of urea incorporating actual revision takes time, recognition of subsidy is generally made on the basis of in principle recognition/ approval /settlement of claims from Government of India/Fertilizer Industry Co-ordination Committee while finalising the financial statements. As per management estimates, there is reasonable certainty based on Government of India policies and past experience that claims will be notified in due course.

1.2.5 Provision for Obsolescence

Provision towards obsolete/surplus inventory are recognized as per management estimates under the assumption that they may fetch 5% of their book value upon disposal.

1.2.6 Fair Value Measurements 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 Discounted Cash Flow model. The inputs to these models are from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Changes in assumptions could affect the reported value of fair value of financial instruments.

1.2.7 Application of Discount Rates

Estimates of rates of discounting are done for measurement of fair values of certain financial assets and liabilities, which are based on prevalent bank interest rates and the same are subject to change.

1.2.8 Estimates of Useful lives of Assets/Components

Company has identified significant components of plant and machinery and provides for depreciation over their useful lives as per its technical assessment.

1.2.9 Operating Lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement, is or contains a lease is fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly not specified in an arrangement.

Lease arrangements in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

The company has applied Ind AS 116 –Leases for ascer-

tainment of the same.

1.2.10 Interest Income from Department of Fertilizer towards import of Urea

Interest income includes interest as estimated by the Company towards delayed settlement of dues by Government of India, as per terms of MoU entered for carrying out import of Urea on behalf of Government of India.

III) Significant accounting policies

A. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

The classification of an asset either current or non-current has been made applying the criteria of realization of such assets within a period of 12 months after the reporting date.

Where assets have been fully provided for as doubtful, the same are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

B. Foreign Currencies

The consolidated financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency.

a. Transactions and Balances

Foreign Currency transactions are accounted at the rates prevailing on the date of transaction. Year-end monetary assets and liabilities are translated at the exchange rate prevailing on the date of the Balance sheet.

Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit and loss for the period in which they arise, except for the following:-

- Exchange differences on Long term foreign currency borrowings relating to assets under construction for future productive use (i.e. Capital Work in progress), are included in the cost of those assets when they are regarded as an adjustment on account of interest costs on those foreign currency borrowings.
- Non-monetary items that are measured in terms of historical cost in foreign currencies are reported using the exchange rates at the date of the transaction.

C. Fair Value Measurement

The Company measures financial instruments, such as, derivatives, investments in equity instruments, Transfer Development Rights etc. 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

External valuers are involved for valuation of significant assets, such as properties, unquoted financial assets etc. Involvement of independent external valuers is decided upon annually by the Company. Further such valuation is done annually at the end of the financial year and the impact if any on account of such fair valuation is taken in the annual financial statements.

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.

D. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is recognized upon transfer of control of promised products and services to customers in an amount that reflects the consideration expected to be received in exchange for those products or services.

Revenue, including subsidy, in respect of sale of goods is recognized when control of the goods has transferred, being when the goods are delivered to the buyer, the buyer has full discretion over the goods and there is no unfulfilled obligation that could affect the buyer's acceptance of the goods.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. Amounts disclosed as revenue are net of returns, rebates, Value added taxes and amounts collected on behalf of third parties. Further, estimated volume discounts, pricing incentives and other variable rebates etc. are reduced from revenue. Any change in the estimated amount of obligation of discount is accounted in the period in which the change occurs.

Scrap, salvaged/waste materials and sweepings are accounted for on delivery/realization

Subsidy

Recognition of Subsidy is generally made on the basis of

in principle recognition/ approval/ settlement of claims from Government of India /Fertilizer Industry Co-ordination Committee.

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 as notified by Government of India.

Subsidy on P&K fertilizers is recognized based on concession rates as notified for the year by the Government of India under Nutrient Based Subsidy Scheme from time to time and settled during the year.

Subsidy on imported Urea is recognized based on lump sum compensation, and other charges receivable from the Government of India, as per terms of agreement.

Uniform freight subsidy on Urea, P&K fertilizers and Imported Urea has been accounted in accordance with the parameters and notified rates.

Subsidy on City Compost is recognized based on rates, as notified by the Government of India.

Subsidy income is recorded based on the quantity sold,i.e. when control of goods has been transferred to the buyer during the financial year.

Other Operating revenue/other income are recognized on accrual basis.

Interest Income

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, 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 amortized cost of a financial liability.

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

Dividends

Dividend income is recognized when the Company's right to receive the payment is established.

Commission Income

For certain arrangements, Company acts as an agent. The role of the Company either as an agent or a principal is determined based on evaluation of its role as a primary obligor, has the pricing latitude in the said arrangements, its exposure to inventory risks and credit risks, on case to case basis. Commission income is recognized as per the terms of agreement when such amounts become entitled.

Others

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

Income from sale of Certified Emissions Reductions (CER's)/Voluntary Emissions Reductions (VER's)/ Renewable Energy Certificates (REC's) is recognized on delivery and confirmation of the same by the concerned authorities.

E. Taxation

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

a. Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax items are recognized in correlation to the underlying transaction either in Other Comprehensive income 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.

b. Deferred Tax

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 recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or 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, associates 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 recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized for unused tax losses 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 recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profits 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 utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting period.

c. Current Tax and Deferred Tax

Current and Deferred tax are recognized in Statement of Profit and loss, except when they relate to items that are recognized in Other Comprehensive Income (OCI) or directly in equity, in which case, the current and deferred tax are also recognized in OCI or directly in equity respectively.

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

F. Property, Plant and Equipment

All items of property, plant and equipment, including freehold land are initially recorded at cost, net of recoverable taxes and discounts.

The cost includes the cost of replacing part of the property, plant and equipment meeting the recognition criteria and borrowing costs that are directly attributable to the

acquisition, construction or production of a qualifying property, plant and equipment upto the date of commissioning of the assets.

In accordance with Ind AS 16- Property, Plant and Equipment commissioning expenses directly attributable to project is recognized under Capital Work in Progress (CWIP).

Subsequent to initial recognition, property, plant and equipment other than freehold land are measured at cost less accumulated depreciation and any accumulated impairment losses. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Spares costing (Unit value of ₹ 10 lacs and above), and other components which are required to be replaced at intervals, meeting the recognition criteria have been classified as Plant and equipment and are depreciated separately based on their specific useful lives.

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 Statement of Profit and Loss as incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Catalysts which are used in commissioning of new projects/plants are capitalized and are amortized based on the estimated useful life of 1 to 9 years, as technically assessed. Subsequent issues of catalysts, if any, are treated as inventory.

Projects under which assets are not ready for their intended use are shown as Capital work in progress.

Freehold / Leasehold improvements are considered as property plant and equipment.

Right of use assets are assets taken under an operating lease meeting the criteria laid under Ind AS 116. The value of such assets comprise of the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any.

Depreciation

Depreciation is calculated on a Straight-line basis over the estimated useful lives of each item of property, plant and equipment as estimated by the management and charged to Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013.

Depreciation on additions/deletions to Gross Block is calculated on pro-rata basis from the date of such additions and upto the date of such deletions.

Depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual value. A maximum residual value of 5% is considered for all assets, except in case of roads, wells and fences, office equipment's and end user computing devices like desk tops, laptops etc. where it is considered as NIL.

The estimate of useful life of the assets has been assessed based on technical evaluation which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc.

A major portion of the plant and equipment of the Company has been considered as continuous process plant.

The estimated useful life of items of property, plant and equipment is mentioned below

S. No.	Assets	Useful Lives (In Years)
1	Plant and Equipments	1 to 25
2	Office Equipments	1 to 10
3	Furniture and Fixtures	1 to 10
4	Electrical Equipments	1 to 25
5	Factory Building and Other Buildings	1 to 60
6	Vehicles	8
7	Information Technology Equipments	3 to 6
8	Other Miscellaneous Equipments	1 to 25

Freehold land has an unlimited useful life and therefore is not depreciated.

After recognition of impairment loss, the revised carrying amount less residual value of the impaired asset would be depreciated on systematic basis over the remaining useful life of the asset. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

Depreciation on each item of an asset costing less than ₹5,000 are depreciated at 100% in the year of capitalization.

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.

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss

on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of profit and loss in the year the asset is de-recognized.

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

G. Investment Properties

Investment properties are properties that are held to earn rentals and /or for capital appreciation (including property under construction for such purposes) and not occupied by the Company for its own use.

Investment properties are measured initially at cost, including transaction costs cost and net of recoverable taxes. The cost includes the cost of replacing parts and borrowing costs if 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.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Depreciation on Investment property, wherever applicable, is provided on straight line basis as per useful lives prescribed in Schedule II to Companies Act 2013.

Investment properties are derecognised either when they have been disposed off or when they are being occupied by the Company for its own use 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 recognised in profit or loss in the period of derecognition

H. Intangible Assets

a. Recognition and Measurement

Intangible assets acquired separately are measured on initial recognition at cost, net of recoverable taxes. The cost of intangible assets comprises its purchase price, and any cost directly attributable to bringing the asset to its working condition for the intended use. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The Company has no intangible assets with infinite useful lives.

b. Amortization

Intangible assets (i.e. software applications) having finite useful lives are amortized over their respective individual estimated useful lives on a Straight-Line Basis, pro-rata from the date the asset is available to the Company for its use. Management estimates the useful life of software applications identified as intangible assets as three years. Any expenses incurred on intangible assets with finite useful lives up to ₹ 1 lakh in each case are being charged off in the year of incurrence.

Gains or losses arising from de-recognition 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 or loss when the asset is derecognized.

I. Impairment of Non-Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from assets or group of assets (cash-generating units). If any indication exists, 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. When 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.

Company bases its impairment calculation on detailed budgets and forecasts which are prepared for each of its CGU separately.

For all the assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the 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 CGU's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the CGU 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 CGU's in prior years. Such reversal is recognized in the Statement of Profit and Loss.

Impairment losses of continuing operations, including

impairment on inventories and right of use assets, are recognized in the Statement of profit and loss.

J. Borrowing Costs

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

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 or sale are accumulated and capitalized upto the date when such assets are ready for their intended use or sale, as part of the cost of the asset.

All other borrowing costs are expensed in the period in which they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

General Borrowings cost incurred in connection with qualifying assets are capitalized by applying the Capitalization rate on the quantum of such borrowings utilized for such assets.

K. Leases

The Company evaluates each contract or arrangement at inception, whether it qualifies as lease as defined under Ind AS116 - Leases. i.e., if the contract conveys the right to control the use of asset for a period of time in exchange for consideration.

The Company as a Lessee

The Company assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves–

- (a) the use of an identified asset,
- (b) the right to obtain substantially all the economic benefits from use of the identified asset, and
- (c) the right to direct the use of the identified asset.

The Company at the inception of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets.

Right of use assets

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use

assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

The Right to use assets are also subject to impairment as described in the policies with respect to the impairment of non-financial assets.

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in the statement of Profit and loss.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

Lease payments are classified in the Cash flow statement as cash flows relating to financing activities.

Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases are recognised on straight line basis as per lease terms over the period of lease. 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. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases.

Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

L. Inventories

a. Assessment of Inventory

Raw Materials, Intermediary Products, By-Products and Finished Products inside factory premises, in bulk form, are assessed by survey method on a date as close as possible to the Balance Sheet date and the shortages /excesses

in the quantities as compared to book stocks are adjusted in the books. Finished goods and other inventory stored outside the factory premises are taken as per warehousing certificates and third party confirmation respectively.

b. Mode of Valuation

Inventory is valued at lower of cost and net realizable value except in case of by-products, which are valued at, net realizable value. However, materials and other items held for use in the production of finished goods are not written down below cost if the finished products in which they will be incorporated /consumed are expected to be sold at or above cost.

Gases and slurries, if any, in pipelines at different stages of process are not valued as the same is not practicable.

Certified Emission Reductions (Carbon credits), Renewable Energy Certificates are valued at lower of cost and net realizable value.

c. Basis of Cost

The cost of manufactured finished goods, bought out products and intermediary products are arrived at based on weighted average cost. Bifurcation of cost of joint products is made on technical estimates.

Cost of raw materials, petroleum products, packing materials, stores and spares, and loose tools is determined on weighted average cost basis.

Provision is made in respect of raw materials, packing materials, stores and spares and petroleum products, wherever appropriate, based on technical estimates, to reflect the impact of obsolescence, damage or other diminution in value.

d. Measurement of Cost / Realizable Value

Cost of Purchases

Cost of purchase includes duties, taxes (net of those recoverable) freight and other expenses net of trade discounts, rebates and price adjustments. Cost of Manufactured goods.

Cost of Manufactured Goods comprises of direct cost, variable production overheads and fixed production overheads on absorption costing method. Catalysts issued are charged off over their estimated useful lives as technically assessed ranging from 1 to 9 years. Variable production overheads are allocated based on actual production. Variable overheads related to movement of finished products are allocated based on actual dispatches. Fixed overheads are allocated based on higher of the actual production level or normal production level on a consistent basis. Average handling and transportation costs incurred to bring the material in its present location and condition is included in valuing stocks in field warehouses and in transit.

Cost of Traded Fertilizers

It comprises of Cost of Purchases as defined under para (L)(d) plus bagging, handling and transportation costs incurred to bring the material in its present location and condition.

Net Realizable Value

Price of urea is administered by the Government of India by which selling price is fixed for the buyer. The net realizable value for manufactured urea is taken at the applicable price concession (selling price net of dealers' margin plus the applicable subsidy from Government of India) net of variable selling and distribution cost. Net realizable value of off-spec urea is taken at 40% of MRP excluding subsidy.

The net realizable value of phosphatic and potassic fertilizers is taken at the applicable selling prices expected to be realized, net of dealers' margin and variable selling and distribution costs, plus the concession as fixed/to be fixed by Government. Net realizable value of off-spec phosphatic and potassic fertilizers is taken at selling price net of dealers' margin and estimated cost of re-processing including transportation cost to factory. The net realizable value of off-spec traded phosphatic and potassic out fertilizers is at 30% of MRP excluding subsidy.

Average freight incurred on despatches from silo/factory/port to godown and other products handling costs is reduced for arriving at the net realizable value in respect of stocks of fertilizers in silo/factory/port.

The net realizable value of non-fertilizer products is taken at lowest selling prices net of variable selling and distribution costs, expected to be realized in future.

M. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a 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. When a provision is expected to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. 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 recognized as finance cost.

N. Contingencies

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is

not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises where a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognized but are disclosed where an inflow of economic benefits is probable. The estimation of financial effect in respect of contingent liabilities and contingent assets wherever not practicable, is not disclosed and such fact is accordingly stated.

O. 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 recognized initially at fair value. However, in case of financial assets that are not recorded at fair value through profit or loss; the transaction costs that are directly attributable to the acquisition of issue of such financial assets are added to the value of the financial assets.

Subsequent Measurement

Financial assets presently held by the Company are classified as under:-

- Debt instruments at amortized cost
- Debt instruments, TDRs and derivatives at Fair Value Through Profit or Loss (FVTPL)
- Equity instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI)

i. Debt Instruments at Amortized Cost

A 'debt instrument' is measured at the amortized cost if both of 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 amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the statement of profit or loss. This category generally applies to trade and other receivables.

ii. Debt Instrument at FVTPL

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

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

iii. Equity Investments

All equity investments in scope of Ind AS109 – Financial Instruments are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may decide to classify the same as at FVTOCI. The Company makes such election on an instrument-by-instrument basis upon on initial recognition and same is irrevocable.

Upon classification of equity instruments as at FVTOCI, 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 investments. The Company may transfer the cumulative gain or loss within equity.

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

Investments in Joint ventures, subsidiaries and associates are recognized at cost.

iv. Derivative Financial Instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest and foreign exchange rate risks, like foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognized at fair value on the date the derivative contracts are entered into and are subsequently re-measured to their fair value (Mark to Market) at the end of each reporting period. The resulting gain or loss is recognized in the Statement of profit and loss. Company does not designate any of its derivative instruments as hedge instruments. Derivatives are carried as financial assets when fair value is positive and as financial liabilities when the fair value is negative.

Transaction costs incurred for such derivative instruments are charged off to Statement of Profit and Loss on initial recognition.

Derecognition

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

When the Company has transferred its rights to receive

cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of Financial Assets

In accordance with Ind AS109 – Financial Instruments, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- i. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- ii. Lease receivables
- iii. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS115 – Revenue From Contracts with Customers.
- iv. Financial guarantee contracts which are not measured as at FVTPL

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. All cash shortfalls) discounted at the original effective interest rate.

While estimating cash flows, Company considers all contractual terms of financial instrument over the expected life of the financial instrument including cash flows from the sale of collateral held that are integral to contractual terms.

In case of Trade receivables the Company has used a practical expedient as permitted under Ind AS109 – Financial Instruments. This expected credit loss allowance is computed based on a provision matrix which takes in account historical credit loss experience with adjustments for collaterals available and forward looking information, if required.

Expected Credit Loss (ECL) allowance is not recognized on Subsidy receivables since they are due from Government of India and also on other receivables which are

largely due from Government agencies, as the Company does not perceive any risk of default which would be material.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, trade receivables and lease receivables.
- ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet.
- The allowance reduces the net carrying amount, until the asset meets write-off criteria.
- Trade receivables, other receivables, loans and advances are also fully provided for as doubtful upon review on case to case basis, to the extent of such loss considered as incurred.

b. Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition as loans and borrowings, payables, derivatives and financial liabilities at fair value through profit or loss. The Company's financial liability consists of trade and other payables, loans and borrowings, bank overdrafts, financial guarantee contracts and derivative financial instruments.

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

Subsequent Measurement

The subsequent measurement of financial liabilities of the Company depending on their classification is described below:-

i. Loans and Borrowings including Bank Overdrafts

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost

using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized 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 amortization is included as finance costs in the statement of profit and loss.

This category generally applies to interest-bearing loans and borrowings.

ii. Financial Guarantee Contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder of the guarantee for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS109 – Financial Instruments and the amount recognized less cumulative amortization.

Derecognition

A financial liability is derecognized 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 recognized in the statement of profit and loss.

P. Cash and cash equivalents

Cash and cash equivalents comprise of cash at banks and on hand and short-term deposits with a maturity of three months or less. For the purpose of the cash flow statement, cash and cash equivalents include cash on hand, in banks, demand deposits with banks and other short term highly liquid investments, net of outstanding overdrafts that are repayable on demand and are considered part of the Company's cash management system.

Q. Non – current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

R. Government Grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in statement of profit and loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate and are presented within Other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they become receivable.

Government grants relating to purchase of property, plant and equipment are included in Other non-current liabilities and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

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

S. Employee Benefits

a. Short Term Employee Benefits:

All employee benefits payable within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

b. Retirement benefit costs and termination benefits and other long term employee benefits

Defined Contribution Schemes

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Company's defined Contribution made to its Superannuation scheme is charged off to Statement of Profit and Loss on accrual basis.

Defined Benefit Plans

Provident Fund

Contribution to Provident Fund is accounted for on accrual basis as per actuarial valuation done on deterministic basis. The Provident Fund contributions are made to a Trust administered by the Company by both the employer as well as employee. The Trust invests in specific designated instruments as permitted by Indian Law. The

interest rate payable to the members of the Trust is being administered by the Government. The Company has an obligation to make good the shortfall, if any between the return from the investments of the Trust and the notified interest rate. Further in the event there is a deficit, owing to the fair valuation of plan assets being lower than defined benefit obligation at the balance sheet date, Company has to fund the shortfall. Such shortfall including shortfall in the interest is recognized in the Statement of Profit and Loss.

Gratuity and Post-retirement medical benefits

For Defined Benefit plans comprising of gratuity, post-retirement medical benefits the cost of providing benefits is determined using the Projected Unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurements recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expenses or income; and
- Re-measurements

The Company presents the first two components of defined benefit costs in the Statement of profit and loss in the line item 'Employee Benefits Expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

The cost of the defined benefit gratuity plan and other Post employment medical benefits and the present value of gratuity obligation are determined using actuarial valuation techniques.

Termination Benefits

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recog-

nizes any related restructuring costs.

Other Long term benefits

Liabilities recognized in respect of other long term benefits like leave encashment and long term service awards are measured at the present value of the estimated future cash outflows to be made by the Company (based on actuarial valuation) in respect of services provided by employees upto the reporting date.

T. Segment Reporting

The Company has recognized the following operating segments, viz Fertilizers, Industrial Chemicals and Trading, the business activities it is primarily engaged into. The same has been done based on the review of the operating results, internal reporting, review of performance, decision making relating to future allocation of resources, policy parameters influencing business etc. carried out by its Chief Operating Decision Maker i.e. Executive Management Committee/Board of Directors.

U. Prepaid Expenses

Individual expense up to ₹ 1,00,000 is not considered in classifying prepaid expenses.

V. Research and Developments Expenses

Revenue expenditure on Research activity is recognized separately and charged to Statement of Profit and Loss. Expenditure on development activities is capitalized when its future economic benefits can reasonably be regarded as assured.

W. Earnings per Share (EPS)

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

Upon discontinuation of an operation the basic and diluted amount per share for the discontinued operation is separately reported, as applicable.

X. Cash Dividend

The Company recognizes a liability to make cash distributions to shareholders when the distribution is authorized and the same is no longer at the discretion of the Company. A corresponding amount is recognized directly in equity.

IV) Exemptions Applied

Ind AS101- First Time Adoption of Indian Accounting Standards allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions.

Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized

in the financial statements as at the date of transition measured as per Indian GAAP and use that as its deemed cost as at date of transition. The same is applicable even for Investment property, intangible assets and its investments in Joint venture, associates and subsidiaries.

Company has also reviewed the necessary adjustments required to be done in accordance with paragraph D21 this standard (i.e. adjustments arising on account of decommissioning or restoration liabilities) and has accordingly considered the impact of the same wherever applicable.

The Company has designated unquoted equity instruments held at 1 April 2015 as fair value through OCI.

V) Recent Pronouncements:

On March 23, 2022 Ministry of Corporate Affairs has notified and amended the companies (Indian Accounting Standards) amendment rules, 2022.

a. Amendment to Ind AS 16 – Property, Plant & Equipment.:

The date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The amendment is with respect to excess of sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant & equipment.

b. Amendment to Ind AS 37 – Provisions, contingent liabilities and contingent assets.

The date for adoption of this amendment is annual pe-

riods beginning on or after April 1, 2022, although early adoption is permitted. The amendment is that the 'costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

c. Ind AS 103-Business Combination: Reference to Conceptual Framework

The amendments specifies that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103.

d. Ind AS 109 – Financial Instruments : Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 – Financial Instruments in assessing whether to derecognise a financial liability.

The above amendments come into force from accounting period commencing on or after 1st April, 2022, within those fiscal years. The Company is in the process of analyzing the impact of the amendment on the financial statements, if any.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

NOTE NO. 1 PROPERTY, PLANT & EQUIPMENT

AS AT 31.03.2022

₹ Crore

Sr. No.	Description	DEEMED COST / COST			DEPRECIATION			IMPAIRMENT LOSS			NET BOOK VALUE	
		AS.AT 01.04.2021	Of Additions/ Adjustments *	Of Deductions/ Adjustments	AS.AT 31.03.2022	UPTO 01.04.2021	Provided during the year	On items Sold/ Discarded/ Adjusted	UPTO 31.03.2022	Provided during the year	UPTO 31.03.2022	AS.AT 31.03.2022
a.	Land (Freehold)	10.74	-	-	10.74	-	-	-	-	-	10.74	10.74
b.	Buildings	259.67	14.88	0.17	274.38	44.65	10.84	55.63	0.70	0.70	218.05	214.32
c.	Plant & Machinery	2587.17	105.02	2.92	2689.27	745.35	149.37	892.92	10.47	10.47	1785.88	1831.35
d.	Furniture & Fixtures	13.31	2.08	0.05	15.34	8.12	1.34	9.44	-	-	5.90	5.19
e.	Vehicles	4.14	0.15	-	4.29	2.65	0.27	2.92	-	-	1.37	1.49
f.	Office Equipments	33.65	1.61	0.14	35.12	21.06	3.44	24.38	-	-	10.74	12.59
g.	Others											
i)	Roads & Culverts	15.52	5.86	-	21.38	9.29	2.18	11.47	-	-	9.91	6.23
ii)	Railway Sidings	19.45	0.86	-	20.31	7.16	1.06	8.22	-	-	12.09	12.29
iii)	Water System, Sewerage & Drainage	20.98	0.72	-	21.70	6.85	1.34	8.19	-	-	13.51	14.13
iv)	Miscellaneous Equipments	98.62	4.87	0.36	103.13	47.67	8.71	56.10	-	-	47.03	50.95
	TOTAL	3063.25	136.05	3.64	3195.66	892.80	178.55	1069.27	11.17	11.17	2115.22	2159.28

AS AT 31.03.2021

₹ Crore

Sr. No.	Description	DEEMED COST / COST			DEPRECIATION			IMPAIRMENT LOSS			NET BOOK VALUE		
		AS.AT 01.04.2020	Of Additions/ Adjustments*	Of Deductions/ Adjustments	AS.AT 31.03.2021	UPTO 01.04.2020	Provided during the year	On items Sold/ Discarded/ Adjusted	UPTO 31.03.2021	UPTO 01.04.2020	Provided during the year	UPTO 31.03.2021	AS.AT 31.03.2021
a.	Land (Freehold)	10.74	-	-	10.74	-	-	-	-	-	-	10.74	10.74
b.	Buildings	242.05	17.78	0.16	259.67	34.96	9.70	0.01	44.65	0.71	0.70	214.32	206.38
c.	Plant & Machinery	2419.55	175.18	7.56	2587.17	604.58	142.83	2.06	745.35	10.26	10.47	1831.35	1804.71
d.	Furniture & Fixtures	11.97	1.37	0.03	13.31	6.86	1.27	0.01	8.12	-	-	5.19	5.11
e.	Vehicles	3.98	0.16	-	4.14	2.29	0.36	-	2.65	-	-	1.49	1.69
f.	Office Equipments	25.67	8.01	0.03	33.65	17.74	3.34	0.02	21.06	-	-	12.59	7.93
g.	Others												
i)	Roads & Culverts	14.24	1.28	-	15.52	7.31	1.98	-	9.29	-	-	6.23	6.93
ii)	Railway Sidings	15.29	4.16	-	19.45	6.08	1.09	0.01	7.16	-	-	12.29	9.21
iii)	Water System, Sewerage & Drainage	20.94	0.04	-	20.98	5.54	1.31	-	6.85	-	-	14.13	15.40
iv)	Miscellaneous Equipments	93.46	5.24	0.08	98.62	39.24	8.48	0.05	47.67	-	-	50.95	54.22
	TOTAL	2857.89	213.22	7.86	3063.25	724.60	170.36	2.16	892.80	10.97	11.17	2159.28	2122.32

₹ Crore

1.1	* Additions/Adjustments in PPE include the following		AS AT	
	AS AT 31.03.2022	AS AT 31.03.2021	AS AT 31.03.2022	AS AT 31.03.2021
	Item of Asset		-	-
	Exchange Differences		-	-
	Borrowing Costs		5.60	7.08
	TOTAL		5.60	7.08

1.2 Land at Thal included in Gross Block (at cost) at ₹ 4.43 Crore (area measuring 50,52,476 Sq. Mtr.) is subject to final revision in price.

1.3 Assets offered as security for loans have been provided in Note No 20

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

		AS AT 31.03.2022		AS AT 31.03.2021	
1.4	Capital work in progress				
	Opening Balance		406.35		433.49
	Additions		242.08		182.66
	Capitalisations		135.50		209.80
	Closing Balance		512.93		406.35

₹ Crore

NOTE No. 2 NON-CURRENT ASSETS - RIGHT OF USE ASSETS (ROU)

Description	DEEMED COST / COST		DEPRECIATION			IMPAIRMENT LOSS			NET BOOK VALUE			
	AS.AT 01.04.2021	Of Additions/ Adjustments	Of Deductions/ Adjustments	AS.AT 31.03.2022	UPTO 01.04.2021	Provided during the year	UPTO 31.03.2022	UPTO 01.04.2021	Provided during the year	UPTO 31.03.2022	AS.AT 31.03.2022	AS.AT 31.03.2021
Land (Leasehold) ROU	10.39	-	-	10.39	1.60	0.80	2.40	-	-	-	7.99	8.79
Buildings ROU	2.71	0.88	0.48	3.11	1.08	0.84	1.44	-	-	-	1.67	1.63
Vehicles ROU	6.46	0.77	0.28	6.95	3.29	1.89	4.92	-	-	-	2.03	3.17
TOTAL	19.56	1.65	0.76	20.45	5.97	3.53	8.76	-	-	-	11.69	13.59

₹ Crore

AS AT 31.03.2022

Description	DEEMED COST / COST		DEPRECIATION			IMPAIRMENT LOSS			NET BOOK VALUE			
	AS.AT 01.04.2020	Of Additions/ Adjustments	Of Deductions/ Adjustments	AS.AT 31.03.2021	UPTO 01.04.2020	Provided during the year	UPTO 31.03.2021	UPTO 01.04.2020	Provided during the year	UPTO 31.03.2021	AS.AT 31.03.2021	AS.AT 01.04.2020
Land (Leasehold) ROU	10.39	-	-	10.39	0.80	0.80	1.60	-	-	-	8.79	9.59
Buildings ROU	2.48	0.47	0.24	2.71	0.55	0.77	1.08	-	-	-	1.63	1.93
Vehicles ROU	3.51	2.96	0.01	6.46	1.35	1.95	3.29	-	-	-	3.17	2.16
TOTAL	16.38	3.43	0.25	19.56	2.70	3.52	5.97	-	-	-	13.59	13.68

₹ Crore

AS AT 31.03.2021

NOTE NO. 3 NON-CURRENT ASSETS - INVESTMENT PROPERTY

AS AT 31.03.2022

₹ Crore

Description	DEEMED COST / COST		DEPRECIATION			IMPAIRMENT LOSS			NET BOOK VALUE		
	AS.AT 01.04.2021	Of Additions/ Adjustments	AS.AT 31.03.2022	UPTO 01.04.2021	Provided during the year	UPTO 31.03.2022	UPTO 01.04.2021	Provided during the year	UPTO 31.03.2022	AS.AT 31.03.2021	AS.AT 31.03.2022
Land (Freehold)	0.01	-	0.01	-	-	-	-	-	-	-	0.01
Buildings	7.04	0.05	6.34	1.14	0.19	1.17	-	-	1.17	-	5.17
TOTAL	7.05	0.05	6.35	1.14	0.19	1.17	-	-	1.17	-	5.18
											5.91

AS AT 31.03.2021

₹ Crore

Description	DEEMED COST / COST		DEPRECIATION			IMPAIRMENT LOSS			NET BOOK VALUE		
	AS.AT 01.04.2020	Of Additions/ Adjustments	AS.AT 31.03.2021	UPTO 01.04.2020	Provided during the year	UPTO 31.03.2021	UPTO 01.04.2020	Provided during the year	UPTO 31.03.2021	AS.AT 01.04.2020	AS.AT 31.03.2021
Land (Freehold)	0.01	-	0.01	-	-	-	-	-	-	-	0.01
Buildings	7.04	0.01	7.04	0.95	0.19	1.14	-	-	1.14	-	5.90
TOTAL	7.05	0.01	7.05	0.95	0.19	1.14	-	-	1.14	-	5.91
											6.10

3.1 The Company's investment properties consist of commercial / residential properties located at Mumbai, Alibaug and Lucknow. The management has determined that the investment properties consist of two classes of assets – land and building.

₹ Crore

3.2	Information regarding income and expenditure of Investment Property	AS AT 31.03.2022	AS AT 31.03.2021
	Rental income derived from investment properties	36.39	34.96
	Less: Direct operating expenses (including repairs and maintenance) generating rental income	2.87	1.17
	Less: Direct operating expenses (including repairs and maintenance) that did not generate rental income	0.04	0.04
	Profit arising from investment properties before depreciation and indirect expenses	33.48	33.75
	Less: Depreciation	0.19	0.19
	Profit arising from investment properties before indirect expenses	33.29	33.56

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

- 3.3 Company undertakes expenditure towards Maintenance for upkeep of its properties which also covers the portion relating to Investment Property. The same being not material, no separate disclosure of contracts entered into for maintenance of investment property is given.
- 3.4 As at 31 March 2022, the fair values of the properties is ₹ 893.88 crore (₹ 928.46 crore as on 31.03.2021). These valuations are based on valuations performed by M/s M.A. Toke, an accredited independent valuer and has worked out the value of the property based on the information and a study of the micro market in discussions with industry experts, local brokers and regional developers.
- 3.5 Fair value disclosures for investment properties is detailed below

	₹ Crore	
Reconciliation of Fairvalue	AS AT 31.03.2022	AS AT 31.03.2021
LAND		
Opening balance	251.33	242.08
Fair Value	267.53	251.33
Fair value difference	16.20	9.25
Purchases / Transfers	-	-
Closing balance	267.53	251.33
BUILDING		
Opening balance	677.13	600.50
Fair Value	716.84	689.24
Fair value difference	39.71	88.74
Purchases / Transfers	(90.49)	(12.11)
Closing balance	626.35	677.13
TOTAL		
Opening balance	928.46	842.58
Fair Value	984.37	940.57
Fair value difference	55.91	97.99
Purchases / Transfers	(90.49)	(12.11)
Closing balance	893.88	928.46

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022
NOTE No. 4 NON-CURRENT ASSETS - INTANGIBLE ASSETS
AS AT 31.03.2022

₹ Crore

Description	DEEMED COST / COST		AMORTISATION			IMPAIRMENT LOSS			NET BOOK VALUE			
	AS.AT 01.04.2021	Of Additions/ Adjustments	Of Deductions/ Adjustments	AS.AT 31.03.2022	UPTO 01.04.2021	Provided during the year	UPTO 31.03.2022	UPTO 01.04.2021	Provided during the year	UPTO 31.03.2022	AS.AT 31.03.2022	AS.AT 31.03.2021
Computer Software	16.79	0.20	-	16.99	13.81	1.57	15.39	13.81	-	15.39	1.60	2.98
TOTAL	16.79	0.20	-	16.99	13.81	1.57	15.39	13.81	-	15.39	1.60	2.98
AS AT 31.03.2021												
Description	DEEMED COST / COST		AMORTISATION			IMPAIRMENT LOSS			NET BOOK VALUE			
	AS.AT 01.04.2020	Of Additions/ Adjustments	Of Deductions/ Adjustments	AS.AT 31.03.2021	UPTO 01.04.2020	Provided during the year	UPTO 31.03.2021	UPTO 01.04.2020	Provided during the year	UPTO 31.03.2021	AS.AT 31.03.2021	AS.AT 01.04.2020
Computer Software	15.11	1.68	-	16.79	12.49	1.32	13.81	12.49	-	13.81	2.98	2.62
TOTAL	15.11	1.68	-	16.79	12.49	1.32	13.81	12.49	-	13.81	2.98	2.62

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

		₹ Crore	
NOTE NO. 5	"NON-CURRENT ASSETS" "FINANCIAL ASSETS - INVESTMENTS"	AS AT 31.03.2022	AS AT 31.03.2021
A Investments in Equity Instruments:			
Unquoted (Fully paid up)			
a Joint Ventures at Cost			
i Urvarak Videsh Ltd.			
(1,80,002 equity shares(P.Y.1,80,002) of ₹10 each)			
ii Talcher Fertilizers Limited			
(Formerly known as Rashtriya Coal Gas Fertilizers Limited)			
(80,54,80,826 equity shares (P.Y. 53,54,80,424 equity shares) of ₹10 each)			
(Under lock in period for 5 year from date of commercial operation)			
		798.12	530.09
b Investment Designated at Fair Value Through OCI			
Indian Potash Limited*			
(6,73,200 equity shares (P.Y. 6,73,200 equity shares) of ₹10 each)			
		92.09	78.68
B Other Investments (Unquoted) Designated at Fair Value Through P&L			
Transferable Development Rights			
(Refer Note No. 62)			
		36.31	36.03
TOTAL		926.52	644.80

*Reconciliation of fair value measurement of the investment in unquoted equity shares of Indian Potash Limited (IPL)

		₹ Crore	
		31.03.2022	31.03.2021
Opening Balance		78.68	72.26
Total Gains and Losses Recognised in OCI		13.41	6.42
Closing Balance		92.09	78.68
Company has adopted the carrying amount as per IGAAP as its deemed cost of its investment in joint ventures.			
The deemed cost of the investments has been arrived as under:			
a. FACT-RCF Building Products Ltd.			
(3,28,70,000 equity shares(P.Y.3,28,70,000) of ₹10 each)			
Less:- Provision for Diminution in the value of investment			
		(32.87)	(32.87)
Carrying Value		-	-
b. Urvarak Videsh Ltd.			
(1,80,002 equity shares(P.Y.1,80,002) of ₹ 10 each)			
Less:- Provision for Diminution in the value of investment			
		(0.18)	(0.18)
Carrying Value		-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

		₹ Crore	
NOTE NO. 6	"NON-CURRENT ASSETS" "FINANCIAL ASSETS - TRADE RECEIVABLES"	AS AT 31.03.2022	AS AT 31.03.2021
	Trade Receivables		
	Trade Receivables		
	Credit Impaired	1.98	1.71
	Less: Provision for Doubtful Debts	(1.98)	(1.71)
	TOTAL	-	-
		₹ Crore	
NOTE NO. 7	"NON-CURRENT ASSETS" "FINANCIAL ASSETS - LOANS"	AS AT 31.03.2022	AS AT 31.03.2021
i.	Secured Considered Good : Loans- Employees	0.02	0.02
ii.	Unsecured Considered Good : Loan- Other CPSE (Refer Note No. 57.2)	10.20	15.30
iii.	Significant Increase in Credit Risk	-	-
iv.	Credit Impaired	-	-
	TOTAL	10.22	15.32
		₹ Crore	
NOTE NO. 8	"NON-CURRENT ASSETS" "FINANCIAL ASSETS - OTHERS"	AS AT 31.03.2022	AS AT 31.03.2021
(i)	Advances to Related Parties		
	Considered Doubtful (Refer Note No. 57.1)	36.50	36.50
	Less: Provision	(36.50)	(36.50)
		-	-
(ii)	Advance Against Equity Pending Allotment (Refer Note No. 57.1)	2.36	2.36
	Less: Provision Towards Diminution in Value	(2.36)	(2.36)
		-	-
(iii)	Others		
	Receivables Towards Rent / Services Provided		
	Unsecured - Considered Doubtful	0.66	1.77
	Less: Provision for Doubtful Receivables	(0.66)	(1.77)
		-	-
	TOTAL	-	-
		₹ Crore	
NOTE NO. 9	"NON-CURRENT ASSETS" "OTHER NON-CURRENT ASSET"	AS AT 31.03.2022	AS AT 31.03.2021
(i)	Capital Advances		
	Unsecured -Considered Good	43.01	43.16
(ii)	Advances other than Capital Advances		
a.	Loans (Material Given on Refundable Basis) to Related Parties		
	Considered Doubtful (Refer Note No. 57.1)	1.37	1.37

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

₹ Crore

NOTE NO. 9	"NON-CURRENT ASSETS" "OTHER NON-CURRENT ASSET"	AS AT 31.03.2022	AS AT 31.03.2021
	Less: Provision	(1.37)	(1.37)
		-	-
b.	Other Advances		
	Unsecured -Considered Good		
i.	VAT Receivable		
	Unsecured -Considered Good	22.11	39.53
	Unsecured -Considered Doubtful	-	-
	Less: Provision	-	-
		22.11	39.53
ii.	Considered Doubtful	2.93	3.20
	Less: Provision for Doubtful Advances	(2.93)	(3.20)
		-	-
iii.	Advance Income Tax (Net of Provision)	96.33	75.51
iv.	Deposits with Customs, Port Trust etc.		
	Unsecured -Considered Good (Refer Note No. 45.1.2)	23.19	23.04
	Unsecured -Considered Doubtful	2.06	2.06
	Less: Provision	(2.06)	(2.06)
		23.19	23.04
v.	Prepaid expenses	2.90	0.19
	Total Other Advances	144.53	138.27
(iii)	Others		
	Employee Benefit Asset	0.02	0.07
	TOTAL	187.56	181.50

₹ Crore

NOTE NO. 10	"CURRENT ASSETS" "INVENTORIES"	AS AT 31.03.2022	AS AT 31.03.2021
i.	Raw Materials	719.51	132.30
	Raw Materials-in-Transit	-	-
	Raw Materials (Sub Total)	719.51	132.30
	Less: Impaired Stock	(3.35)	(4.46)
	Raw Materials (Total)	716.16	127.84
ii.	Finished Goods	89.30	148.81
	Finished Goods-in-Transit	93.97	56.94
	Finished Goods (Total)	183.27	205.75
iii.	Stock in Trade/Bought Out Products	624.02	114.93
	Stock in Trade/Bought Out Products-in-Transit	364.07	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

		₹ Crore	
NOTE NO. 10	"CURRENT ASSETS" "INVENTORIES"	AS AT 31.03.2022	AS AT 31.03.2021
	Stock in Trade/Bought Out Products (Total)	988.09	114.93
iv.	Intermediary Products	37.43	28.40
v.	By Products	2.90	3.25
vi.	Stores & Spares, Packing Materials and Petroleum Products	423.54	330.44
	Less: Provision for Obsolescence etc./Loss under Investigation	(24.16)	(23.29)
		399.38	307.15
vii.	Certified Emission Reduction Credits (CER) / Renewable Energy Certificates (REC) (No. of CER Units C.Y. 9,73,738 , P.Y. 9,73,738) (No. of REC Units C.Y. 4667, P.Y. 2497)	0.38	0.05
	TOTAL	2327.61	787.37
	Inventory Includes:		
	Stores and Spares		
	a) Under Inspection	3.74	4.24
	b) Platinum & Rhodium stolen in earlier year and under investigation which is not available for verification	0.21	0.21
	c) With Fabricators	56.67	33.80
	Cost of Inventories Recognised as expense	5623.69	3170.91
	Write down of Inventories Charge to P&L (Difference Between Cost & NRV)	12.76	0.70
	Reversal of Write downs	-	-
		-	-
		₹ Crore	
NOTE NO. 11	" CURRENT INVESTMENTS"	AS AT 31.03.2022	AS AT 31.03.2021
	Current Investments - Unquoted		
	Investments in Mutual Funds	8.04	-
	TOTAL	8.04	-
		₹ Crore	
NOTE NO. 12	"CURRENT ASSETS" "FINANCIAL ASSETS - TRADE RECEIVABLES"	AS AT 31.03.2022	AS AT 31.03.2021
	Subsidy Receivable (Unsecured - Considered Good)	2793.95	1104.03
	Trade Receivables		
	Secured - Considered good	126.22	122.85
	Unsecured - Considered good	106.97	221.16
	Significant Increase in Credit Risk	0.03	0.09
		233.22	344.10
	Less : Provision for Expected Credit Loss *	(0.44)	(0.73)
	Total - Trade Receivables	232.78	343.37
	TOTAL	3026.73	1447.40

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

* The company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix. The provision matrix takes into account historical credit loss experience. The expected credit loss (ECL) allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting is as follows.

ECL % - Ageing

Not Due	0.10	0.14
00 - 90 days	2.92	2.37
91 - 180 days	30.26	20.77
181 - 365 days	78.46	66.90
> 365 days (fully secured)	-	-

Age of Receivables (₹ Cr)

Receivable from GoI (Not tested for ECL)	7.65	35.47
Not Due - Other Trade Receivables	219.15	300.60
00 - 90 days	6.14	6.84
91 - 180 days	-	0.28
181 - 365 days	0.05	0.14
> 365 days (fully secured)	0.23	0.77

Movement in ECL allowance (₹ Cr)

Balance at Beginning of the year	0.73	3.97
Movement	(0.29)	(3.24)
Balance at End of the year	0.44	0.73

Out of the Total Trade Receivables, Trade Receivables amounting to ₹ 126.22 Crore as on 31.03.2022 (PY ₹ 122.85 Crore) are secured against collaterals in form of Deposits / Bank Guarantees received and held by the company

NOTE NO. 13	"CURRENT ASSETS" "FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS"	₹ Crore	
		AS AT 31.03.2022	AS AT 31.03.2021
Cash and Cash Equivalents			
i.	Balances with Bank	114.72	6.23
ii.	Cash on Hand	0.01	-
iii.	Deposits with Original Maturity less than 3months	985.00	1465.00
TOTAL		1099.73	1471.23

The above cash and cash equivalent have not been pledged.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

₹ Crore

NOTE NO. 14	"CURRENT ASSETS" "FINANCIAL ASSETS - OTHER BANK BALANCES"	AS AT	AS AT
		31.03.2022	31.03.2021
i.	Margin Money Deposit / Bond Money Received from Employees	63.03	47.06
ii.	In Unpaid Dividend Account *	1.50	2.03
	TOTAL	64.53	49.09

* Earmarked balances with banks / No amounts are due & payable to Investor Education & Protection Fund

₹ Crore

NOTE NO. 15	"CURRENT ASSETS" "FINANCIAL ASSETS - LOANS"	AS AT	AS AT
		31.03.2022	31.03.2021
i.	Secured Considered Good Loans- Employees	0.08	0.19
ii.	Unsecured Considered Good (Refer Note No. 57.2) Loan- Other CPSE	5.10	6.00
iii.	Significant Increase in Credit Risk	-	-
iv.	Credit Impaired	-	-
	TOTAL	5.18	6.19

₹ Crore

NOTE NO. 16	"CURRENT ASSETS" "FINANCIAL ASSETS - OTHERS"	AS AT	AS AT
		31.03.2022	31.03.2021
i.	Fair value of Derivatives	12.05	3.81
ii.	Interest Receivable	1.05	1.44
iii.	Receivables towards Rent / Services provided *	56.04	290.09
	TOTAL	69.14	295.34

* Expected Credit Loss-NIL

* Includes an amount of ₹ 27.11 Crore Receivable from Government of India towards Import of Urea on Government Account (P.Y. ₹ 247.02 crore)

₹ Crore

NOTE NO. 17	"CURRENT ASSETS" "OTHER CURRENT ASSETS"	AS AT	AS AT
		31.03.2022	31.03.2021
i.	Advances other than Capital Advances Security Deposits Unsecured -Considered Good	0.69	0.29
ii.	Other Advances Unsecured -Considered Good		
	i. Contractors	22.18	79.44
	ii. Employees	0.26	0.14
	iii. GST Receivable	115.20	56.10

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

		₹ Crore	
NOTE NO. 17	"CURRENT ASSETS" "OTHER CURRENT ASSETS"	AS AT 31.03.2022	AS AT 31.03.2021
iv.	Prepaid Expenses	20.58	18.87
	Total Other Advances	158.22	154.55
iii.	Non Current Assets held for Disposal (Refer Note No. 56)	-	0.48
iv.	Employee Benefit Asset	0.03	0.06
	TOTAL	158.94	155.38

		₹ Crore	
NOTE NO. 18	"EQUITY" "EQUITY SHARE CAPITAL"	AS AT 31.03.2022	AS AT 31.03.2021
Authorised			
	80,00,00,000 Equity Shares of ₹10/- each.	800.00	800.00
Issued, Subscribed and Paid Up			
	55,16,88,100 Equity shares of ₹10/- each fully paid up.	551.69	551.69
	TOTAL	551.69	551.69

RECONCILIATION OF SHARES OUTSTANDING AT THE BEGINNING AND END OF THE REPORTING PERIOD

	31.03.2022		31.03.2021	
	No.	₹ Crore	No.	₹ Crore
EQUITY SHARES				
At the beginning of the year	551688100	551.69	551688100	551.69
Issued during the year				
Outstanding at the end of the year	551688100	551.69	551688100	551.69

Terms/Rights Attached to Equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each share holder is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY

Particulars	31.03.2022		31.03.2021	
	% age of shareholding	No.	% age of shareholding	No.
President of India	75.00%	413769483	75.00%	413769483

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022
DETAILS OF SHAREHOLDING OF PROMOTERS IN THE COMPANY

Particulars	31.03.2022		31.03.2021	
	% age of shareholding	No.	% age of shareholding	No.
President of India	75.00%	413769483	75.00%	413769483

₹ Crore

NOTE NO. 19	"EQUITY" "OTHER EQUITY"	AS AT 31.03.2022	AS AT 31.03.2021
i. Other Reserves			
General Reserve			
Opening Balance		2740.78	2582.43
Add: Transferred from Retained Earnings		520.52	158.35
Closing Balance		3261.30	2740.78
Equity Instruments through Other Comprehensive Income Reserve			
Opening Balance		58.84	54.03
Add: Other Comprehensive Income for the Year (Net of Tax)		10.04	4.81
Closing Balance		68.88	58.84
ii. Retained Earnings			
Opening Balance / Adjustments		-	-
Profit for the Year		702.39	384.07
Adjustment for Remeasurement of Defined Benefit Plans (Net of Tax)		(9.19)	(2.84)
Less: Dividends Paid	19 A	(172.68)	(222.88)
Less: Dividend Distribution Tax	19 A	-	-
Less: Transfer to General Reserve		(520.52)	(158.35)
Closing Balance		-	-
TOTAL		3330.18	2799.62

For FY 2021-22, The Board of Directors have recommended a final dividend of ₹ 2.50 per equity share (P.Y. ₹ 1.78 per equity share) which is subject to approval by shareholders of the Company. This is in addition to the interim dividend of ₹ 1.35 per equity share (P.Y. 1.20 per equity share) paid by the Company.

₹ Crore

NOTE NO. 19A	"DIVIDEND"	AS AT 31.03.2022	AS AT 31.03.2021
Dividends on Equity Shares paid during the year			
Final Dividend for the FY 2020-21 [₹ 1.78 (P.Y. ₹ 2.84) per equity share of ₹10 each]		98.20	156.68
Interim Dividend for the FY 2021-22 [₹ 1.35 (P.Y. ₹ 1.20) per equity share of ₹ 10 each]		74.48	66.20
TOTAL		172.68	222.88

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

₹ Crore

NOTE NO. 20	"NON-CURRENT LIABILITIES" "FINANCIAL LIABILITIES - BORROWINGS"	AS AT 31.03.2022		AS AT 31.03.2021	
		Non Current	Current	Non Current	Current
SECURED					
Non Convertible Debentures (NCDs)					
6.59% Listed Secured Non Convertible Debentures (RCF Series I -2020)					
Listed Secured Non Convertible Debentures(NCDs) (RCF Series I -2020) in Nos. 5000 have been issued at an interest rate of 6.59% per annum for a tenure of 5 years having face value of ₹ 10 lakhs each on 05th August 2020 which are redeemable on 05th August 2025. Such NCDs are secured by way of a Registered Debenture Trust Deed with a first pari-passu charge over subsidy receivables from Government of India and movable fixed assets (plant and machinery) present and future located at Trombay and Thal, excluding movable fixed assets of MP and HP Nitric Acid Plant situated at Trombay.					
		499.70	-	499.62	-
		499.70	-	499.62	-
Term Loan from Banks					
1 Rupee Loan from Banks					
a. Kotak Mahindra Bank Limited					
A loan of ₹150 crore availed from Kotak Mahindra Bank is secured by first pari passu charge by way of hypothecation on movable plant and machinery of any plant located at Trombay (excluding movable fixed assets of the Medium Pressure (MP) and High Pressure (HP) Nitric Acid Plant situated at Trombay) to the extent of 1.25 times of the loan amount. The rate of interest is linked to Repo Rate plus fixed spread of 1.99% per annum . Repayment of the said loan would fall due for ₹ 27.27 crore in F.Y. 2022-23, ₹ 27.27 crore in F.Y. 2023-24, ₹ 27.27 crore in F.Y. 2024-25, ₹ 27.27 crore in F.Y. 2025-26, ₹ 27.27 crore in F.Y. 2026-27, ₹ 6.83 crore in F.Y. 2027-28.					
		115.91	27.27	143.18	6.82
b. Kotak Mahindra Bank Limited					
A loan of ₹ 250 crore availed from Kotak Mahindra Bank is secured by first pari passu charge by way of hypothecation on movable fixed assets (machinery and equipments) of the Ammonia plant situated at Thal to the extent of 1.25 times of the amount borrowed from bank. The rate of interest is linked to 3 months MIBOR (reset after every 3 months) plus fixed margin of 1.11% per annum. The said loan has been fully prepaid during the year.					
		-	-	58.83	58.82
c. Exim Bank					
A loan of ₹ 117 crore availed from EXIM Bank is secured by first pari passu charge by way of hypothecation on movable fixed assets (machinery and equipments) present and future of the Urea Plant situated at Thal to the extent of 1.25 times of the amount borrowed from bank. The rate of interest is linked to 1 year G-sec (reset after every 3 months) plus fixed margin of 1.20% per annum. The said loan has been fully prepaid during the year.					
		-	-	34.41	27.53
d. State Bank of India					
		-	-	85.20	51.84

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

₹ Crore

NOTE NO. 20	"NON-CURRENT LIABILITIES" "FINANCIAL LIABILITIES - BORROWINGS"	AS AT 31.03.2022		AS AT 31.03.2021	
		Non Current	Current	Non Current	Current
	A loan of ₹ 350 crore availed from State Bank of India is secured by first pari passu charge by way of hypothecation on movable fixed assets (machinery and equipments) present and future of the Ammonia 1 Plant, Suphala Plant, Urea Plant, Ammonia V Plant, New Sewage Water Treatment Plant situated at Trombay to the extent of 1.25 times of the amount borrowed from bank. The rate of interest is linked to 3 months MCLR as notified by the bank from time to time. The balance outstanding loan has been fully prepaid during the year.				
		115.91	27.27	321.62	145.01
2	Foreign Currency Loan / External Commercial Borrowings (ECB)				
a.	Yes Bank Limited		6.22	6.03	12.07
	A Foreign Currency Term Loan of ₹ 55 crore equivalent to USD 8.21 Million availed by the Company from Yes Bank Limited, is secured by way of hypothecation on movable fixed assets (machinery and equipments) of the Medium Pressure (MP) and High Pressure (HP) Nitric Acid Plant situated at Trombay to the extent of 1.25 times of the loan amount. The rate of interest is fixed at 3.70% per annum. Repayment of the said loan would fall due for ₹ 6.22 crore in F.Y. 2022-23.				
b.	State Bank of India	35.76	35.75	72.73	36.36
	ECB of EURO 25.50 million availed by the Company from State Bank of India, Antwerp Branch, under RBI Loan Registration no. 201709145 is secured by way of hypothecation on movable fixed assets (machinery and equipments) of the GTG & HRSG project situated at Thal to the extent of 1.25 times of the loan amount. The rate of interest is 6 months EURIBOR plus margin of 1.05% per annum. Repayment of the said loan would fall due for ₹ 35.98 crore in F.Y. 2022-23 and ₹ 35.98 crore in F.Y. 2023-24.				
c.	State Bank of India	169.19	30.62	143.04	10.79
	ECB of EURO 25.00 million availed by the Company from State Bank of India, New York Branch, under RBI Loan Registration no. 202011111 is secured by way of first pari-passu charge on movable assets (both present and future) located at Thal and Trombay (excluding movable fixed assets of the Medium Pressure (MP) and High Pressure (HP) Nitric Acid Plant situated at Trombay) to the extent of 1.25 times of the loan amount. The rate of interest is 6 months EURIBOR plus margin of 1.40% per annum. Repayment of the said loan would fall due for ₹ 30.89 crore in F.Y. 2022-23, ₹ 30.89 crore in F.Y. 2023-24, ₹ 30.89 crore in F.Y. 2024-25, ₹ 30.89 crore in F.Y. 2025-26, ₹ 30.89 crore in 2026-27, ₹ 30.89 crore in F.Y. 2027-28 crore and ₹ 15.44 crore in F.Y. 2028-29.				
		204.95	72.59	221.80	59.22
	UNSECURED				
	Non Convertible Debentures (NCDs)				

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

₹ Crore

NOTE NO. 20	"NON-CURRENT LIABILITIES" "FINANCIAL LIABILITIES - BORROWINGS"	AS AT 31.03.2022		AS AT 31.03.2021	
		Non Current	Current	Non Current	Current
	6.59% Listed Unsecured Non Convertible Debentures (RCF Series I -2022)	299.85	-	-	-
	Listed Unsecured Non Convertible Debentures(NCDs) (RCF Series I -2022) in Nos. 3000 have been issued at an interest rate of 6.59% per annum for a tenure of 3 years having face value of ₹ 10 lakhs each on 31st January 2022 which are redeemable on 31st January 2025.				
		299.85	-	-	-
	Term Loan from Banks				
	HDFC Bank	-	140.96	-	-
	A loan of ₹178.98 crore is availed from HDFC Bank at a rate of interest linked to Repo Rate plus fixed margin of 0.70% per annum. Repayment of the said loan would fall due for ₹ 140.96 crore in FY 2022-23.				
		-	140.96	-	-
	Amount disclosed under the head "CURRENT BORROWINGS" (Refer Note No. 27)		(240.82)		(204.23)
	TOTAL	1120.41	-	1043.04	-
	Details of Borrowings and Transaction Costs				
	A External Commercial Borrowings				
	Total External Commercial Borrowings	205.86	66.87	217.09	47.66
	Less: Transaction Costs	0.91	0.50	1.32	0.51
	Carrying value of External Commercial Borrowings	204.95	66.37	215.77	47.15
	B Non-Convertible Debentures				
	i 6.59% Listed Secured Non Convertible Debentures (RCF Series I -2020)	500.00	-	500.00	-
	Less: Transaction Costs	0.30	-	0.38	-
	Carrying value of Non-Convertible Debentures	499.70	-	499.62	-
	ii 6.59% Listed Unsecured Non Convertible Debentures (RCF Series I -2022)	300.00	-	-	-
	Less: Transaction Costs	0.15	-	-	-
	Carrying value of Non-Convertible Debentures	299.85	-	-	-

₹ Crore

NOTE NO. 21	"NON-CURRENT LIABILITIES" "FINANCIAL LIABILITIES - LEASE LIABILITIES"	AS AT	AS AT
		31.03.2022	31.03.2021
	Lease Liabilities	7.53	9.17
	TOTAL	7.53	9.17

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

		₹ Crore	
NOTE NO. 22	"NON-CURRENT LIABILITIES" "FINANCIAL LIABILITIES - TRADE PAYABLES"	AS AT 31.03.2022	AS AT 31.03.2021
	Trade Payables	-	211.79
	(A) Outstanding Dues of Micro Enterprises and Small Enterprises	-	-
	(B) Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises (Refer Note No. 52)	-	211.79
	TOTAL	-	211.79

		₹ Crore	
NOTE NO. 23	"NON-CURRENT LIABILITIES" "FINANCIAL LIABILITIES - OTHERS"	AS AT 31.03.2022	AS AT 31.03.2021
	Security Deposit from Vendors	29.98	26.52
	TOTAL	29.98	26.52

		₹ Crore	
NOTE NO. 24	"NON-CURRENT LIABILITIES" "PROVISIONS"	AS AT 31.03.2022	AS AT 31.03.2021
	Provision for Employee Benefits		
	i. Leave Salary Encashment	78.26	87.53
	ii. Post Retirement Medical Benefits	115.47	98.57
	iii. Long Service Award	0.22	0.22
	TOTAL	193.95	186.32

		₹ Crore	
NOTE NO. 25	"NON-CURRENT LIABILITIES" "DEFERRED TAX LIABILITIES (NET)"	AS AT 31.03.2022	AS AT 31.03.2021
a.	Deferred Tax Liability:		
	i. Depreciation	304.04	302.04
	ii. Fair Value of Investments	23.04	19.67
	iii. Revenue from TDR	8.39	8.39
	iv. Other Temporary Differences	1.49	1.69
	Total	336.96	331.79
b.	Deferred Tax Asset:		
	i. Provision for Doubtful Debts/Claims/Advances	10.95	11.23
	ii. Provision for Obsolescence of Stores	3.42	3.46
	iii. Provision for Diminution in Value of Investments	8.91	8.91
	iv. Expenditure Allowable on Payment Basis	66.26	58.28
	v. Other Temporary Differences	33.35	30.58
	Total	122.89	112.46
	Net Deferred Tax Liability	214.07	219.33

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

		₹ Crore	
NOTE NO. 26	"OTHER LIABILITIES"	AS AT 31.03.2022	AS AT 31.03.2021
I	NON CURRENT		
	Others		
	i. Advance Rent Received	26 A 1.53	2.28
	ii. Government Grants	26 B 0.69	0.78
	iii. Deferred Income	28.71	31.11
	TOTAL OTHER NON CURRENT LIABILITIES (I)	30.93	34.17
II	CURRENT		
(a)	Revenue Received in Advance		
	Income Received in Advance from Customers (Contract Liabilities)	26 C 111.08	57.46
(b)	Other Advances		
	Retention Money	12.50	12.50
(c)	Other Liabilities:		
	i. Advance Rent Received	26 A 0.75	2.15
	ii. Government Grants	26 B 0.07	0.18
	iii. Deferred Deposit	2.51	3.90
	iv. Statutory Dues:		
	a. Withholding Taxes	16.21	14.00
	b. GST Payable	19.23	12.84
	v. Others	15.97	0.02
	TOTAL OTHER CURRENT LIABILITIES (II)	54.74	33.09
		178.32	103.05

		₹ Crore	
NOTE NO. 26A	"ADVANCE RENT RECEIVED"	AS AT 31.03.2022	AS AT 31.03.2021
	At at 1st April	4.43	6.99
	Received / (Repaid) during the Year	-	-
	Released to the Statement of Profit and Loss	2.15	2.56
	As at 31st March	2.28	4.43
	Current	0.75	2.15
	Non-Current	1.53	2.28

		₹ Crore	
NOTE NO. 26B	"GOVERNMENT GRANTS"	AS AT 31.03.2022	AS AT 31.03.2021
	At at 1st April	0.96	1.28
	Received / (Repaid) during the Year	-	-
	Released to the Statement of Profit and Loss	0.20	0.32
	As at 31st March	0.76	0.96

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

		₹ Crore	
NOTE NO. 26B	"GOVERNMENT GRANTS"	AS AT 31.03.2022	AS AT 31.03.2021
	Current	0.07	0.18
	Non-Current	0.69	0.78
		₹ Crore	
NOTE NO. 26C	"INCOME RECEIVED IN ADVANCE FROM CUSTOMERS (CONTRACT LIABILITIES)"	AS AT 31.03.2022	AS AT 31.03.2021
	At at 1st April	57.46	48.40
	Received during the Year	111.08	57.46
	Released to the Statement of Profit and Loss	57.46	48.40
	As at 31st March	111.08	57.46
	Current	111.08	57.46
	Non-Current	-	-
		₹ Crore	
NOTE NO. 27	"CURRENT LIABILITIES" "FINANCIAL LIABILITIES - BORROWINGS"	AS AT 31.03.2022	AS AT 31.03.2021
(a)	Working Capital Loans		
	I. Secured		
	a. From Banks (Repayable on Demand) *		
	i. Cash Credit	-	8.89
	ii. Working Capital Demand Loan	670.00	350.00
	Total Secured	670.00	358.89
	II. Unsecured		
	a. From Banks		
	i. Foreign Currency Loans from Banks-Buyers Credit **	686.99	143.14
	ii. Rupee Loans ***	250.00	-
		936.99	143.14
	b. Other Loans		
	Commercial Paper ****	-	317.49
	net of unamortised interest ₹ NIL (P.Y. ₹ 2.51 crores)		
	Total Unsecured	936.99	460.63
	Total Working Capital Loans	1606.99	819.52
(b)	Current Maturities of Long Term Debt (Refer Note No. 20)		
	I. Secured	99.86	204.23
	II. Unsecured	140.96	-
	TOTAL	240.82	204.23
	TOTAL	1847.81	1023.75

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

₹ Crore

NOTE NO. 27	"CURRENT LIABILITIES" "FINANCIAL LIABILITIES - BORROWINGS"	AS AT	AS AT
		31.03.2022	31.03.2021
*Cash Credit from banks carrying interest of 6.95% per annum (PY 7.35%-7.75% per annum) and Working Capital Demand Loans carrying interest of 3.75%-4.10% per annum (PY 4.00%-7.00% per annum) are secured by hypothecation of entire Company's current assets including all stocks, book debts and other moveable assets, both present and future.			
**Unsecured Foreign Currency Loans from Banks are in the form of Buyers Credit and carry interest in the range of 0.30% -2.00% per annum (PY 0.35% - 2.25% per annum). These loans are repayable within 180 days.			
*** Unsecured Short Term Rupee Loans carrying interest of 3.90%-4.50% per annum (PY 3.95%-7.40% per annum).			
****Unsecured Commercial Papers carry interest of around 3.68%-5.00% per annum (PY 3.70%-6.00% per annum).			

₹ Crore

NOTE NO. 28	"CURRENT LIABILITIES" "FINANCIAL LIABILITIES - LEASE LIABILITIES"	AS AT	AS AT
		31.03.2022	31.03.2021
Lease Liabilities		2.77	2.63
TOTAL		2.77	2.63

₹ Crore

NOTE NO. 29	"CURRENT LIABILITIES" "FINANCIAL LIABILITIES - TRADE PAYABLES"	AS AT	AS AT
		31.03.2022	31.03.2021
Trade Payables (including Acceptances)*			
(A) Outstanding Dues of Micro Enterprises and Small Enterprises		36.55	40.01
(B) Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		2306.54	865.06
TOTAL		2343.09	905.07

Trade payables are normally non-interest bearing and are usually settled within 30-days from the date of receipt of invoice unless they are contracted with specific credit terms as applicable.

* Acceptances include arrangements where operational suppliers of goods and services are initially paid by banks while the Company continues to recognise the liability till settlement with the banks which are normally effected within a period of 180 days amounting to ₹ 392.41 crores (P.Y. ₹38.27 crores)

₹ Crore

NOTE NO. 30	"CURRENT LIABILITIES" "FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES"	AS AT	AS AT
		31.03.2022	31.03.2021
i. Interest Accrued But Not Due on Borrowings		30.69	26.20
ii. Unclaimed Dividend *		1.50	1.06
iii. Payables on Capital Account		124.14	51.36
iv. Standing Deposit from Customers		71.65	73.16
v. Trade Deposit from Customers		78.82	78.56
vi. Earnest Money Deposit & Security Deposit from Vendors		106.13	90.41
vii. Other Payables - Tie Ups		8.47	7.77
viii. Ex-gratia & Employee Benefits		97.16	65.64
TOTAL		518.56	394.16

* No amounts are due & payable to Investor Education & Protection Fund

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

		₹ Crore	
NOTE NO. 31	"CURRENT LIABILITIES" "PROVISIONS"	AS AT 31.03.2022	AS AT 31.03.2021
	Provision for Employee Benefits		
i.	Leave Salary Encashment	97.68	91.60
ii.	Post Retirement Medical Benefits	9.36	7.73
iii.	Ex-gratia / Gratuity Payable	-	16.25
iv.	Payable to Provident Fund	16.09	3.59
v.	Long Service Award	0.01	0.06
	TOTAL	123.14	119.23

		₹ Crore	
NOTE NO. 32	"CURRENT LIABILITIES" "CURRENT TAX LIABILITIES NET"	AS AT 31.03.2022	AS AT 31.03.2021
	Provision for Taxation Current Year (net of Advance Tax)	38.39	12.19
	TOTAL	38.39	12.19

		₹ Crore	
NOTE NO. 33	"REVENUE FROM OPERATIONS"	Year Ended 31.03.2022	Year Ended 31.03.2021
1. Sales			
	A.Manufactured Products	33A	
	Fertilizers	2570.57	2218.66
	Industrial Products	2265.51	1023.50
		4836.08	3242.16
	B.Bought-out Products	33A	
	Fertilizers	478.13	536.47
	Net Sales	5314.21	3778.63
2. Other Operating Revenues			
	Subsidy on Urea & Complex Fertilizers* (Refer Note No. 51)	7441.75	4457.33
	Sale of Scrap	7.39	1.94
	Management Fees -For Services rendered	11.67	12.04
	Margin on Tie- ups	37.15	31.24
	TOTAL	7497.96	4502.55
	Revenue from Operations	12812.17	8281.18

*Subsidy includes ₹ 72.09 crore (P.Y. ₹ 85.43 crore) in respect of earlier years, determined during the year

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

₹ Crore

NOTE NO. 33A	"SALES - PRODUCT WISE BREAK-UP"	Year Ended 31.03.2022	Year Ended 31.03.2021
1	Manufactured		
	A. Fertilizers		
	Suphala 15 : 15 : 15	1381.04	1000.60
	Urea / Neem Coated Urea	1138.20	1165.14
	Others	51.33	52.92
		2570.57	2218.66
	B. Industrial Products		
	Ammonia	825.66	225.44
	Dilute Nitric Acid	147.12	90.01
	Concentrated Nitric Acid	158.49	94.77
	Ammonium Bi-carbonate	62.48	58.93
	Sodium Nitrate	0.16	0.71
	Sodium Nitrite	0.69	3.49
	Methylamines	126.09	95.62
	Ammonium Nitrate Melt	750.56	361.60
	Others	194.26	92.93
		2265.51	1023.50
2	Bought-out Products		
	Imported Di Ammonium Phosphate	226.65	199.37
	Imported Muriate of Potash	82.54	79.19
	Imported S 15 15 15	111.93	-
	Imported NPK 10:26:26	-	62.30
	Imported NPK 20:20:0	38.79	178.27
	Others	18.22	17.34
		478.13	536.47
	TOTAL	5314.21	3778.63

₹ Crore

NOTE NO. 33B	"SUBSIDY ON UREA & COMPLEX FERTILIZERS"	Year Ended 31.03.2022	Year Ended 31.03.2021
1.	Manufactured Fertilizers		
	Price	6513.80	3805.91
	Freight	437.40	388.31
		6951.20	4194.22
2.	Bought-out Fertilizers		
	Price	456.20	226.57
	Freight	34.35	36.54
		490.55	263.11
	TOTAL	7441.75	4457.33

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

		₹ Crore	
NOTE NO. 34	" OTHER INCOME"	Year Ended 31.03.2022	Year Ended 31.03.2021
1.	Interest Income on Financial Assets carried at Amortised Cost		
a.	On Loans to Employees	0.05	0.05
b.	On Deposits with Bank and Others	27.56	13.20
c.	From Customers [includes ₹ 20.72 crore (P.Y. ₹ 9.92 crore) crore dues from DOF]	22.28	12.69
d.	From Others	0.11	0.02
		50.00	25.96
2.	Interest Income on Taxes		
a.	On Income Tax Refund	0.60	0.92
b.	On Sales Tax Refund	0.65	3.78
		1.25	4.70
	TOTAL	51.25	30.66
3.	Dividend Income		
	Dividend from Equity Investment measured at fair value through OCI	0.27	0.17
		0.27	0.17
4.	Other Non-Operating Income		
a.	Net Gain arising on Financial Assets measured at FVTPL		
i.	Gain / (Loss) on Sale of Mutual Fund Investments	4.63	0.90
ii.	Gain / (Loss) on Derivatives	0.36	(0.63)
		4.99	0.27
b.	Profit on Sale of Fixed Assets (Net)	8.53	-
c.	Bad Debts Recovered	0.28	0.08
d.	Foreign Exchange Gain	-	23.25
e.	Rental Income Including Other Recoveries	40.08	44.69
f.	Lease Compensation of Railway Siding	0.21	0.21
g.	Government Grants (Refer Note No. 26B)	0.20	0.32
h.	Amortisation of Deferred Deposits	5.54	5.50
i.	Miscellaneous Income	25.12	21.54
		79.96	95.59
	Less: Transfer to Research and Development Expenses (Refer Note No. 41C)	(0.02)	(0.08)
	TOTAL	136.45	126.61

		₹ Crore	
NOTE NO. 35	"COST OF MATERIALS CONSUMED"	Year Ended 31.03.2022	Year Ended 31.03.2021
Raw Materials	35A	5337.91	2899.64
Packing Materials		133.24	104.89
Add: Raw Materials of Impaired Plants		(1.11)	4.46
Less : Transferred to Research & Development (Refer Note No. 41C)		(0.21)	-
	TOTAL	5469.83	3008.99

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

₹ Crore

NOTE NO. 35A	"ITEMWISE BREAKUP OF MATERIALS CONSUMED"	Year Ended 31.03.2022	Year Ended 31.03.2021
RAW MATERIALS			
	Rock Phosphate	112.70	65.76
	Di-Ammonium Phosphate	16.09	5.09
	Mono-Ammonium Phosphate	535.81	249.15
	Muriate of Potash	375.72	271.77
	Sulphur	35.96	13.43
	Natural Gas	4197.15	2237.22
	Others	64.48	57.22
	SUB TOTAL	5337.91	2899.64
	Less : Transferred to Research and Development (Refer Note No. 41C)	(0.21)	-
	TOTAL	5337.70	2899.64

₹ Crore

NOTE NO. 36	"PURCHASES OF STOCK IN TRADE"	Year Ended 31.03.2022	Year Ended 31.03.2021
	Imported Di Ammonium Phosphate	1556.50	240.77
	Imported Muriate of Potash	-	169.13
	Imported S 15:15:15	151.66	-
	Imported S : 20:20:0	18.10	243.23
	NPK 10:26:26	-	75.85
	Others	19.01	25.97
	SUB TOTAL	1745.27	754.95
	Less: Transferred to Plant for internal consumption		
	Imported DAP / MOP	(3.06)	(5.74)
	TOTAL	1742.21	749.21

₹ Crore

NOTE NO. 37	"CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN TRADE"	Year Ended 31.03.2022	Year Ended 31.03.2021	
Opening Stock				
	Finished Goods	37A	205.75	283.83
	Intermediary Products		28.40	28.90
	By-Products		3.25	5.77
	Stock in Trade	37A	114.93	3.33
	Certified Emission Reduction Credits (CER) / Renewable Energy Certificates (REC)		0.05	-
	SUB TOTAL		352.38	321.83
Closing Stock				
	Finished Goods	37B	183.27	205.75
	Intermediary Products		37.43	28.40

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

		₹ Crore	
NOTE NO. 37	"CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN TRADE"	Year Ended 31.03.2022	Year Ended 31.03.2021
	By-Products	2.90	3.25
	Stock in Trade	988.09	114.93
	Certified Emission Reduction Credits (CER) / Renewable Energy Certificates (REC)	0.38	0.05
	Sub-Total	1212.07	352.38
	TOTAL	(859.69)	(30.55)

		₹ Crore	
NOTE NO. 37A	"OPENING STOCK - PRODUCT WISE BREAK-UP"	Year Ended 31.03.2022	Year Ended 31.03.2021
Finished Goods			
1. Manufactured			
A. Fertilizers			
	Urea (Trombay)	21.41	46.26
	Urea (Thal)	103.86	130.17
	Complex Fertilizers	65.93	87.24
	Others	8.50	15.92
B. Industrial Products			
	Methanol	4.07	0.12
	Concentrated Nitric Acid	0.13	0.24
	Ammonium Bi-carbonate	0.46	-
	Sodium Nitrate	0.08	0.22
	Sodium Nitrite	0.14	0.02
	Methylamines	0.72	1.03
	Ammonium Nitrate Melt	0.02	0.02
	Dimethyl Formamide	0.10	1.17
	Dimethyl Acetamide	0.09	0.08
	Argon Gas / Liquid	0.10	0.39
	Formic Acid	-	0.95
	Others	0.14	-
		205.75	283.83
2. Bought-out Products			
Fertilizers			
	Imported Di Ammonium Phosphate	0.05	1.55
	Imported Muriate of Potash	86.76	0.77
	Imported NPK 12:32:16	27.34	-
	Imported NPK 20:20:0	-	0.09
	Others	0.78	0.92
		114.93	3.33
	TOTAL	320.68	287.16

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

₹ Crore

NOTE NO. 37B	"CLOSING STOCK - PRODUCT WISE BREAK-UP"	Year Ended 31.03.2022	Year Ended 31.03.2021
Finished Goods			
1. Manufactured			
A. Fertilizers			
	Urea (Trombay)	18.47	21.41
	Urea (Thal)	103.03	103.86
	Complex Fertilizers	52.01	65.93
	Others	5.19	8.50
B. Industrial Products			
	Methanol	2.65	4.07
	Concentrated Nitric Acid	0.10	0.13
	Ammonium Bi-carbonate	0.07	0.46
	Sodium Nitrate	-	0.08
	Sodium Nitrite	-	0.14
	Methylamines	0.10	0.72
	Ammonium Nitrate Melt	0.03	0.02
	Dimethyl Formamide	0.09	0.10
	Dimethyl Acetamide	1.17	0.09
	Argon Gas / Liquid	0.21	0.10
	Others	0.15	0.14
		183.27	205.75
2. Bought-out Products			
Fertilizers			
	Imported Di Ammonium Phosphate	987.93	0.05
	Imported Muriate of Potash	-	86.76
	Imported NPK 12:32:16	-	27.34
	Others	0.16	0.78
		988.09	114.93
	TOTAL	1171.36	320.68

₹ Crore

NOTE NO. 38	"EMPLOYEE BENEFITS EXPENSE"	Year Ended 31.03.2022	Year Ended 31.03.2021
	Salaries, Wages and Bonus	554.41	506.08
	Contribution to Provident Fund and Other funds	59.21	27.85
	Contribution to Gratuity Fund	18.78	7.06
	Workmen and Staff Welfare Expenses	66.46	56.84
		698.86	597.83
	Less: Transferred to Research and Development (Refer Note No. 41C)	(3.50)	(1.65)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

		₹ Crore	
NOTE NO. 38	"EMPLOYEE BENEFITS EXPENSE"	Year Ended 31.03.2022	Year Ended 31.03.2021
	Share recoverable from Thal Ammonia Extension and Others	(41.58)	(31.29)
		(45.08)	(32.94)
	TOTAL	653.78	564.89

		₹ Crore	
NOTE NO. 39	"FINANCE COSTS"	Year Ended 31.03.2022	Year Ended 31.03.2021
1	Interest on Financial Liabilities carried at Amortised Cost		
a.	Interest on Term Loans from Banks	20.25	35.85
b.	Interest on Non-Convertible Debentures	36.20	21.58
c.	Interest on Working Capital from Banks	43.48	92.84
d.	Interest on Other Loans and Deposits	5.68	16.15
e.	Unwinding of Discount on Deposits	4.34	4.71
f.	Other Borrowing Costs	1.28	1.05
g.	Exchange Differences Regarded as an Adjustment to Borrowing Costs	9.26	5.48
h.	Interest Expense on Lease Liabilities	0.95	1.07
		121.44	178.73
2	Other Finance Costs	4.45	0.84
	TOTAL	125.89	179.57

		₹ Crore	
NOTE NO. 40	"DEPRECIATION AND AMORTISATION EXPENSES / IMPAIRMENT"	Year Ended 31.03.2022	Year Ended 31.03.2021
i.	Depreciation on Property Plant and Equipment	178.55	170.36
ii.	Impairment / (reversal) on Property Plant and Equipment	-	0.20
iii.	Depreciation on Investment Property	0.19	0.19
iv.	Amortisation on Intangible Assets	1.57	1.32
v.	Depreciation on Right of Use Asset	3.53	3.52
	Total Depreciation / Amortisation Impairment provided during the year	183.84	175.59
	Less : Under Research and Development (Refer Note No. 41C)	(0.29)	(0.33)
	As reported under Statement of Profit & Loss:	183.55	175.26

		₹ Crore	
NOTE NO. 41	" OTHER EXPENSES"	Year Ended 31.03.2022	Year Ended 31.03.2021
	Stores and Spares	54.37	39.00
	Power and Fuel	3651.05	2122.25
	Water Charges	110.63	135.07
	Repairs and Maintenance	174.52	151.97
	41A		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

₹ Crore

NOTE NO. 41	" OTHER EXPENSES"	Year Ended 31.03.2022	Year Ended 31.03.2021
	Freight and Handling Charges	652.69	649.98
	Rent	5.60	8.89
	Rates and Taxes	26.34	11.64
	Insurance	39.76	44.22
	Miscellaneous Expenses	102.01	74.31
	Less: Transferred to Research & Development Expenses (Refer Note No. 41C)	(0.20)	(0.18)
	TOTAL	4816.77	3237.15

41B

₹ Crore

NOTE NO. 41A	"REPAIRS AND MAINTENANCE"	Year Ended 31.03.2022	Year Ended 31.03.2021
	Plant and Machinery	134.22	118.06
	Buildings	26.65	21.87
	Other Assets	14.14	12.20
		175.01	152.13
	Less: Transferred to Research & Development Expenses (Refer Note No. 41C)	(0.49)	(0.16)
	TOTAL	174.52	151.97

₹ Crore

NOTE NO. 41B	"MISCELLANEOUS EXPENSES"	Year Ended 31.03.2022	Year Ended 31.03.2021
	Security Expenses-Factory and Others	46.77	46.28
	Electricity Charges-Township and Offices	4.89	5.77
	Advertisement	0.94	0.71
	Bank Charges	3.96	1.87
	Promotion and Publicity	5.65	3.46
	Hire Charges for Vehicles	3.38	3.29
	Travelling Expenses	2.31	1.13
	Research and Development Expenses	5.12	2.48
	Loss on Fixed Assets Sold /Discarded	0.77	0.58
	Losses/ Damages and Other Amounts Written Off	-	0.27
	Foreign exchange Loss/(Gain)	14.56	-
	Corporate Social Responsibility Expenses	6.98	3.58
	Provision for Doubtful Debts/ Claims/ Advances	0.64	1.16
	Provision for Obsolescence of Stores	2.88	2.31
	Bad Debts Written Off	-	1.69
	Provision of Earlier Years no Longer Required	(4.06)	(12.72)
	Liabilities for Expenses no Longer Required	(12.53)	(7.02)
	Recovery of Share of Common Expenses	(15.66)	(16.78)
	Other Expenses **	35.41	36.25
	TOTAL	102.01	74.31

41C

** Includes Directors' Sitting Fees C.Y. ₹ 33,85,000, P.Y. ₹ 19,60,000

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

		₹ Crore	
NOTE NO. 41C	"RESEARCH & DEVELOPMENT EXPENSES"	Year Ended 31.03.2022	Year Ended 31.03.2021
	Salaries and Staff Welfare Expenses	3.50	1.65
	Repairs and Maintenance	0.49	0.16
	Depreciation	0.29	0.33
	Direct Research Expenditure	0.45	0.24
	Other Expenses	0.06	0.02
	Handling Charges	0.14	0.16
	Materials Consumed	0.21	-
	SUB TOTAL	5.14	2.56
	Less: Transferred from Other Income	(0.02)	(0.08)
	TOTAL	5.12	2.48
		₹ Crore	
NOTE NO. 42	"EXCEPTIONAL ITEMS"	Year Ended 31.03.2022	Year Ended 31.03.2021
	Fair valuation (Gain) / Loss - Transferable Development Rights	(0.28)	(4.71)
	Reversal of Gas Pool Provision on Non Urea - AMRCD Award (Refer Note No. 62)	(127.35)	-
	TOTAL	(127.63)	(4.71)
		₹ Crore	
NOTE NO. 43	"OTHER COMPREHENSIVE INCOME"	Year Ended 31.03.2022	Year Ended 31.03.2021
Items that will not be reclassified to profit or loss			
	Remeasurements of Defined Benefit Plans	(12.28)	(3.80)
	Fair Value Equity Instruments (IPL Shares)	13.41	6.42
		1.13	2.62
	Less: Income Tax / Deferred Tax Relating to Above Items	(0.28)	(0.65)
	TOTAL	0.85	1.97
		₹ Crore	
NOTE NO. 44	"DISCLOSURE OF FINANCIAL ASSETS AND LIABILITIES AS PER IND AS 107 "	AS AT 31.03.2022	AS AT 31.03.2021
I) FINANCIAL ASSETS			
a.	BREAKUP OF FINANCIAL ASSETS AT FAIR VALUE THOROUGH OCI		
	Investments - Fully Paid Shares	92.09	78.68
	TOTAL	92.09	78.68
b.	BREAKUP OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT & LOSS		
	Derivatives	12.05	3.81
	Transferable Development Rights	36.31	36.03
	Investments in Mutual Funds	8.04	-
	TOTAL	56.40	39.84

₹ Crore

NOTE NO. 44	"DISCLOSURE OF FINANCIAL ASSETS AND LIABILITIES AS PER IND AS 107 "	AS AT 31.03.2022	AS AT 31.03.2021
c.	BREAKUP OF FINANCIAL ASSETS CARRIED AT AMORTISED COST / COST		
	Loans	15.40	21.51
	Others Financial Assets	57.09	291.53
	Trade Receivables	3026.73	1447.40
	Cash and Cash Equivalents	1099.73	1471.23
	Other Bank Balances	64.53	49.09
	TOTAL	4263.48	3280.76
d.	BREAKUP OF FINANCIAL ASSETS CARRIED AT COST		
	Investments - Joint Ventures	798.12	530.09
	TOTAL	798.12	530.09
	TOTAL FINANCIAL ASSETS	5210.09	3929.37
II) FINANCIAL LIABILITIES			
a.	BREAKUP OF FINANCIAL LIABILITIES CARRIED AT AMORTISED COST		
	Borrowings	2968.22	2066.79
	Trade Payables	2343.09	1116.86
	Interest Accrued but Not Due on Borrowings	30.69	26.20
	Unclaimed Dividend	1.50	1.06
	Creditors on Capital Account	124.14	51.36
	Standing Deposit from Customers	71.65	73.16
	Trade Deposit from Customers	78.82	78.56
	Earnest Money Deposit & Security Deposit from Vendors	136.11	116.93
	Ex-gratia & Employee Benefits	97.16	65.64
	Other Payables - Tie Ups	8.47	7.77
	ROU Lease Liability	10.30	11.80
	TOTAL	5870.15	3616.13
	TOTAL FINANCIAL LIABILITIES	5870.15	3616.13
The above referred carrying values of Financial Assets and Liabilities approximate its fair value as at the balance sheet date			

45 Contingent Liabilities not provided for:

45.1 Claims against the Company not acknowledged as debts to the extent ascertainable (including interest wherever, ascertainable/ can be reliably estimated) and not provided for net of payment/liability provided: -

(₹ Crore)			
Sr. No.	Particulars	As at 31.03.2022	As at 31.03.2021
1	Invoices/ debit notes and claims raised by GAIL(India) Ltd.		
A	Increased gas transmission charges for ONGC pipeline. Stay order obtained from Mumbai High Court and directed to resolve through arbitration. (Refer Note no. 52)	-	64.30
B	Levy of Market priced gas differential for use of APM/Domestic Gas for Non-Fertilizer Non-Urea operations (Refer Note no. 52)	-	1246.12
C	For non-submission for FICC certified gas utilization data (Refer Note no. 52)	-	39.39
	Sub total	-	1349.81
2	Claims on the Company not acknowledged as debts by Contractors / Suppliers/ Arbitrators etc.	125.15	142.65
3	Demands raised by various authorities that may arise in respect of matters in appeal		
4	Excise Duty (D) (Refer note no 45.1.1)	70.33	70.33
5	Excise Duty (S)	18.52	18.52
6	Sales Tax	6.26	7.33
7	Income Tax	48.20	39.19
8	Service Tax (D)	13.92	13.92
9	Service Tax (S)	2.40	2.40
10	Custom Duty (D)	80.93	80.93
11	Custom Duty (secured by Bank Guarantee)	-	25.62
12	Water charges claimed by Municipal Corporation of Greater Mumbai(Refer note no 45.1.2)	36.86	38.24
13	Claims preferred by local authorities	8.85	8.79
	GRAND TOTAL	411.41	1797.74

(D) – Demands raised / (S) – Show cause notice issued.

45.1.1 Includes an amount of ₹ 24.82 crores (P.Y. ₹ 24.82 crores) towards duty, interest and penalty relating to purchase of Naphtha at concessional rate of excise duty for the purposes other than mentioned in the exemption notification for the period November-1996 to October-2005. The demand for the period upto February-2005 for ₹ 21.28 crores (P.Y. ₹ 21.28 crores) has been appealed against by the Company and the matter is resting with the Honorable Supreme Court, which is yet to be heard. For the balance demand pertaining to subsequent period (i. e March 2005), amounting to ₹ 3.54 crore order has been stayed by CESTAT, which has been appealed by the department to High Court. Pending hearing, no provision is considered necessary.

45.1.2 Demand of ₹ 33.48 crore raised by Municipal Corporation of Greater Mumbai (BMC) towards additional sewerage charges levied from 05.04.1987 are disputed by the Company in a Writ Petition filed in Bombay High Court. The Honorable High Court vide its interim Order dated 10-11-92 has granted stay on recovery of the demand for the period up to the date of the Order and directed the Company to pay sewerage charges from the date of the order which is being paid by the Company. The matter has been disposed off by the High Court and the Company approached Supreme Court. Supreme Court has now directed the Bombay High Court to hear the matter and decide on merits based on facts of the case. The Stay granted on the said matter continues.

As a part of an agreement entered into with BMC for obtaining raw sewerage, the Company has paid an interest free deposit of ₹ 16.00 crore to BMC representing approximately 50% of the disputed demand which would be adjustable against the disputed demand in case the Court rules in favor of BMC. No provision is considered necessary for the disputed demand of ₹ 33.48 crore as the claim of BMC is not tenable.

- 45.1.3 Owing to non-compliance of Corporate Governance requirements as mandated by SEBI, with reference to composition of Independent Directors in the Board and appointment of Woman Independent Director, Company is in receipt of notice of penalty aggregating to ₹ 0.79 crore (P.Y. ₹ 0.65 Crore) from the stock exchanges (BSE & NSE). Since the appointment of Directors is done by Government of India, Company had approached its Administrative Ministry for ensuring the compliance and has also approached the stock exchanges for condonation/waiver of the penalty. Company is confident that this penalty would be waived. Further the Company had complied with the said Corporate Governance requirements during the period 01st Dec, 2021 to 06th March, 2022.
- 45.2 The amount of claims in respect of legal cases filed against the Company for labour matters relating to regular employees and not acknowledged as debts is not ascertainable and hence no provision is made. However, with respect to matter relating to payment of overtime wages, a stay order has been obtained by the Company from High Court, pending disposal with submission of Bank guarantee amounting to ₹12.00 Crore.
- 45.3 In respect of clause 45.1 to 45.2 above, it is not practicable for the Company to estimate the closure of these issues and the consequential timing of cash flows, if any.

46. Other Commitments:

(₹ Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
Capital Expenditure Commitments (net of advances)	187.63	92.92
Commitment Towards Investments in JV (Talcher Fertilizers Ltd)	378.71	648.71
Corporate Guarantee (FACT- RCF Building Products Ltd)	2.20	2.20

47. Wagons leased to Indian Railways “Under Own your Wagons Scheme”

The lease agreement with Railways has expired in FY 2019-20 and is under renewal. As the wagons are still in the custody of Railways, Company has recognized revenue of ₹ 0.35 crore (P.Y ₹ 0.35 crore) for the period after completion of finance lease based on the minimum lease rentals expected to be negotiated with Railways.

As the terms of lease are yet to be finalized the said transaction is now treated as Short-term Operating Lease.

48. Formalities relating to transfer of certain immovable and other properties situated at Trombay Unit, from Fertilizer Corporation of India Limited to the Company on reorganization of the former in 1978 are not yet completed. Out of property cards for a total area of 30,42,108 Sq. meters (P.Y. 30,44,530 Sq. meters), property cards for 3,73,404 Sq. meters (P.Y. 3,75,826 Sq. meters) are yet to be transferred in the name of the Company. The Company is in the process of obtaining transfer of title deeds in its favour.

Out of total area of 50,52,476 Sq. meters' area at Thal Unit, the title deeds relating to area of 32,27,573 Sq. meters (P.Y. 32,27,573 Sq. meters) area are in the name of the Company. The balance title deeds w.r.t 18,24,903 Sq meter of land are in the process of being transferred in the name of the Company. The capitalization of Freehold land at Thal Unit includes land at Kihim having carrying cost of ₹ 0.02 crore, pending execution of documents and transfer of title deeds in the name of the Company, due to dispute.

49. In respect of immovable properties other than land i.e. buildings and other structures, situated at its Trombay and Thal units they are self-constructed properties on the land owned by the Company as evidenced by property cards/ title deeds of land.

The Company asserts that all these properties are its own and has clear title to the same since such properties are self-constructed on the Company's land, although no separate title documents for self-constructed properties are readily available. The Company has obtained opinion to that effect from legal and regulatory experts on land matters and also has other documentary evidence in that regard.

The Company had come into existence in 1978 as a result of Government of India reorganizing Fertilizer Corporation of India Ltd. and National Fertilizers Ltd. Consequent to the same, major portion of immovable assets at its Trombay unit became vested with the Company. In case of Thal unit, such properties on the Company's land were erected over the years following land acquisition effected around 1978. Thus records pertaining to self-constructed properties are not readily available since they date back to more than 40 years. The Company has initiated the process of obtaining appropriate evidence of the approvals/permissions taken for construction of the self-constructed properties from the respective regulatory authorities.

Apart from such properties, immovable properties, including land for which title deeds are not in the name of the Company is detailed as under: -

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ in crores)	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
PPE	Land				
	Thal Land	1.60	No	1978-84	The Company is in the process of obtaining the Transfer of title deeds in its favour and is in the process of resolving the matter in respect to its valuation.
	Trombay Land	0.24	No	1978	The Company is in the process of obtaining the Transfer of title deeds in its favour.
	Building				
	Thal – KihimTownship	3.09	No	1984	The Company is in the process of obtaining evidence of title / permissions / approvals etc.

50. Balance of subsidy receivables including subsidy receivable from Government are recognized on estimated basis and are subject to confirmation. Some of the balances of trade payables, current liabilities, loans and advances are subject to confirmation / reconciliation and consequential adjustments if any.

51. The Company is eligible to receive subsidy from Fertilizer Industry Co-Ordination Committee (FICC) / Department of Fertilizers (DOF) on Urea, Phosphatic and Potassic (P & K) Fertilizers at the rates notified from time to time.

Subsidy is further adjusted for escalations/de-escalations in the cost of inputs and other costs, as estimated by the management based on the prescribed norms in line with known policy parameters. Accordingly, the subsidy adjusted on account of this escalations/de-escalations basis for the year amounts to ₹1588.30 crore receivable from FICC/DOF (PY ₹ 82.44 crore refundable).

Upon introduction of Direct Benefit Transfer (DBT) schemes for all Fertilizer Companies, there is shift in procedure for generation of subsidy claims with respect to Price subsidy & disbursement thereon. As per the same, Company is entitled for generation of claims on the basis of actual sale by the retailers on weekly basis through POS machines. Accordingly, as on 31.03.2022, quantity of 4.54 LMT of urea and P&K having subsidy amounting ₹1037.19 Crore has been recognized in the current period such quantity has been sold to dealers but the payment of the same will become due under DBT on actual sale by the retailers through POS machines. (P.Y quantity 6.08 LMT and subsidy ₹ 716.21 crore).

52. Pursuant to the Ministry of Petroleum & Natural Gas (MoPNG) order No. L-13013/3/2012- GP-I, dated: 16th December 2015, GAIL(I)Ltd. had sought a differential levy on usage of gas for non-fertilizer/Non-Urea operations, amounting to ₹1457.92 crore for the period commencing from 1st July, 2006 till 30th June, 2019 by initiating

arbitration proceeding before Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD).

The matter was heard in the meeting of the AMRCD on 17th June 2021 and vide its order dated 6th July 2021, AMRCD has determined the total claim to be paid by the company in this regard at an amount of ` 87.17 crore. This sum thus settles the price differential towards the use of APM/Domestic gas for non-fertilizer/Non-Urea operations for the period commencing from 1st July 2006 till 15th May, 2016 (subsequent to which Company sourced market priced gas). Further, a related claim by GAIL(I)Ltd. in regard to the Gas Transportation Charges of ` 19.65 crore, for the period December 2013 to January 2016 have also been directed to be paid. The aggregate sum of ` 106.82 crore has been fully paid by the Company in accordance with the resolution by AMRCD.

Possible liability from the FY 2016-17 onwards is yet to be crystalized as the holding Company has submitted the data to FICC for verification in order to recalculate the claim as per MoPNG directives dated 16th December 2015 as per highest rate of RLNG. Taking a conservative estimate of any liability arising from such claim, the excess provision of ₹ 127.35 crore not considered necessary has been derecognized and reported as exceptional item.

Accordingly, all demand from GAIL(I)Ltd. towards the issues referred to in Sr.No.1 (A, B & C) of note no. 45.1 stands settled.

53. On 20th and 22nd March, 2019 respectively, both the Gas Turbine Generator (GTG) plants at Thal unit stopped operating. Upon failure, the matter was taken up with the LSTK contractor who had supplied the turbines, for repair, as the same were covered under warranties. The matter was referred by the LSTK contractor for repairs to the Original Equipment Manufacturer (OEM) who had indicated a total estimated expenditure of about 98 Million SEK (₹ 74.51 crore excluding taxes and duties).

To mitigate future losses, Company procured a Gas generator and commissioned a Gas Turbine Generator plant in August 2019.

In the best interests of the Company, based on the acceptance of Notice to Proceed as proposed by the LSTK contractor, the equipment's were sent for repair to the foreign Original Equipment Manufacturer (OEM) which has been received during the year. As per the Notice to proceed, the final settlement of the repair costs can either be decided mutually or in the event not agreed upon, the settlement of disputes clause as per contract can be invoked.

As the equipment's are covered under warranties, the Company is of the view that no additional costs would devolve on the Company. Further the Company has initiated arbitration proceedings towards the LSTK contractor citing loss of profits owing to higher energy costs, higher maintenance costs etc. In response, counterclaims have been made by the LSTK contractor.

54. As per Ind AS 19 - Employee Benefits, for Defined Benefit plans, Company is required to ascertain the present value of the defined benefit obligation and compare with the fair values of the Plan assets to determine the surplus or deficit, if any, as at Balance Sheet date. Deficit, if any, needs to be accounted in the books of the Company. Accordingly, Company had recognized a liability of ₹ 3.59 crore as at 31.03.2021. Upon review of fair value plan assets as compared to present value of the defined benefit obligation, the deficit stands increased to ₹ 16.09 crore as at 31.03.2022 resulting in an additional provision of ₹ 12.50 Crore during the year. (P.Y. ₹ 15.48 crore reversal in provision).

55. **Based on the nature of business activities undertaken by the Company and requirement of Ind AS 108-Operating Segment, following are the operating segments identified**

Segment	Nature of activities
Fertilizers	Production and supply of various grades of Fertilizers for agricultural use.
Chemicals	Production of various chemicals and supply to diverse industries
Trading	Represents fertilizers imported / locally sourced and marketed for agricultural use.

The necessary disclosures as required under Ind AS 108-Operating Segment are given in **Annexure-1**.

The segment revenue and segment results are arrived at based on the revenues generated out of sale of such products and the costs attributable are reduced for arriving at the segment results. Assets are allocated to operating segments based on the intended use for which the asset was primarily installed. Liabilities are allocated to operating segments to which it relates to.

56. Non-Current Asset Held for Sale:

(₹ Crore)

Particulars	As at 31.03.2022	As at 31.03.2021
Plant & Machinery & other assets	-	0.48
Total	-	0.48

57. Disclosures under Ind AS 24 on Related Party Transactions are given below:
57.1 Transactions with Joint Controlled Entities
a. Relationship
JOINT CONTROLLED ENTITIES

Name of the Company	No of Shares	Country of Incorporation	% of Ownership interest as at	
			31.03.2022	31.03.2021
1) FACT-RCF BUILDING PRODUCTS LTD. (FRBL) *	32870000 of ₹ 10 each	India	50.00	50.00
2) URVARAK VIDESH LTD.(UVL) *	180002 of ₹ 10 each	India	33.33	33.33
3) TALCHER FERTILIZERS LIMITED (TFL) #	805480826 of ₹ 10 each	India	33.33	33.33

* Consequent to full provision recognized towards the investments made in FRBL and UVL as per Indian GAAP, the carrying value as on the date of transition has been recognized as deemed cost of investment which is NIL as on IND AS transition date.i.e. 1st April 2015.

Further URVARAK VIDESH LTD. (UVL) has been declared as Dormant Company on 04.11.2015 by Registrar of Companies, New Delhi.

The shareholding is subject to change depending on the final value of the assets transferred by FCIL to Talcher Fertilizer Ltd.

b. Transactions during the year with the above referred related parties:

(₹ Crore)

Sr. No.	Particulars	Year ended 31.03.2022	Year ended 31.03.2021
1	Contribution towards share capital-TFL	270.00	375.98
2	Share of Expenses from TFL	5.74	2.69

c. Balance Outstanding:

₹ Crore

Sr. No.	Particulars	As at 31.03.2022	As at 31.03.2021
		Joint Ventures	Joint Ventures
1	Advances Given-FRBL*	40.23	40.23
2	Share of Expenses receivable from TFL	5.20	9.88

*The same has been fully provided.

Company has given guarantee of ₹ 2.20 crore, PY (₹ 2.20 crore) for working capital facilities from banks on behalf of FRBL. Since such facility has not been availed, no provision towards financial guarantee and corresponding asset has been recognized.

57.2

Transactions with other entities- where Directors are interested:

a) Name of the entity & transactions

(i) **Fertilizers and Chemicals Travancore Ltd (FACT)** - Owing to Shri K. U. Thankachen Director (Marketing) given additional charge of Director (Marketing) of the said entity upto 31.05.2020.

(₹ Crore)

S.No	Nature of Transaction	2021-22	2020-21
1	Interest Earned on Inter Corporate loan (upto 31.05.2020)	-	0.32

(ii) **Indian Potash Limited (IPL)** - Shri S. C. Mudgerikar is a Nominee Director in the said entity since 07th, February, 2020

₹ Crore

S.No	Nature of Transaction	2021-22	2020-21
1	Transactions during the year*	16.72	-
	Dividend	0.27	0.16
	Sitting Fees	0.03	0.01
2	Accounts receivable/(payable) as at 31 st March	-	-

*Procurement of MAP during the year

Projects and Development India Limited (PDIL) - Owing to Ms Nazhat J. Shaikh having been given additional charge of Director (Finance) of the said entity from 04th February, 2022.

₹ Crore

S. No	Nature of Transaction	2021-22	2020-21
1	Transactions during the year	1.89	2.33
2	Accounts receivable/(payable) as at 31 st March	(0.66)	(0.51)

b) Disclosure as required by Regulation 34(3) and 53(f) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 -

₹ Crore

Sr. No.	Particulars Entity in which Directors are interested	Current Year		Previous Year	
		Amount as on 31.03.2022	Maximum amount outstanding during the year ended 31.03.2022	Amount as on 31.03.2021	Maximum amount outstanding during the year ended 31.03.2021
1	Loans and Advances in the nature of Loans To FACT Ltd*	-	-	21.30	26.59

* Director of the Company interested in FACT until 31.05.2020.

c) Disclosure as per Section 186 of the Companies Act, 2013 –

(₹ Crore)

Sr. No.	Name of Party	Amount as on 31.03.2022	Amount as on 31.03.2021
1.	FACT Ltd (Joint Venture Partner in FRBL) Inter corporate Loan (upto 31.05.2020)	-	21.30
2.	Corporate Gaurantee	2.20	2.20
3.	Investment in Indian Potash Limited	0.17	0.17
4.	Investment in Talcher Fertilizers Limited	805.48	535.48

57.3
Key Management Personnel
a) Whole Time Directors & Company Secretary

- i. Shri S C Mudgerikar , Chairman & Managing Director
- ii. Shri. Sudhir Panadare, Director (Technical) (Upto 31.05.2021)
- iii. Shri. Umesh Dongre, Director (Finance) and CFO (upto 30.11.2021)
- iv. Shri K U Thankachen, Director(Marketing)
- v. Ms Nazhat J. Shaikh, Director (Finance) and CFO (from 01.12.2021)
- vi. Shri Milind M. Deo, Director (Technical) (from 27.12.2021)
- vii. Shri Jai Bhagwan Sharma, Company Secretary

b) Independent Directors

- i. Prof. Anil Kumar Singh (upto 06.03.2022)
- ii. Dr Shambhu Kumar (upto 06.03.2022)
- iii. Smt Shashi Bala Bharti
- iv. Shri Chandra Bhushan Pandey (from 29.11.2021)
- v. Shri Kashee Nath Akela (From 01.12.2021)
- vi. Shri Gopinathan Nair Annilkumar (from 27.12.2021)

c) Government Nominee Directors

- i. Ms Alka Tiwari (upto 14.01.2022)
- ii. Ms. Aparna S. Sharma

Details relating to parties referred above:
(i) Remuneration:

(₹ Crore)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Shri. S C Mudgerikar	0.73	0.60
Shri. Sudhir Pandare	0.65	0.62
Shri. Umesh Dongre	0.54	0.59
Shri K U Thankachen	0.68	0.60
Smt. Nazhat J Shaikh	0.18	-
Shri. Milind M Deo	0.14	-
Shri. Jaibhagwan Sharma	0.47	0.40
Total	3.39	2.82

The above amount includes salaries and allowances, contribution to Provident fund, pension etc. and actual payments towards leave encashment, if any including provisions made for gratuity, leave encashment and post-retirement medical benefits made on actuarial basis.

There have been no outstanding loans and advances from the above referred parties as at year end.

(ii) Sitting Fees in case of Independent Directors

(₹ Crore)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Prof. Anil Kumar Singh	0.12	0.09
Dr Shambhu Kumar	0.10	0.07
Ms Shashi Bala Bharti	0.09	0.03
Shri Chandra Bhushan Pandey	0.01	-
Shri Kashee Nath Akela	0.01	0.00
Shri Gopinathan Nair Annilkumar	0.01	-
Total	0.34	0.20

57.4 Transaction with other Government related Entities

Since Government of India owns 75% of the Company's equity share capital (under the administrative control of Ministry of Chemicals and Fertilizers), the disclosures relating to transactions with Government controlled entities have been reported in accordance with para 26 of Ind AS 24- Related Party Disclosures.

Certain transactions which are individually and collectively significant carried out with Government related entities for purchase of Gases, for procurement of Raw Materials / Finished Goods, Assets / Spare parts from Original equipment manufacturers etc. the details of which are as under:

(₹ Crore)

Name of Entity	Nature of Transaction	2021-22	2020-21
Sale of Product/Services during the year			
Hindustan Petroleum Corp Ltd	Renting of Pipeline/Renting of Immovable Property	4.74	-
Bharat Petroleum Corporation Limited	Renting of Immovable Property /Sale of Industrial chemicals/ Renting of Pipeline	43.71	35.53
Indian Oil Corporation Ltd	Sale of Industrial chemicals/ Lease Rent for Petrol Pump	252.65	121.59
The Singareni Collieries Co. Ltd.	Sale of Industrial chemicals	59.75	26.75
Fertilizers and Chemicals Travancore Ltd	Repayment of Loans and Interest received	5.60	7.64
Purchase of Product/Services during the year			
GAIL (India) Ltd	Procurement of Gas / Transportation Charges/ Pool difference payment	7105.34	3885.14
Mangalore Refinery & Petrochemicals	Procurement of Sulphur	38.19	8.81
Indian Oil Corporation Ltd	Procurement of Lube Oil/High Speed Diesel	4.97	-
Bharat Heavy Electricals Limited	Procurement of Capital Goods	3.02	7.49
Hindustan Petroleum Corp Ltd	Procurement of Furnace Oil	3.36	-
Bharat Petroleum Corporation Limited	Procurement of Molten Sulphur & Lubes	6.78	-

(₹ Crore)

Name of Entity	Nature of Transaction	2021-22	2020-21
Balmer Lawrie & Co Ltd	Procurement of chemicals	1.00	-
Bharat Earthmovers Ltd	Procurement of Capital Goods	1.21	-
Accounts Receivable			
Indian Oil Corporation Ltd	Trade & other receivable	37.89	29.19
Bharat Petroleum Corporation Limited	Trade & other receivable	1.58	4.14
Fertilizers and Chemicals Travancore Ltd	Inter Corporate Loan & other receivable	15.74	21.30
Accounts Payable			
GAIL (India) Ltd	Trade & other payables	616.26	521.99
Mangalore Refinery & Petrochemicals	Trade & other payables	6.43	1.41
Bharat Heavy Electricals Limited	Trade & other payables	3.54	10.39
Bharat Petroleum Corporation Limited	Trade & other payables	67.72	76.46
Hindustan Petroleum Corp Limited	Trade & other payables	0.11	-
Indian Oil Corporation Limited	Trade & other payables	0.95	-
Balmer Lawrie & Corporation Limited	Trade & other payables	0.22	-

The above referred transactions have been carried out on arm's length basis with the said entities.

57.5 Transaction with Trusts

(₹ Crore)

Name of Related Party	Nature of Transaction	2021-22	2020-21
Contribution to Trust			
RCF Ltd Employees Provident Fund Trust	Contribution	31.32	25.23
RCF Ltd Employees Gratuity Fund	Contribution	13.94	1.62
Reimbursement of Gratuity payment made on behalf of Trust			
RCF Ltd Employees Gratuity Fund	Reimbursement	37.40	28.14
Balance payable(receivable) as on 31 st March of financial year			
RCF Ltd Employees Provident Fund Trust	Contribution	5.42	6.19
RCF Ltd Employees Gratuity Fund	Contribution/ Net of reimbursement due	(7.58)	(22.62)

58. Earnings per Share – Basic and Diluted

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Net profit after tax as per Statement of Profit and loss (₹ crore) (A)	702.39	384.07
Weighted Average Numbers of Equity Shares for calculating basic EPS(B)	55,16,88,100	55,16,88,100
Basic earnings per Share (in Rupees) (Face Value of ₹ 10/- per share) (A)/(B)	12.73	6.96

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Diluted earnings per Share (in Rupees) (Face Value of ₹10/- per share) (A)/(B)	12.73	6.96
EPS from continuing operations (Face Value of ₹10/- per share)	12.73	6.96

59. **“Financial Reporting of interests in Joint Ventures”**

The required information is as under: -

JOINT CONTROLLED ENTITIES

Name of the Company	Country of Incorporation	Percentage of ownership interest as on	
		31.03.2022	31.03.2021
1) FACT-RCF BUILDING PRODUCTS LTD.	India	50.00	50.00
2) URVARAK VIDESH LTD.	India	33.33	33.33
3) TALCHER FERTILIZERS LIMITED	India	33.33	33.33

- A) **FACT-RCF BUILDING PRODUCTS LTD :-**A Joint venture Company with Fertilizers and Chemicals Travancore Ltd. (FACT) for manufacture of rapid building materials from Gypsum at Kochi.

Summarized financial information of Company’s investment in FACT-RCF BUILDING PRODUCTS LTD. (FRBL)

(₹ Crore)

Sr. No.	Particulars	As at 31.03.2022 (Audited)	As at 31.03.2021 (Audited)
1	Non-Current Assets	2.84	3.51
2	Cash and Cash Equivalent	0.29	0.32
3	Current Assets other than Cash and Cash Equivalent	10.25	13.22
4	Non-Current Liabilities	57.95	51.94
5	Current Liabilities	93.13	94.23
6	Equity	(137.71)	(129.12)
7	Proportion of the company’s ownership	50%	50%
8	Carrying amount of the investment*	-	-

(₹ Crore)

Sr. No.	Particulars	Year Ended 31.03.2022 (Audited)	Year Ended 31.03.2021 (Audited)
1	Income	3.50	16.48
2	Cost of materials consumed	-	-
3	Change in inventories	1.23	0.03
4	Depreciation and amortization expense	-	-
5	Finance costs	6.01	5.39

(₹ Crore)

Sr. No.	Particulars	As at 31.03.2022 (Audited)	As at 31.03.2021 (Audited)
6	Employee benefits expenses	0.88	0.79
7	Other Expenses	3.96	16.32
8	Profit/Loss from continuing operations before exceptional item	(8.58)	(6.05)
9	Exceptional Item	-	-
10	Profit/Loss Before Tax	(8.58)	(6.05)
11	Total comprehensive income for the year	(8.58)	(6.05)
12	Company's Share of profit / (loss) for the year	(4.29)	(3.03)

* Owing to the Company's share of losses exceeding its interest in the joint venture, the share of loss stands discontinued to be recognized. Accordingly, Company has not recognized share of loss of ₹ 4.29 crore for the year (P.Y. ₹ 3.03 crore) and ₹ 68.84 crore cumulatively upto the year ended 31.03.2022 (₹ 64.55 crore) cumulatively upto the year ended 31.03.2021.

- B) URVARAK VIDESH LTD:** - A joint venture with National Fertilizers Ltd. and KRIBHCO for revival of closed Fertilizer Units of FCI/HFC group of companies has been formed. Further URVARAK VIDESH LTD. (UVL) has been declared as Dormant Company on 04.11.2015 by Registrar of Companies, New Delhi.

Summarized financial information of Company's investment in URVARAK VIDESH LTD.

(₹ Crore)

Sr. No.	Particulars	As at 31.03.2022 (Audited)	As at 31.03.2021 (Audited)
1	Non-Current Assets { ₹ 1 (P.Y ₹ 1)}	-	-
2	Cash and Cash Equivalent	0.01	0.01
3	Current Assets other than Cash and Cash Equivalent	0.06	0.08
4	Non-Current Liabilities	-	-
5	Current Liabilities	0.02	0.02
6	Equity	0.05	0.06
7	Proportion of the Company's ownership	33.33%	33.33%
8	Carrying amount of the investment*	0.02	0.02

(₹ Crore)			
Sr. No.	Particulars	Year Ended 31.03.2022 (Audited)	Year Ended 31.03.2021 (Audited)
1	Income { ₹ 37,491 (P.Y ₹ 44,776)}	-	-
2	Cost of materials consumed	-	-
3	Depreciation and amortization expense	-	-
4	Finance costs	-	-
5	Employee benefits expenses	-	-
6	Other Expenses	0.01	0.01
7	Profit/(Loss) from continuing operations	(0.01)	(0.01)

(₹ Crore)

Sr. No.	Particulars	As at 31.03.2022 (Audited)	As at 31.03.2021 (Audited)
8	Total comprehensive income for the year	(0.01)	(0.01)
9	Company's Share of profit / (loss) for the year	-	-

*Company, on implementation of Ind AS had adopted the carrying amount as per IGAAP as its deemed cost of its investment in joint ventures.

- C) **TALCHER FERTILIZERS LIMITED:** - A Joint venture Company with Coal India Limited (CIL), GAIL (India) Limited and Fertilizer Corporation of India Limited (FCIL) was incorporated on 13th November 2015 for revival of the FCIL's fertilizer unit at Talcher by establishing and operating new coal gasification based fertilizer complex (Ammonia/Urea Complex).

Summarized financial information of Company's investment in TALCHER FERTILIZERS LTD.

(₹ Crore)

Sr. No.	Particulars	As at 31.03.2022 (Audited)	As at 1.03.2021 (Audited)
1	Non-Current Assets	1949.89	1267.00
2	Cash and Cash Equivalent	632.05	939.63
3	Current Assets other than Cash and Cash Equivalent	168.35	24.52
4	Non-Current Liabilities	-	-
5	Current Liabilities	355.98	640.90
6	Equity	2394.31	1590.24
7	Proportion of the Company's ownership	33.33%	33.33%
8	Carrying amount of the investment	798.10	530.07
9	Capital Commitment	9216.15	7715.43
₹ Crore			
Sr. No.	Particulars	Year Ended 31.03.2022 (Audited)	Year Ended 31.03.2021 (Audited)
1	Income	21.53	13.77
2	Cost of materials consumed	-	-
3	Depreciation and amortization expense	0.58	0.11
4	Finance costs	-	-
5	Employee benefits expenses	-	-
6	Other Expenses	26.82	6.02
7	Profit/(Loss) from continuing operations	(5.87)	7.63
8	Total comprehensive income for the year	(5.94)	6.36
9	Company's Share of profit / (loss) for the year	(1.97)	2.54

60. Disclosure of additional information pertaining to the Parent Company and Joint Ventures as on 31st March, 2022

Name of Entity in the Group	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated profit or loss	Amount (₹ in crore)	As % of consolidated profit or loss	Amount (₹ in crore)	As % of consolidated profit or loss	Amount (₹ in crore)
Parent Company								
Rashtriya Chemicals and Fertilizers Limited	79.44	3083.75	100.28	704.36	100.00	0.85	100.28	705.21
Joint Venture (as per Equity Method)								
Indian								
FACT –RCF Building Products Ltd.	-	-	-	-	-	-	-	-
Urvarak Videsh Limited	-	0.02	-	-	-	-	-	-
Talcher Fertilizers Limited	20.56	798.10	(0.28)	(1.97)	-	-	(0.28)	(1.97)
Total	100.00	3881.87	100.00	702.39	100.00	0.85	100.00	703.24

61. Contingent Assets:

- a) As per the Arbitration award received in its favor for the compensation claimed in respect of surrender of land to Mumbai Metropolitan Regional Development Authority (MMRDA) on 23rd May, 2018, Company is eligible for compensation either in the form of cash / TDRs amounting to ₹ 75.17 crore along with interest over and above the entitled compensation as recommended by Arbitration award. Company has filed an execution application, however MMRDA has obtained stay against the same from Mumbai High Court subject to deposit of 25% of the disputed amount with the Court. MMRDA has deposited 25% of the disputed amount as directed by the Court and the Company has withdrawn the same amounting to ₹ 27.93 crores in F.Y.2020-21 upon submission of bank guarantees of equivalent amount in favour of the Court.
- b) Further, in respect to action initiated towards certain parties for recovery of its dues, Company has filed Execution Petitions attaching properties in existence upon receipt of favorable orders from Court amounting to ₹ 0.63 crore (P.Y. ₹ 0.63 crore)

62. **Exceptional items:**

Exceptional item consists of:

(₹ Crore)

Sr. No.	Particulars	Year ended	
		31.03.2022	31.03.2021
A.	Transferrable Development Right		
	Loss / (Gain) on Revaluation of Development Right Certificate received / receivable from MMRDA towards surrender of land in earlier years to MMRDA/MCGM.	0.28	(3.03)
	Fair value gain on account of valuation of Development Right Certificate receivable from Municipal Corporation of Greater Mumbai towards surrender of land.	(0.56)	(1.68)
	Net Exceptional Expense / (Income)	(0.28)	(4.71)
B.	Gas Transmission charges by GAIL		
	Liability towards Gas Transmission charges as per PNGRB order on ONGC Uran Trombay Pipeline as per AMRCD order	19.65	-
	Reversal of excess liability of price differential for use of APM/ Domestic gas for non-fertilizer/ Non-Urea operations as per AMRCD order	(147.00)	-
	Net Exceptional Expense / (Income)	(127.35)	-
	Grand Total (A+B)	(127.63)	(4.71)

63. **Disclosure as per Ind AS 116- Leases**

(₹ Crore)

Sr. No.	Particulars	31.03.2022	31.03.2021
	Details pertaining to Lease Arrangement considered as ROU		
1	Total Gross Lease liability	15.57	15.74
2	Total Discounted lease liability	10.31	11.80
3	Cash Outflow due to Lease Liability	4.16	4.13
4	Interest charged to PL	0.95	1.08
5	Depreciation charged to P & L	3.53	3.51
6	Cancellations charged to P & L	-	-
7	Maturity Profile of Lease Liability		
	On Demand	-	-
	Less Than 3 Months	0.82	0.89
	3 to 12 Months	1.95	2.23
	1 to 5 years	4.21	5.32
	5 Years & Above	3.32	3.36
	Grand Total	10.30	11.80
	Details pertaining exemptions availed as Short Term Lease Arrangement and not considered above		
8	During the year charged to P & L	8.99	12.19

(₹ Crore)

Sr. No.	Particulars	31.03.2022	31.03.2021
9	Disclosure of undiscounted lease receivables wrt to assets given on Operating lease as a lessor		
	On Demand	-	-
	Less Than 3 Months	0.89	8.03
	3 to 12 Months	2.64	24.30
	1 to 5 years	12.05	73.98
	5 Years & Above	6.24	6.21
	Grand Total	21.82	112.52

64. M/s FRBL Joint Venture Company of the group has been declared as willful defaulter by the asset reconstruction company, M/s Omkara Asset Reconstruction Pvt Ltd.

65. **Restatement for the year ended 31st March 2022, 31st March 2021 and as at 01st April 2020**

A) **EAC Opinion:** Company was charging off the utilities generated from trial run production and consumed internally to Profit and Loss Account and only net commissioning expenses were included under Capital Work in progress. In the absence of any specific guidance under Indian Accounting Standard, as to value of trial run production consumed internally and the treatment thereof, the matter has been referred to the Expert Advisory Committee of ICAI by the Company, for a seeking an opinion on the said matter.

On 26th July 2022 the Company has received an opinion stating that Company is not correct in crediting CWIP with the value of utilities during trial run phase and consumed in ongoing commercial production and charging off the said amount to the Statement of Profit and Loss Account. Further, they have opined that financial statements are required to be restated since the accounting treatment w.r.t trial run production is not as per Indian Accounting Standards and thus the Company has to give effect to the same in accordance with Ind-AS 8, for all accounting periods, where such treatment was followed after applicability of Ind-AS. Accordingly such restatement is being done effective from FY 2017-18 onwards

B) **Change in Accounting Policy:** Consequent to receipt of an EAC opinion Company has suitably modified its Accounting Policy w.r.t treatment of expenditure on account of utilities generated and internally consumed in compliance with EAC opinion.

In accordance with Ind AS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' and Ind AS 1, 'Presentation of Financial Statements', the Company has retrospectively restated its Balance Sheet as at 31st March 2022(Current Year), 31st March 2021(Previous Year) and 1st April 2020 (beginning of the preceding period) and Statement of Profit and Loss and Statement of Cash Flows for the year ended 31st March 2022 and 31st March 2021, for the reasons as stated above

Reconciliation of financial statement line items which are retrospectively restated are as under:

i. Reconciliation of restated items of Balance Sheet as at 31st March 2022 and 31st March 2021

(₹ Crore)

Particulars	Note	31 st March 2022			31 st March 2021		
		As previously reported	Adjustments	As restated	As previously reported	Adjustments	As restated
Property, plant and equipment	1	2101.78	13.44	2115.22	2145.21	14.07	2159.28
Capital Work in Progress	1.4	466.25	46.68	512.93	392.67	13.68	406.35
Other Non-Current Assets	9	187.56	0.00	187.56	186.11	(4.61)	181.50
Inventories	10	2327.69	(0.08)	2327.61	787.55	(0.18)	787.37
Trade Receivables	12	3028.87	(2.14)	3026.73	1449.54	(2.14)	1447.40
Total Assets		10472.92	57.90	10530.82	7621.26	20.47	7641.73
Other Equity	19	3290.72	39.46	3330.18	2781.74	17.88	2799.62
Deferred Tax Liabilities(Net)	25	213.07	1.00	214.07	217.80	1.53	219.33
Other Financial Liabilities- Current	30	515.00	3.56	518.56	393.10	1.06	394.16
Current Tax Liabilities (Net)	32	24.51	13.88	38.39	12.19	-	12.19
TOTAL EQUITY AND LIABILITIES		10472.92	57.90	10530.82	7621.26	20.47	7641.73

Reconciliation of restated items of Balance Sheet as at 1st April 2020

(₹ Crore)

Particulars	Note	01 st April 2020		
		As previously reported	Adjustments	As restated
Property, plant and equipment	1	2107.62	14.70	2122.32
Capital Work in Progress	1.4	433.49	-	433.49
Other Non-Current Assets	9	203.84	(1.52)	202.32
Inventories	10	949.94	-	949.94
Trade Receivables	12	4551.23	(2.14)	4549.09
Total Assets		10283.36	10.75	10294.11
Other Equity	19	2627.35	9.11	2636.46
Deferred Tax Liabilities(Net)	25	196.94	1.64	198.58
Other Financial Liabilities- Current	30	335.33	-	335.33
Current Tax Liabilities (Net)	32	53.39	-	53.39
TOTAL EQUITY AND LIABILITIES		10283.36	10.75	10294.11

ii. Reconciliation of restated items of Statement of Profit and Loss for the year ended 31st March 2022 and 31st March 2021 (₹ Crore)

Particulars	Note	31 st March 2022			31 st March 2021		
		As previously reported	Adjustments	As restated	As previously reported	Adjustments	As restated
Cost of Materials Consumed	35	5502.83	(33.00)	5469.83	3022.67	(13.68)	3008.99
Changes in Inventories of Finished Goods and Stock in Trade	37	(859.59)	(0.10)	(859.69)	(30.73)	0.18	(30.55)
Employee Benefits Expense	38	651.28	2.50	653.78	563.83	1.06	564.89
Finance Costs	39	124.69	1.20	125.89	179.57		179.57
Depreciation and Amortization Expense / Impairment	40	182.92	0.63	183.55	174.63	0.63	175.26
Share of Profit / (Loss) of Associates / JV's		(2.32)	0.35	(1.97)	2.19	(0.06)	2.13
Profit Before Tax		912.82	29.12	941.94	518.36	11.75	530.11
Tax Expense							
(1) Current Tax		254.43	12.68	267.11	128.88	3.09	131.97
(2) Deferred Tax		(8.10)	(0.53)	(8.63)	19.25	(0.11)	19.14
(3) Taxation Adjustment of Earlier Years Excess(-)/ Short(+)		(14.32)	(4.61)	(18.93)	(5.07)	0.00	(5.07)
Profit/ (loss) for the Period		680.81	21.58	702.39	375.30	8.77	384.07
Total Comprehensive Income for the Year		681.66	21.58	703.24	377.27	8.77	386.04

iii., Reconciliation of Statement of Cash Flows for the year ended 31st March 2022 and 31st March 2021 (₹ Crore)

Particulars	31 st March 2022			31 st March 2021		
	As previously reported	Adjustments	As restated	As previously reported	Adjustments	As restated
Adjustments for :						
Net Profit Before Tax	912.82	29.12	941.94	518.36	11.75	530.11
Share of (Profit) / Loss from Joint Ventures	2.32	(0.35)	1.97	(2.19)	0.06	(2.13)
Depreciation/Amortisation/Loss on Impairment of Assets	183.21	0.63	183.84	174.96	0.63	175.59

(₹ Crore)

Particulars	31 st March 2022			31 st March 2021		
	As previously reported	Adjustments	As restated	As previously reported	Adjustments	As restated
Rental Income Derived from Investment Properties *	-	(36.39)	(36.39)	-	(34.96)	(34.96)
Interest and Finance Charges	124.69	1.20	125.89	179.57	-	179.57
Trade Receivables and Other Assets	(1356.74)	1.20	(1355.54)	4384.27	-	4384.27
Inventories	(1539.90)	(0.10)	(1540.00)	159.78	0.18	159.96
Trade Payables and Other Liabilities	1470.20	2.50	1472.70	(49.54)	1.06	(48.48)
Net Cash Generated / (Used) from Operating Activities --- A	(589.90)	(2.19)	(592.09)	5232.37	(21.28)	5211.09
Additions to Property plant & equipment/ Intangible Assets (Net of Trade Credit)	(136.95)	(33.00)	(169.95)	(232.19)	(13.68)	(245.87)
Rental Income Derived from Investment Properties *		36.39	36.39		34.96	34.96
Net Cash Generated / (Used) from Investing Activities ----- B	(382.06)	3.39	(378.67)	(631.28)	21.28	(610.00)
Interest Paid	(120.20)	(1.20)	(121.40)	(157.11)	-	(157.11)
Net Cash Generated / (Used) from Financing Activities --- C	600.46	(1.20)	599.26	(3131.17)	-	(3131.17)
Net Increase/Decrease(-) in Cash and Cash Equivalent (A+B+C)	(371.50)	-	(371.50)	1,469.92	-	1,469.92
Cash and Cash Equivalents as at 1st April (Opening Balance)	1471.23	-	1471.23	1.31	-	1.31
Cash and Cash Equivalents as at 31st March (Closing Balance)	1099.73	-	1099.73	1471.23	-	1471.23

* As observed by CAG on Cash Flow statement, rental income derived from Investment Properties hitherto classified under operating Cash Flow have now been reported under Cash Flow from Investing Activities.

iv) Earnings per share

As a result of the above-mentioned adjustments, basic and diluted earnings per share for the financial year 2021-22 and 2020-21 changed as below:

Particulars	31 st March 2022			31 st March 2021		
	As previously reported	Adjustments	As restated	As previously reported	Adjustments	As restated
Basic & Diluted (₹) Earning Per Share	12.34	0.39	12.73	6.80	0.16	6.96

Trade Receivables ageing, Trade Payables ageing, Details of CWIP, Relationship with struck off Companies and other Schedule III disclosures are not materially different from those disclosed in the standalone financial statements of the Company, since the consolidation is done based on equity method.

The Notes to these consolidated Ind AS financial statements are disclosed to the extent relevant and necessary for presenting a true and fair view of the consolidated Ind AS financial statements based on section 129(4) of The Companies Act, 2013 and as clarified vide Circular No.39/2014 dated 14th October, 2014.

67. Consolidated financial statements were prepared based on Management Certified Financial Statements in respect of Joint Ventures entities viz Talcher Fertilizers Limited and audited Financial Statements of Urvarak Videsh Limited and FACT-RCF Building Product Limited as they are not material to the Company and the same was approved by Board of Directors on 27.05.2022. Further, Company has been asked to resubmit Consolidated Financial Statements based on audited Financial Statements in respect of the joint venture entities viz FACT-RCF Building Products Limited, Talcher Fertilizers Limited and Urvarak Videsh Limited. On receipt of audited Financial Statements of above mentioned joint ventures, Consolidated Financial Statements of the Company stands duly revised.

The summary of Impact of the Consolidated Financial Statements based on the audited Financial Statements of the respective Joint ventures is as under:

(₹ Crore)			
S.No.	Particulars	Considering Un-audited	Considering Audited
1	Share of Profit/Loss of Associates/ Joint ventures	(2.32)	(1.97)
2	Other Equity	3290.72	3330.18*

*It includes movement of ₹39.46 crore on account of restatement of profit in RCF's Standalone Financial Statement

68. The Consolidated Financial Statements were authorized for issue in accordance with a resolution passed by the Board of Directors on 12th August 2022.
69. The Financial Statements as approved by the Board of Directors are subject to audit by Comptroller and Auditor General of India and final approval by its Shareholders.

70. **Covid-19 Impact Analysis:**

For the year financial year 2021-22 Company has assessed the situation anticipates adverse impact in delay in commissioning of projects and the ensuing benefits due to delayed supply of equipment's and restrictions in movement of personnel from foreign countries / within India required for the project.

71. The figures of previous year have been re-arranged and regrouped wherever necessary and/or practicable to make them comparable with those of the current year and as per schedule III amendments as mandated by Companies Act, 2013.

For and on behalf of the Board of Directors
RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED

(S. C. Mudgerikar)
Chairman & Managing Director
DIN : 03498837

(Nazhat Shaikh)
Director (Finance)
DIN : 07348075

(J. B. Sharma)
Company Secretary
Membership No: FCS5030

Dated : 12th August, 2022.
Place: Mumbai

As per our report of even date attached
For M M NISSIM & CO LLP
Chartered Accountants
Firm Regn. No. 107122W / W100672

(N. Kashinath)
Partner
Membership No: 036490

Dated : 12th August, 2022.
Place: Mumbai

For GOKHALE & SATHE
Chartered Accountants
Firm Regn. No. 103264W

(Atul Kale)
Partner
Membership No: 109947

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022
CONSOLIDATED SEGMENTWISE REVENUE & RESULTS FOR THE PERIOD ENDED 31ST MARCH 2022

Annexure-1

(₹ crore)

Sr. No	Particulars	Fertilizers	Trading	Industrial Chemicals	Unallocated	Total
	SEGMENT REVENUE					
i.	Sales (Incl. Subsidy wherever applicable)	9521.77	968.68	2265.51	-	12755.96
ii.	Other operating Income	42.94	0.07	1.53	11.67	56.21
	Total Revenue	9564.71	968.75	2267.04	11.67	12812.17
	SEGMENT RESULT					
i.	Segment Results	365.87	39.21	504.71	(18.87)	890.92
ii.	Share of profit / (loss) of Joint Ventures	(1.97)	-	-	-	(1.97)
iii.	Interest Expense					125.89
iv.	Interest Income					51.25
v.	Profit Before Exceptional Items					814.31
vi.	Less: Exceptional Item - Expenditure / (Income)					(127.63)
vii.	Profit before Tax					941.94
viii.	Tax - Current					267.11
ix.	Deferred Tax Liability / (Asset)					(8.63)
x.	Tax adjustments of earlier years (excess) / short					(18.93)
xi.	Net Profit					702.39
	OTHER INFORMATION					
i.	Segment Assets	6680.02	1054.45	370.33	2426.02	10530.82
ii.	Segment Liabilities	159.89	965.55	103.58	5419.93	6648.95
	Other Disclosures					
iii.	Investments in Joint Ventures	798.12	-	-	-	798.12
iv.	Capital Expenditure	267.77	-	-	3.79	271.56
v.	Depreciation and Amortisation	166.63	-	11.32	5.89	183.84
vi.	Impairment	-	-	-	-	-
vii.	Other Non Cash Expenses	3.24	-	-	0.28	3.52

CONSOLIDATED SEGMENTWISE REVENUE & RESULTS FOR THE PERIOD ENDED 31ST MARCH 2021

(₹ Crore)

Sr. No	Particulars	Fertilizers	Trading	Industrial Chemicals	Unallocated	Total
SEGMENT REVENUE						
i.	Sales (Incl. Subsidy wherever applicable)	6412.87	799.59	1023.50	-	8235.96
ii.	Other operating Income	32.92	0.01	0.26	12.03	45.22
	Total Revenue	6445.79	799.60	1023.76	12.03	8281.18
SEGMENT RESULT						
i.	Segment Results	335.12	98.42	229.52	9.12	672.18
ii.	Share of profit / (loss) of Joint Ventures	2.13	-	-	-	2.13
iii.	Interest Expense	-	-	-	-	179.57
iv.	Interest Income	-	-	-	-	30.66
v.	Profit Before Exceptional Items	-	-	-	-	525.40
vi.	Less: Exceptional Item - Expenditure / (Income)	-	-	-	-	(4.71)
vii.	Profit before Tax	-	-	-	-	530.11
viii.	Tax - Current	-	-	-	-	131.97
ix.	Deferred Tax Liability / (Asset)	-	-	-	-	19.14
x.	Tax adjustments of earlier years (excess) / short	-	-	-	-	(5.07)
xi.	Net Profit	-	-	-	-	384.07
OTHER INFORMATION						
i.	Segment Assets	4389.81	223.42	318.93	2709.57	7641.73
ii.	Segment Liabilities	1047.40	76.55	79.55	3086.92	4290.42
Other Disclosures						
iii.	Investments in Joint Ventures	530.09	-	-	-	530.09
iv.	Capital Expenditure	201.62	-	-	8.75	210.37
v.	Depreciation and Amortisation	138.18	-	31.64	4.94	174.76
vi.	Impairment	0.20	-	-	-	0.20
vii.	Other Non Cash Expenses	0.23	-	-	3.24	3.47

*Finance income and costs, and Corporate expenses are not allocated to individual segments as the same are managed on a group basis.

*Current taxes, deferred taxes and write back of excess tax provisions are also not allocated to those segments as they are also managed on a group basis.

*Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties.

RECONCILIATIONS TO AMOUNTS REFLECTED IN CONSOLIDATED FINANCIAL STATEMENTS

(₹ Crore)

Sr. No.	PARTICULARS	AS AT 31.03.2022	AS AT 31.03.2021
I	OPERATING REVENUE		
	Segment Revenue		
	India	12800.5	8268.81
	Outside India	-	0.34
	Segment Revenue	12800.5	8269.15
	Unallocated - Management fees	11.67	12.03
	Total Operating Revenue	12812.17	8281.18
II	RECONCILIATION OF PROFITS		
	Segment Profit	907.82	665.19
	Interest Income	51.25	30.66
		959.07	695.85
	less: Finance Costs	125.89	179.57
	Corporate Expenses (net)	18.87	(9.12)
	Profit Before Exceptional Items	814.31	525.4
	Less: Exceptional Item - Expenditure / (Income)	(127.63)	(4.71)
	Profit Before Tax	941.94	530.11
III	RECONCILIATION OF ASSETS		
	Segment Assets	8104.8	4932.16
	Investments	941.92	650.19
	Corporate Assets + CWIP	25.96	28.16
	Non Current Tax Asset	96.33	80.12
	Derivatives (MTM Gain)	12.05	3.81
	Cash & Bank balances	1149.41	1518.62
	Other assets *	200.35	428.67
	Total Assets	10530.82	7641.73
IV	RECONCILIATION OF LIABILITIES		
	Segment Liabilities	1229.02	1203.5
	Borrowings Long-Term	1120.41	1043.04
	Borrowings Short-Term	2304.85	1478.52
	Deferred Tax Liabilities	214.07	219.33
	Current Tax Liability	38.39	12.19
	Derivatives (MTM Loss)	-	-
	Other Current Financial Liabilities	122.11	76.90
	Other Non Current Financial Liabilities	0.05	0.18
	Other Liabilities	1620.05	256.76
	Total Liabilities	6648.95	4290.42

* Includes an amount of ₹ 27.11 Crore receivable from Government of India towards Import of Urea on Government Account (P.Y. ₹ 247.02 Crore)

FORM AOC-1

Annexure-A

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

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARY / ASSOCIATES / JOINT VENTURES

Part A: Subsidiaries

Name of Subsidiary Company	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of Shareholding	Reasons for non-consolidation:
Not Applicable													

Part B: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 relating to Associate Companies and Joint Ventures

Name of Joint Venture	Last audited balance sheet date	Shares of Associate / Joint Ventures held by the Company on year end		“Networth attributable to Shareholding as per the latest audited Balance Sheet (₹ in crore)”	Profit / Loss for the year		Description of how there is significant influence	Reason why the associate / joint venture is not consolidated	
		No.	“Amount of investment in Associate / Joint Venture (₹ in crore)”		Extent of Holding %	Considered in Consolidation (₹ in crore)			Not Considered in Consolidation (₹ in crore)
1. FACT – RCF Building Products Ltd.	31-Mar-2022	3,28,70,000	32.87	50.00%	(68.86)	-	(4.29)	Note A	**
2. Urvarak Videsh Limited	31-Mar-2022	1,80,002	0.18	33.33%	0.02	-	-	Note A	
3. Talcher Fertilizers Limited	31-Mar-2022	80,54,80,826	805.48	33.33%	798.10	(1.97)	-	Note A	

Note

A: There is significant influence due to percentage(%) of Share Capital.

* Share of JV in Profit / (Loss) for the year - Urvarak Videsh Limited ₹ (21,694)

** As per Ind AS 28 - Investments in Associates and Joint Ventures, Para 38, 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, the entity discontinues recognizing its share of further losses

Para 39 of the standard states that after the entity's interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the entity has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

For and on behalf of the Board of Directors

RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED

(S. C. Mudgerikar)

Chairman & Managing Director

DIN : 03498837

(Nazhat Shaikh)

Director (Finance)

DIN : 07348075

(J. B. Sharma)

Company Secretary

Membership No: FCS5030

Dated : 12th August, 2022.

Place: Mumbai



RCF Thal Unit receives “Effective Safety Culture Award” organized by Greentech Foundation



RCF Trombay Unit receives “Effective Safety Culture Award” organized by Greentech Foundation



साथ बढ़े समृद्धि की ओर

राष्ट्रीय केमिकल्स एण्ड फर्टिलाइजर्स लिमिटेड

(भारत सरकार का उपक्रम)

'प्रियदर्शिनी', ईस्टर्न एक्सप्रेस हाईवे, सायन, मुंबई - 400 022

Rashtriya Chemicals and Fertilizers Limited

(A Government of India Undertaking)

'Priyadarshini', Eastern Express Highway, Sion, Mumbai-400 022