जय भगवान शर्मा
कार्यपालक निदेशक
(विधी एवं कंपनी सचिव)
Jai Bhagwan Sharma
Executive Director
(Legal & Company Secretary)

राष्ट्रीय केमिकल्स एण्ड फर्टिलाइजर्स लिमिटेड
(भारत सरकार का उपक्रम)
साथ बढ़ें समृद्धि की ओर
"प्रियदर्शिनी",
ईस्टर्न एक्सप्रेस हाइवे,
सायन, मुंबई – 400 022.

Rashtriya Chemicals and Fertilizers Limited
(A Government of India Undertaking)
Let us grow together
"Priyadarshini",
Eastern Express Highway,
Sion, Mumbai - 400 022.

CIN - L24110MH1978GOI020185
दूरध्वनी/Tel.:(Off.): (022) 2404 5024 • ई-मेल/E-mail : jbsharma@rcfltd.com • वेबसाईट/Website : www.rcfltd.com

RCF/CS/Stock Exchanges /2021 **October 5, 2021**

The Corporate Relations Department **BSE Limited** Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001. Script Code: 524230/959872	The Listing Department **National Stock Exchange of India Limited** Exchange Plaza, 5th Floor, Plot No.C/1, G Block, Bandra Kurla Complex, Bandra(East), Mumbai- 400 051 Script Code: RCF EQ ISIN : INE027A07012

Dear Sir/ Madam,

Sub: Submission of Annual Report for the year 2020-21.

43rd Annual General Meeting (AGM) of the Company is scheduled to be held through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") on Thursday, October 28, 2021 at 3.00 p.m.

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements), 2015, we submit herewith the Annual Report for the year 2020-21 along with AGM Notice sent to the shareholders.

Yours faithfully,
For Rashtriya Chemicals and Fertilizers Limited

J.B. Sharma
Executive Director
Legal and Company Secretary

Encl: a./a.

43rd Annual Report 2020-21

Rashtriya Chemicals and Fertilizers Limited

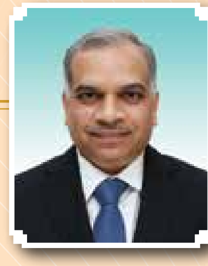
(A Government of India Undertaking)

Signing of MoU for Technology Transfer of Nano Urea (Liquid) production by IFFCO to RCF & NFL

RCF installed PSA based Oxygen Generator Unit at Shatabdi Hospital, Mumbai under CSR Scheme

BOARD OF DIRECTORS

WHOLE - TIME DIRECTORS



Shri S. C. Mudgerikar
Chairman & Managing Director

Shri Umesh Dongre
Director (Finance)

Shri K. U. Thankachen
Director (Marketing)

Shri Sudhir D. Panadare
Director (Technical) (upto 31.05.2021)

GOVERNMENT NOMINEE DIRECTORS

Ms Alka Tiwari, IAS
Addl. Secretary, Dept. of Fertilizers, New Delhi

Ms Aparna S Sharma, CSS
Joint Secretary, Dept. of Fertilizers, New Delhi

INDEPENDENT DIRECTORS

Prof. Anil Kumar Singh

Dr. Shambhu Kumar

Smt. Shashi Bala Bharti

COMPANY SECRETARY

Shri J. B. Sharma

Chairman's Message

Dear Shareholders,

At the outset, I hope you and your family members are safe during these difficult times of COVID-19 pandemic. As India faces one of its biggest challenges caused by the COVID-19 related disruptions, the importance of agriculture has been brought to the fore more than ever. Fertilizer and agriculture sectors provided much needed strength to Indian economy during the 1st wave of COVID-19.

Apart from providing fertilizers, the domestic fertilizer industry also extended all possible help and support to the country in fighting COVID crisis including contribution to PM Care Fund, providing direct help to the citizens affected by COVID during lockdown. Many of the fertilizer companies are setting up plants for medical grade oxygen to tide over the present oxygen crisis in the country. The fertilizer industry is fully committed to work with the government in these difficult times.

Overview of the Economy

Indian economy had started recovering from the shocks of 1st wave of COVID-19 pandemic which resulted in estimated negative growth of about 8% for the year 2020-21. But, the country again got affected by the sudden spurt of 2nd wave of COVID-19 in April, 2021 with much higher intensity. This has impacted the pace of recovery. Luckily, unlike the 1st wave in 2020 when the entire nation was locked down for a considerable stretch, so far the COVID-related restrictions are being implemented selectively in different parts of the country. It is expected that on account of measures undertaken by the Government, the impact on economy would be mitigated to some extent.

As per the second advance estimates of national income 2020-21, agriculture and allied sector registered a positive growth of 3% during financial year 2020-21 over the previous year. Apart from normal monsoon for the second consecutive year, growth in agriculture was also supported by slew of measures by the central and state governments to facilitate uninterrupted agricultural activities throughout the country. These included exemption of agriculture related activities from COVID linked lockdown, enhanced credit availability, higher level of procurement and financial support through number of other programmes under Atma Nirbhar Bharat.

Overview of the Fertilizer Industry

Overall sales of fertilizers have increased by 7.09% during financial year 2020-21 as against financial year 2019-20. Sales of Urea, DAP, NPKS and MOP have increased by 4.55%, 2.13%, 16.84% and 19.06% respectively during financial year 2020-21 as against financial year 2019-20. Initially at the start of 2020-21, additional buying by farmers and dealers. The momentum in sales has been sustained due to a favourable monsoon season, which has led to good crop sowing.

Overall fertilizers production has increased by 1.82 % during financial year 2020-21 as against financial year 2019-20. The country witnessed an on-time arrival of Southwest monsoon, followed by a quick spread across the region which has resulted in higher sowing thus augmenting the sales of fertilizers which has led to an increase in production. Increase in production can also be ascribed to restocking activities undertaken by the manufacturers in order to keep up with the sharp increase in fertilizer sales witnessed during the year. Imports have increased sharply by 14.29% due to increase in demand.

Production of urea increased by 0.60% during the financial year 2020-21 as against financial year 2019-20 due to favourable weather and market conditions. Urea is largely sourced domestically however, high demand necessitated imports which rose sharply by 7.72% to supplement the domestic production.

DAP production fell by 17.05% during financial year 2020-21 as against financial year 2019-20. Decline in production can be attributed to the shortage of raw material and increase in prices of inputs. Imports on the other hand have risen by 2.13% in financial year 2020-21 as against financial year 2019-20.

MOP imports have increased sharply by 23.09% during financial year 2020-21 as against financial year 2019-20. 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.

NPK imports have increased sharply by 102.13% during financial year 2020-21 as against financial year 2019-20. The production of SSP which is an indigenous phosphatic multi-nutrient fertilizer increased sharply by 16.04 % during financial year 2020-21 as against financial year 2019-20. SSP is a cheaper alternative to DAP.

Fertilizer sector is intimately tied up with agriculture and witnessed positive growth in financial year 2020-21. Government facilitated uninterrupted production, movement and sale of fertilizers throughout the crisis period. Fertilizer sector also got additional allocation of ₹ 65,000 crores as one-time package to clear the long pending subsidy dues of the fertilizer industry. This helped in improving the industry's liquidity position. This in turn enabled industry to maintain production of fertilizers.

Corporate Overview of the Company

During the year, your Company achieved Revenue from Operations of ₹ 8281.18 crore as against ₹ 9697.95 crore in previous year (PY). Despite Revenue from operations being lower, on account of lower gas prices, resulting in lower subsidies of Urea, Company achieved a record revenue of ₹ 1138.48 crore during the year from its industrial chemicals segment which is highest ever since inception. Your Company has reported the highest ever Profit Before Tax (PBT) of ₹ 516.17 crore for the financial year 2020-21 as compared to ₹ 202.93 crore for the previous year registering a growth of more than 154%. The previous highest PBT was ₹ 509.63 crore in the year 2014-15. Profit after tax for financial year 2020-21 surged to ₹ 373.11 crore from Rs 208.15 crore in previous year registering an increase of 79.25%, as the Company gained from improved energy efficiencies, improved productivity, better margins of industrial chemicals and reduction in finance cost.

Owing to settlement of back log of subsidy claims under special budget allocation by Government of India in the last quarter of the year, there has been a substantial reduction in subsidy receivables and receivables for urea imports on account of Government. This resulted in reduction in short term borrowings and subsequent reduction in finance cost by 24.49% y-o-y to ₹ 179.57 Crore from ₹ 237.82 Crore.

Your Company achieved fertilizer sales volume of 31.35 lakh MT during financial year 2020-21 as compared to 33.01 lakh MT during the previous year. The Total sale of manufactured fertilizers during financial year 2020-21 was 28.05 lakh MT as against 29.65 lakh MT during the previous year. Sales of manufactured fertilizers registered decrease of 5.41 % over previous year owing to some impact of Covid 19 on plant operations during initial period of first wave which severely affected Mumbai and surrounding areas where our plants are located.

Your Company produced 27.87 lakh MT of fertilizers (22.50 lakh MT of Urea & 5.37 lakh MT of Suphala 15:15:15) during the year as against 29.19 lakh MT of fertilizers (23.48 lakh MT of Urea & 5.71 lakh MT of Suphala15:15:15) produced during the previous year.

Despite revenue from operations being lower on account of lower gas prices resulting in lower subsidies of urea, your company achieved revenue of ₹ 1138.48 crore during the year from it's Industrial Chemicals Segment which is highest ever since inception

During the year, your Company has achieved:

- Yearly highest ever sale of 50,930 MT City compost. (Previous best being 40,329 MT in the FY 20).
- Highest ever sale of 347 KL of Microla.
- Second Highest sale of 7100 MT of Sujala (Indigenous & Imported).
- Highest ever sale of AN melt of 1.399 LMT (Previous best being 1.311 LMT in the year 2018-19).
- Highest ever yearly production of Tri Methyl Amine (TMA) of 2475 MT (Previous best being 2416 MT in 2011-12).

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 please to recommend a final Dividend of ₹1.78 per equity share of ₹10/- each for the financial year 2020-21. Your Board had earlier approved payment of interim dividend of ₹1.20 per equity share of ₹10/- each for the financial year 2020-21, at its meeting held on February 5, 2021 and same was paid on March 2, 2021. The total dividend for the financial year 2020-21 amounts to ₹ 2.98 per equity share (Previous year ₹ 2.84 per equity share), and would involve a total cash outflow of ₹ 164.40 Crore consisting ₹ 66.20 crore as interim dividend and ₹ 98.20 crore as final dividend (₹ 156.68 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 started Methanol plant at Trombay. Sale of Methanol will improve our turnover and profitability. Enhancement of existing production capacity of AN Melt & improved energy consumption has been proposed. Sale of high volume products like Ammonia, AN(Melt) & DNA will facilitate improvement in turnover as well as profitability. Maximizing sale of SNA 72% & 68% will support in improving 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.

On July 27, 2021, in presence of Hon'ble Union Minister of Health & Family Welfare and Chemicals and Fertilizers Shri Mansukh Mandaviya and Hon'ble Minister of State for New and Renewable Energy and for Chemicals and Fertilizers, Shri. Bhagwanth Khuba, MoU has been signed between M/s RCF and M/s IFFCO for technology transfer for manufacture of Nano Urea liquid fertilizer.

I am delighted to present the Annual Report for the FY 21 and hope to see you on October 28, 2021 at the 43rd Annual General Meeting of the Company.

Going forward

Rural demand and markets have been buoyed and are very promising despite the coronavirus pandemic and macroeconomic uncertainty. This has translated in improving the underlying macros for the Indian fertilizer industry. Agricultural operations have been well placed and supported by a bumper Rabi harvest and good monsoon during the Kharif season. With surplus reservoirs levels, record high kharif crop sowing and plentiful rainfall during the monsoon season, demand for the procurement of fertilizers has been promising till date.

Going forward with the increase in liquidity of farmers and good moisture level in the soil we expect a very good Rabi season. Keeping this in mind, the demand outlook for fertilizers for the rest of financial year 2020-21 seems positive.

With the forecast of normal monsoons and the rollout of COVID vaccination program in the coming months, we expect the economic activities to normalize during the financial year 2021-22. Currently, IMD is forecasting a normal monsoon, This will lead to the acreage being favourable as well. So from that standpoint, we should see the consumption and the growth in demand to continue.

With lowering of the debt and the associated interest costs, the cash generation and the credit profile of the industry would improves substantially. For financial year 2021-22, profitability is expected to remain healthy for the industry, given the expectations of a normal monsoon for the upcoming kharif season. Additionally, the agri-economy has witnessed strong performance in financial year 2020-21 with healthy farm incomes, and we expect the benefit of the current year to rub off on the next fiscal as well. However increase in the prices of raw material for NPLC fertilizers will be challenge.

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

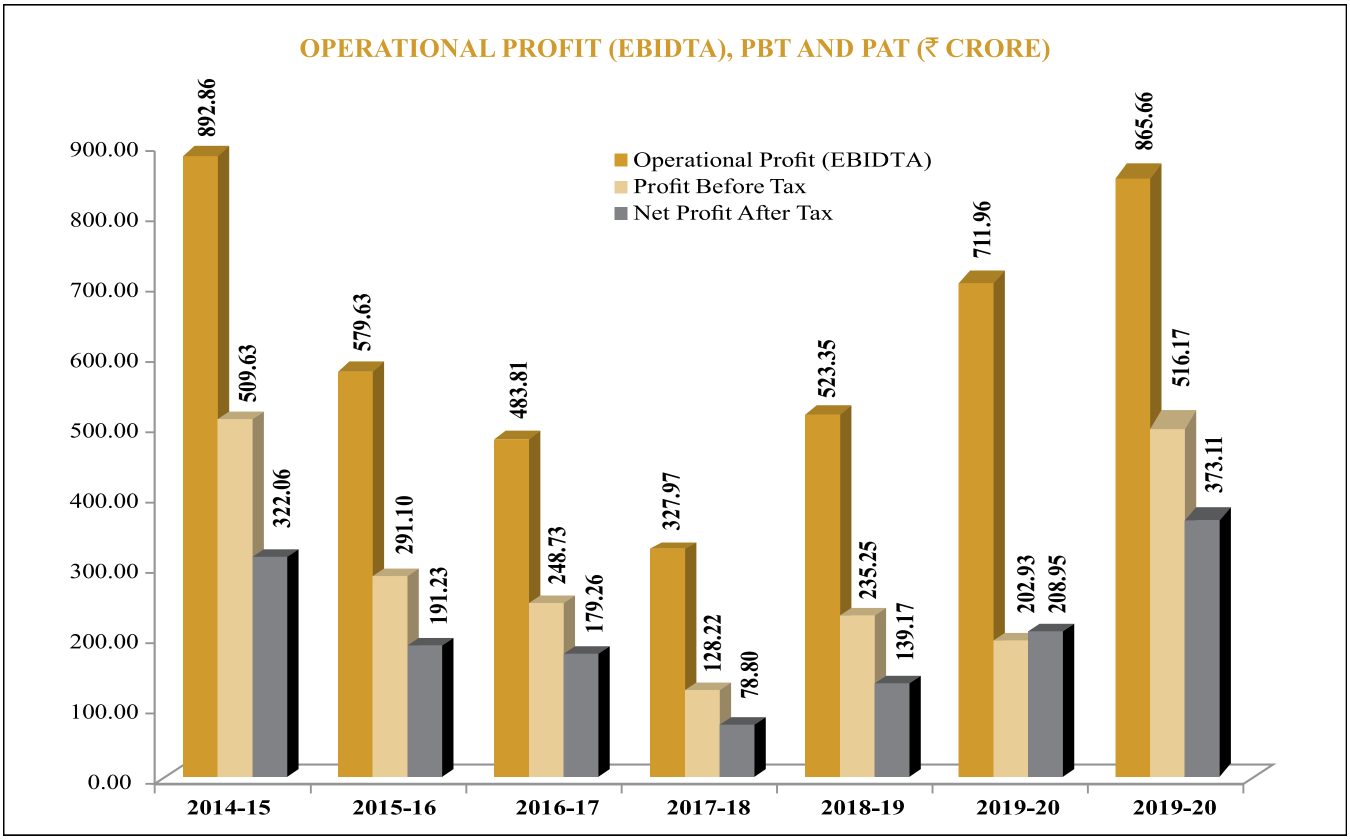
Mumbai
Dated : September 18, 2021

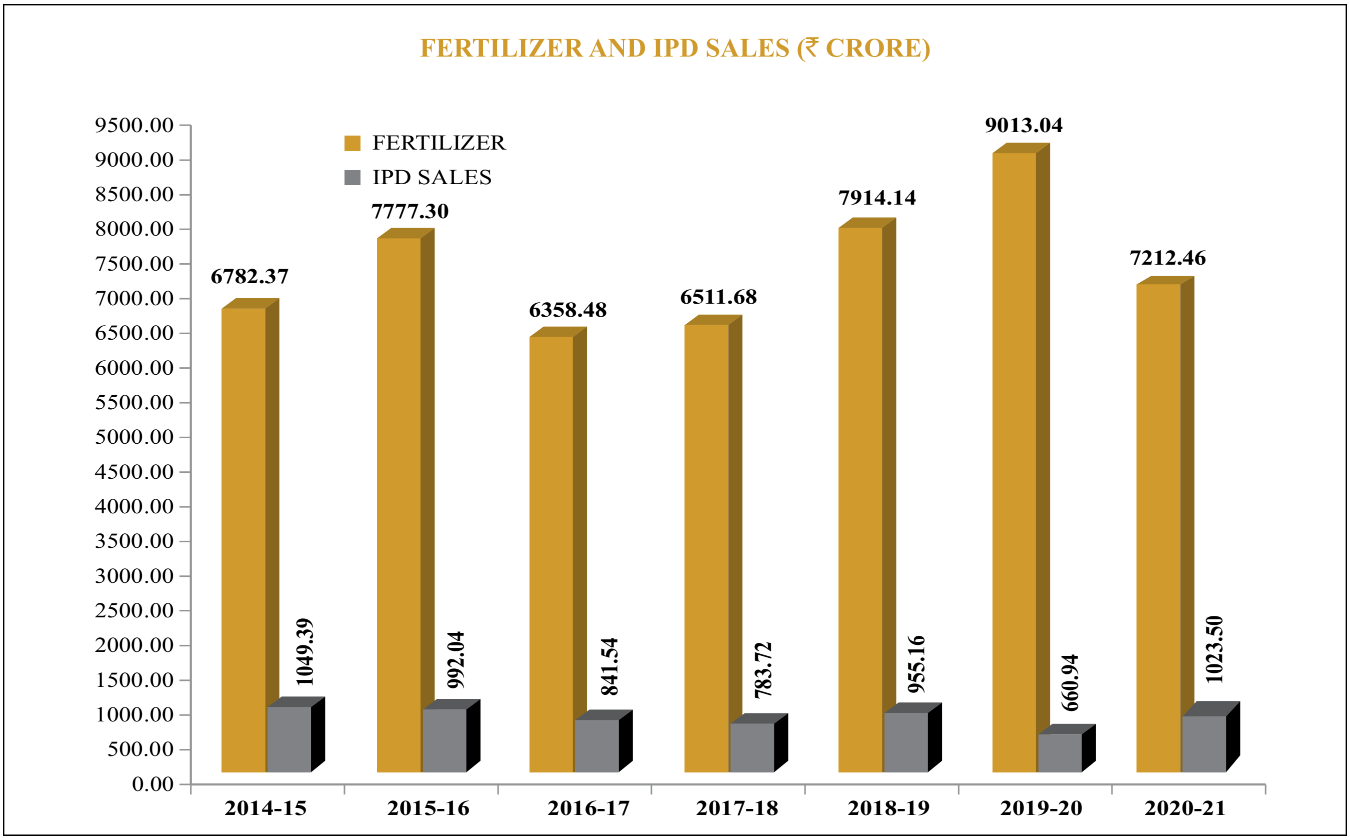
CONTENTS

FINANCIAL HIGHLIGHTS AT A GLANCE

₹ in crore

Sl. NO	PARTICULARS	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	2006-07
		As per IND AS				As per revised Schedule VI										
1	***GrossTurnover*** (Gross Sales+ Subsidy + Other Income)	***8670.67***	***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***	***3644.60***
2	Revenue From Operations (Net)	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	3487.99
3	"Profit before Interest, Depreciation and Tax (EBIDTA)"	865.66	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	365.72
4	Depreciation	174.63	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	75.42
5	Finance Cost	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	48.77
6	***Prior year Adj. - Expenses / (Income)***	***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)***	***0.07***
7	Exceptinal Items	(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	0.00
8	***Profit / (Loss) Before Tax***	***516.17***	***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***	***241.46***
9	Tax Provision (Net of Adj.)	143.06	(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	92.72
10	**Profit / (Loss) After Tax**	**373.11**	**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**	**148.74**
11	**Dividend Declared**															
	Rate %	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	10.00
	Amount :	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	64.55
	Dividend Payout Ratio %	44.06	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	43.39
12	Working Capital	1656.14	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	1434.06
13	***Capital Employed***	4024.42	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	2449.97
14	***Net Worth***	**3338.47**	**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**	**1447.30**
15	RATIOS															
	Current Ratio [CA : 1]	1.65	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	3.28
	Debt Equity Ratio [Debts : 1]	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	0.66
	Debt Service Coverage Ratio (Times)	2.26	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	7.50
	Interest Service Coverage Ratio (Times)	4.82	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	7.50
	EBIDTA to capital employed %	21.51	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	14.93
	PBT to Capital Employed %	12.83	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	9.86
	PAT to Capital Employed %	9.27	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	6.07
	PBT to Net Worth %	15.46	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	16.68
	PAT to Net Worth %	11.18	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	10.28
	PAT to Equity %	67.63	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	26.96
	Earning per share After Tax (Rs.)	6.76	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	2.70
	EBIDTA to Turnover %	9.98	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	10.03


OPERATIONAL PROFIT (EBIDTA), PBT AND PAT (₹ CRORE)
Operational Profit (EBIDTA)
Profit Before Tax
Net Profit After Tax
900.00
800.00
700.00
600.00
500.00
400.00
300.00
200.00
100.00
0.00
892.86
509.63
322.06
579.63
291.10
191.23
483.81
248.73
179.26
327.97
128.22
78.80
523.35
235.25
139.17
711.96
202.93
208.95
865.66
516.17
373.11
2014-15
2015-16
2016-17
2017-18
2018-19
2019-20
2019-20


FERTILIZER AND IPD SALES (₹ CRORE)
FERTILIZER
IPD SALES
9500.00
9000.00
8500.00
8000.00
7500.00
7000.00
6500.00
6000.00
5500.00
5000.00
4500.00
4000.00
3500.00
3000.00
2500.00
2000.00
1500.00
1000.00
500.00
0.00
6782.37
1049.39
7777.30
992.04
6358.48
841.54
6511.68
783.72
7914.14
955.16
9013.04
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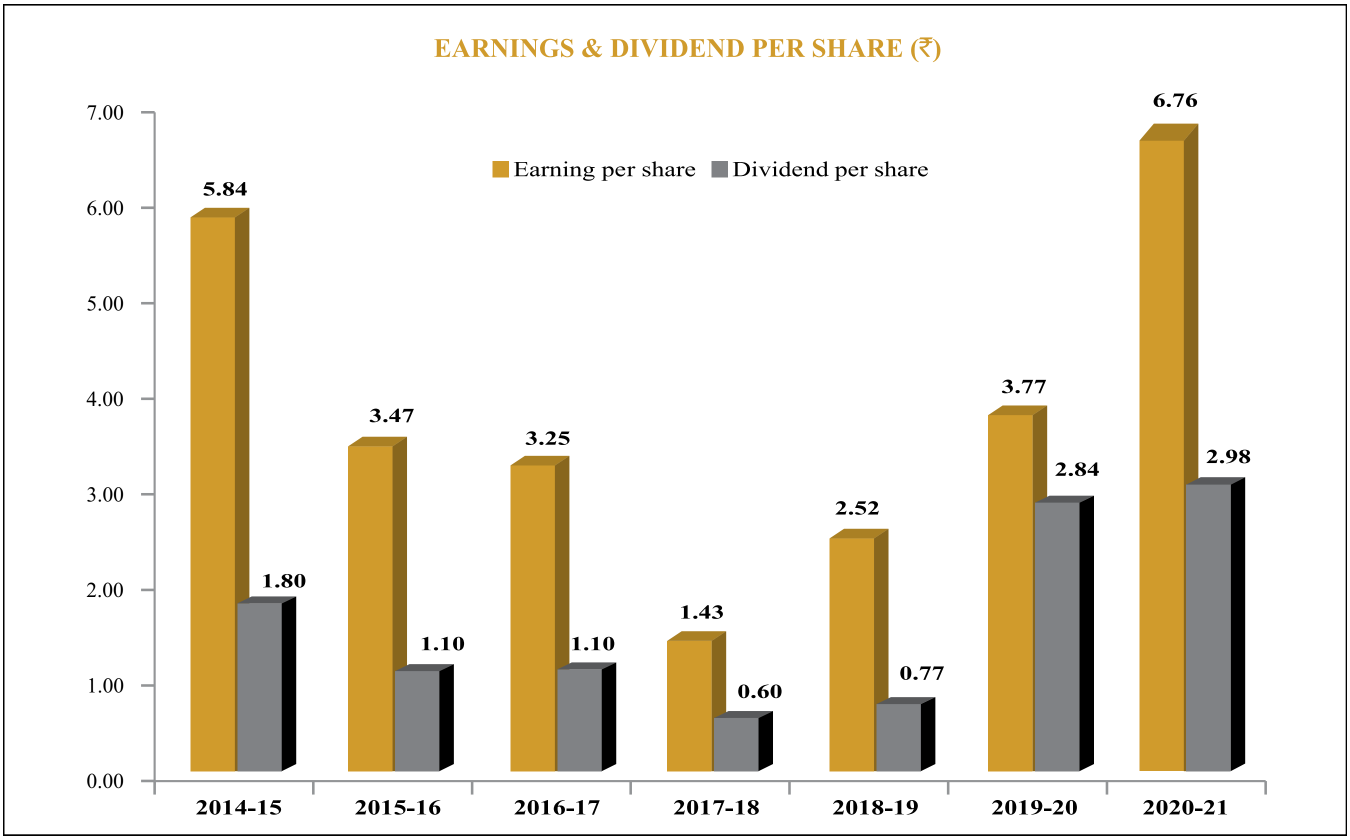
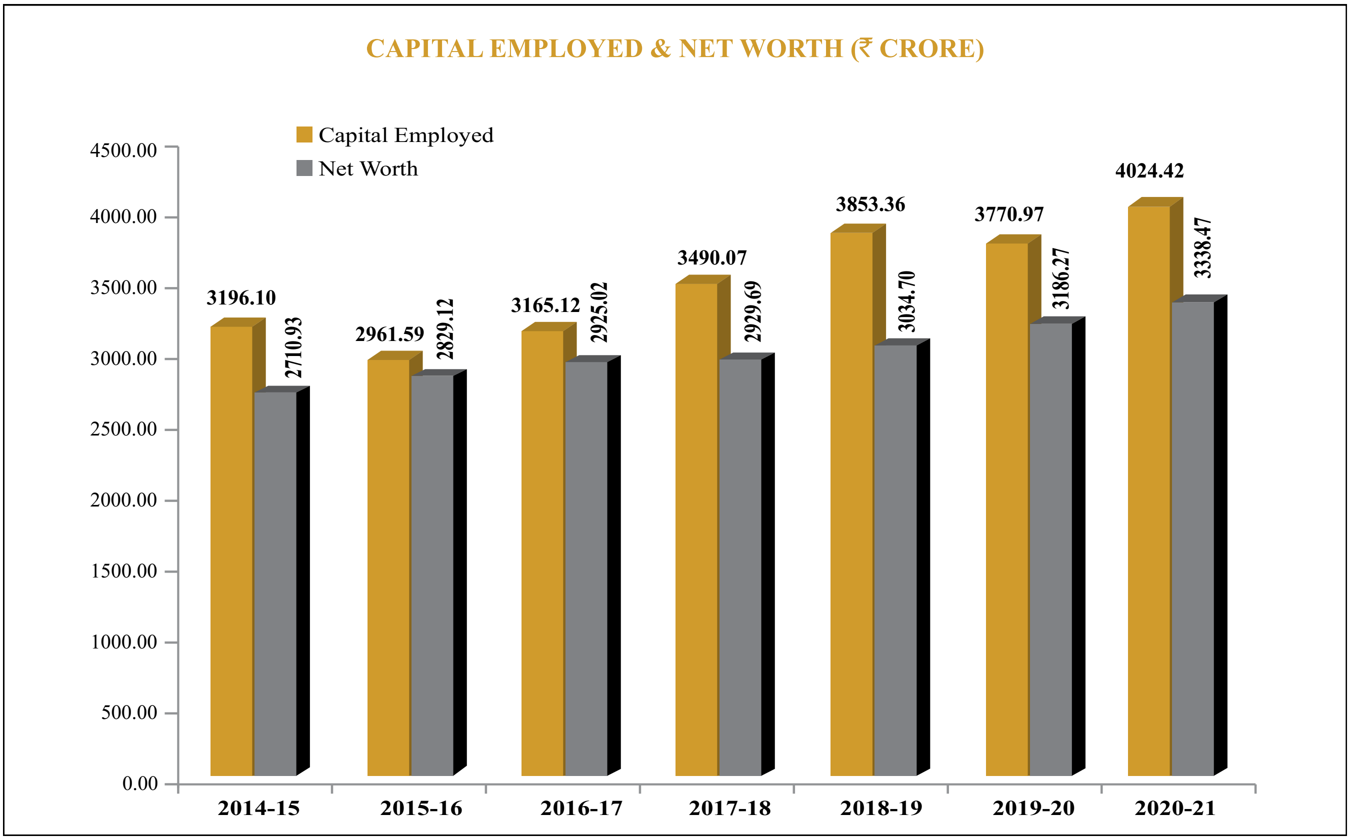
2014-15
2015-16
2016-17
2017-18
2018-19
2019-20
2020-21


EARNINGS & DIVIDEND PER SHARE (₹)
Earning per share
Dividend per share
7.00
6.00
5.00
4.00
3.00
2.00
1.00
0.00
5.84
1.80
3.47
1.10
3.25
1.10
1.43
0.60
2.52
0.77
3.77
2.84
6.76
2.98
2014-15
2015-16
2016-17
2017-18
2018-19
2019-20
2020-21


CAPITAL EMPLOYED & NET WORTH (₹ CRORE)
Capital Employed
Net Worth
4500.00
4000.00
3500.00
3000.00
2500.00
2000.00
1500.00
1000.00
500.00
0.00
3196.10
2710.93
2961.59
2829.12
3165.12
2925.02
3490.07
2929.69
3853.36
3034.70
3770.97
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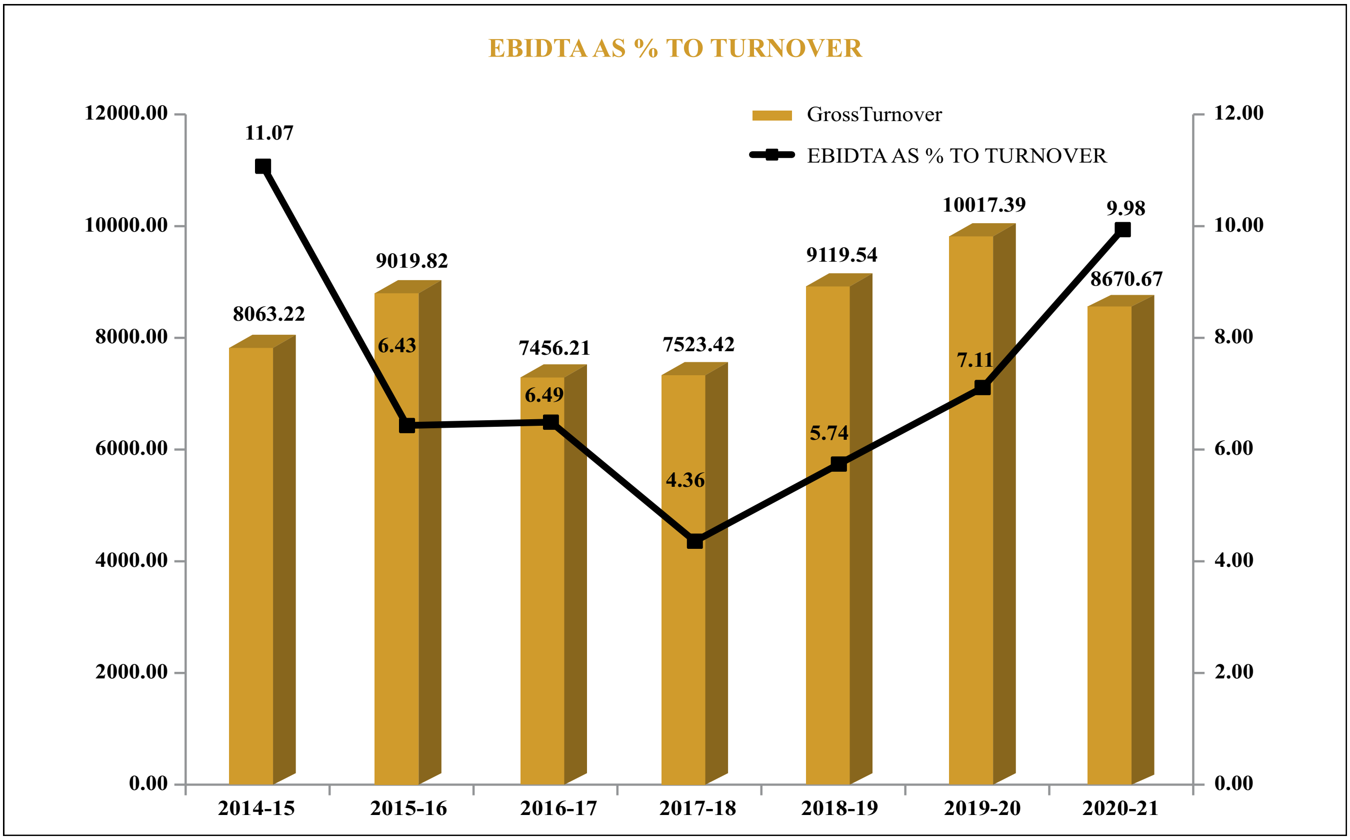
2017-18
2018-19
2019-20
2020-21



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 01.08.2021

Employee Name	Designation
Sameer Rastogi	Chief Vigilance Officer (Additional charge Talcher proj)
Milind M Deo	Executive Director (Co-ordination) & CSO
Nuhu H Kurane	Executive Director (Commercial / HRD)
Nazhat Shaikh	Executive Director (Finance)
Suhas S Shelar	Executive Director (IPD)
Abhay V Lonkar	Executive Director (Thal)
Santosh V Gawade	Executive Director (Projects)
Siddharth B Potpose	Executive Director (HSE)
Jai Bhagwan Sharma	Executive Director (Legal & Company Secretary)
Anil G Mathur	Executive Director (Trombay)
Anil P Dandekar	Chief General Manager (Finance), Thal
Dr Vineeta B Rao	Chief General Manager (Medical)
Tushar M Bhagwat	Chief General Manager (P & PD)
Rajkumar R Kulkarni	Chief General Manager (Commercial), Thal
Ajay M Patil	Chief General Manager (Operations)
Sunita Shukla	Executive Director (HR, Admn & IT) I/c.
Atul B Patil	Executive Director (Marketing) I/c
Mukund M Riswadkar	Chief General Manager (Marketing)
Aniruddha M Khadilkar	Chief General Manager (Nitrogen), Thal
Rajiv Pande	Chief General Manager (Trombay Projects)
Sunil P Thokal	General Manager (Utility, Projects), Thal
Anil Kumar Shrivastava	General Manager (Complex & Maintenance)
Anil D Gavade	General Manager (HWP, CGP), Thal
Sunetra Kamble	General Manager (Marketing)
Shrinivas M Kulkarni	General Manager (HR-A), Thal
Sandeep P Sinkar	General Manager (Technical)
Gopalan Seshadri	General Manager (HRA - EU)
Ajay Y Bhuchar	General Manager (IA)

Bankers:	State Bank of India Swastik Chamber, Chembur, Mumbai.
Statutory Auditors:	M/s M M Nissim & Co., Mumbai M/s Gokhale & Sathe, Mumbai
Cost Auditors:	Shri Rohit J. Vora, Mumbai.
Solicitor:	M/s M.S. Bodhanwalla & Co., Mumbai.
Internal Auditors	M/s Pipara & Co. LLP., Chartered Accountants M/s AMAA & Associates, Chartered Accountants

Website address :	www.rcfltd.com
Cin:	L24110MH1978GOI020185
Email address :	investorcommunications@rcfltd.com
Telephone :	022 24045024 / 022 25523114
Registered Office :	"Priyadarshini" Eastern Express Highway Sion, Mumbai 400 022.
Share Transfer Agent:	M/s. Link Intime India Pvt. Ltd., C-101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai 400 083 022 49186000 | www.linkintime.co.in

RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED
CIN: L24110MH1978GOI020185
Regd. Office: "Priyadarshini", Eastern Express Highway, Sion, Mumbai - 400 022.
Phone: 022-24045024 Email Id: investorcommunications@rcfltd.com / Website: www.rcfltd.com

NOTICE
43rd ANNUAL GENERAL MEETING

NOTICE is hereby given that the 43rd Annual General Meeting of the Members of Rashtriya Chemicals and Fertilizers Limited will be held on Thursday, October 28, 2021 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, 2021, including Profit & Loss Statement for the year ended March 31, 2021 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 ₹ 1.78 per equity share and to confirm the interim dividend of ₹ 1.20 per equity share, already paid during the year, for the financial year ended March 31, 2021.
3. To appoint a Director in place of Shri Umesh Dongre (DIN:08039073), who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Ms Aparna S. Sharma (DIN:07798544), who retires by rotation and being eligible, offers herself for reappointment.
5. To fix the remuneration of Statutory Auditors for the Financial Year 2021-22 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 2021-22."

SPECIAL BUSINESS:

6. **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 K. G. Goyal & Associates, Cost Accountants (FRN 000024), Jaipur, 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, 2022, amounting to ₹ 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."

7. **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 ₹ 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."

By order of the Board of Directors

(J. B. Sharma)
Executive Director
(Legal & Company Secretary)
FCS 5030

Date: September 18, 2021
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 Thursday, October 28, 2021 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. Registrar of Companies, Mumbai, vide order dated September 13, 2021, has granted extension for 3 months from the due date for holding of Annual General Meeting for the financial year ended March 31, 2021.

3. 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.

4. 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.

5. 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.

6. Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act, 2013.

7. 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.

8. 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.

9. 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.

10. Any person who becomes a Member of the Company after sending of Annual Report and holding shares as on Thursday, October 21, 2021 shall also follow the procedure stated herein.

11. Register of Members and Share Transfer books will remain closed from Friday, October 22, 2021 to Thursday, October 28, 2021 [both days inclusive].

12. The Board of Directors of the Company has recommended a final dividend of ₹ 1.78 per share. The Company has fixed Thursday, October 21, 2021 as the 'Record Date' for determining entitlement of members to receive final dividend for the year ended March 31, 2021, 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.

13. 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.

14. 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

15. 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 Thursday, October 21, 2021. The detailed communication regarding TDS on dividend is provided on the link: www.rcfltd.com

    Kindly note that no documents in respect of TDS would be accepted from members after Thursday, October 21, 2021.

16. 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.

17. 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.

18. 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.

19. 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 2012-13 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. 2012-13 to 2019-20, 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 4, 2020. 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 2013-14 on or before November 24, 2021. Further, the shares in respect of which dividend has remained unpaid / unclaimed for a consecutive period of 7 years i.e. from 2013-14 to 2020-21, would also be transferred to the demat account of IEPF authority on or before November 24, 2021. 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.

20. 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.

21. All the documents referred in the Notice are available for inspection electronically from the date of dispatch of Notice till Thursday, October 28, 2021. Members seeking to inspect such documents are requested to write to the Company at investorcommunications@rcfltd.com

22. A person, whose name is recorded in the Register of Members / Beneficial Owners list maintained by the depositories as on Thursday, October 21, 2021 only shall be entitled to avail the facility of remote e-voting or e-voting during the AGM.

23. 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.

24. 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.

25. 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 rcfdivtax@linkintime.co.in.The aforesaid declarations and documents need to be submitted by the shareholders on or before Thursday, October 21, 2021.

26. **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.

27. **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 Sunday, October 24, 2021 from 9:00 a.m. (IST) and ends on Wednesday, October 27, 2021 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 Thursday, October 21, 2021, 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	1) 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. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there 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. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page 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.
Individual Shareholders holding securities in demat mode with NSDL	5) 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. 6) 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 7) 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

Type of shareholders	Login Method
	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.

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 022- 23058738 and 22-23058542-43.
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.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details **OR Date of Birth (DOB)**	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

(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 022-2305 8738 and 022-2305 8542/43.

(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 022-2305 8542/43.

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, October 22, 2021 from 9:30 a.m. (IST) to Tuesday, October 26, 2021 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 5533 / 022-2305 8542.

D. Scrutinizer

The Board of Directors has appointed Shri Bhumitra V. Dholakia, Designated Partner of M/s. Dholakia and Associates LLP, Company Secretaries or his absence 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 48 hours 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 48 hours 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.rcfltd.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.

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

Pursuant to the recommendation of the Audit Committee, the Board of Directors at their meeting held on May 27, 2021, has considered and approved the appointment of M/s K. G. Goyal & Associates, Cost Accountants (FRN 000024), Jaipur to conduct the audit of the cost records of the Company for the financial year ending March 31, 2022, 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.6 for the approval of the members.

Item No.7

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. 7 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.7 for the approval of the members.

By order of the Board of Directors

(J. B. Sharma)
Executive Director
(Legal & Company Secretary)
FCS 5030

Date: September 18, 2021
Place: Mumbai

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

Name	Shri Umesh Dongre (DIN:08039073)	Ms Aparna S. Sharma (DIN 07798544)
Age	59 years	54 years
Date of birth	13.11.1961	02.06.1967
Date of Appointment	09.02.2018	01.09.2020
Qualification	Indian Cost Accounts Service and CMA from the Institute of Cost Accountants of India	Post graduate in English Literature from Delhi University and CSS Officer
Terms & Conditions of appointment	Appointed as Director (Finance) by President of India through Ministry of Chemicals & Fertilizers.	Appointed as Part-time Official Director by President of India through Ministry of Chemicals & Fertilizers.
Expertise in specific Functional Area	Shri Dongre has a very rich and varied experience in various facets of Financial Management	Ms Sharma is a 1990 batch CSS Officer. She has over 26 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.
Details of remuneration last drawn (Financial year 2020-21)	₹ 56.90 Lakh	N.A.
Number of Meetings of the Board held during the year and number of Board Meetings attended	11/12	7/8
Relationship with any other Director, Manager and other KMP of the Company	N.A.	N.A.
Directorship held in other companies	Nil	The Fertilisers and Chemicals Travancore Limited
Memberships/ Chairmanship of Committees in other Companies*	Nil	Audit Committee- The Fertilisers and Chemicals Travancore Limited
No. of Shares held	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 43rd Annual Report on the working of your Company together with the Audited Financial Statements for the year ended March 31, 2021.

FINANCIAL PERFORMANCE

₹ Crore

Particulars	2020-21	2019-20
Total Income (Net)	8413.83	9827.12
Total Operating Cost	7548.17	9115.16
Operational Profit	865.66	711.96
Depreciation/Impairment	174.63	171.04
Finance Cost	179.57	237.82
Profit before exceptional items	**511.46**	**303.10**
Net Exceptional Items (income) / Expense	(4.71)	100.17
Profit before Tax	**516.17**	**202.93**
Provision for Tax (including deferred Tax liability/ Asset)	143.06	(5.22)
Net Profit	**373.11**	**208.15**
Retained Earnings		
Add / (less): Re-measurement of Defined Benefit Plan	(2.84)	(13.87)
Less: Dividend Paid (Previous Financial Year)	222.88	42.48
Less :Dividend Distribution Tax	-	8.73
Less: Balance Transferred to / (from) General Reserve	147.39	143.07

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

a. Higher margins of Complex Fertilizers, Industrial and traded products contributed to higher profitability.

b. Lower RLNG gas and purchased power rates at Trombay.

c. Better energy efficiencies at Trombay and Thal Unit improved Urea margins. Further, your Company has crossed the reassessed level of production of 17.07 LMT in respect of Thal Urea, however Lower Gas pool rates along with stable IPP prices helped in achieving positive contribution for production Beyond Reassessed capacity at both Trombay & Thal units however, falling IPP of Urea has impacted the operating Margins of production of Urea beyond.

d. Reduction in interest rates as well as lower working capital requirement resulted in reduction in Finance costs and positive impact of foreign exchange variation as borrowing costs resulted in a decrease in finance costs.

e. Company has accounted for fair valuation gain of ₹ 4.71 crore on valuation of Transferrable Develpoment Rights (TDR) held by the Company as exceptional item impacting the Profit before Tax for the year.

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 2018-19 from "Poor" rating in 2017-18 signifying a marked improvement in performance.

The performance rating for 2019-20 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 please to recommend a final Dividend of ₹ 1.78 per equity share of ₹ 10/- each for the financial year 2020-21. Your Board had earlier approved payment of interim dividend of ₹ 1.20 per equity share of ₹ 10/- each for the financial year 2020-21, at its meeting held on February 5, 2021 and same was paid to shareholders on March 2, 2021. The total dividend for the financial year 2020-21 amounts to ₹ 2.98 per equity share (Previous year ₹ 2.84 per equity share), and would involve a total cash outflow of ₹ 164.40 Crore consisting ₹ 66.20 crore as interim dividend and ₹ 98.20 crore as final dividend (₹ 156.68 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 ₹ 373.11Crore (₹ 208.15 Crore in the previous year). Remeasurement of defined benefit plans resulted in loss of ₹ 2.84 crore (previous year ₹ 13.87 Crore). The dividend pay-out pertaining to financial year 2019-20 was ₹ 156.68 Crore (₹ 51.21 Crore pertaining to financial year 2018-19) and interim dividend pertaining to financial year 2020-21 was ₹ 66.20 Crore (₹ Nil pertaining to financial year 2019-20). The balance amount of ₹ 147.39 Crore (₹ 143.07 Crore in the previous year 2019-20) was transferred to General Reserves.

AWARDS WON

As in the past, your Company has won many awards during the year 2020-21, some of which are as under:

Trombay Unit

- National Award for Excellence in PSUs under the category of "Environment sustainability (Green Initiatives)" for the year 2019-20.
- FAI Award for the best production performance of Complex Fertilizers operating unit for the year 2019-20.
- 14th Confederation of Indian Industry (CII), New Delhi – National Award for Excellence in Water Management 2020.
- 20th Annual Greentech Environment Award 2020 by Greentech Foundation for outstanding achievement in "Environment Protection" category.
- 19th Annual Greentech Safety Award 2020 by Greentech Foundation for outstanding achievement in "Industry Sector Safety Excellence" category.
- FICCI Chemicals and Petrochemicals Award 2021 for excellence in water usage.
- 2nd Prize for Excellence in Official Language in large PSUs category for the year 2019-20 organized by Mumbai (Undertaking) Town Official Language Implementation Committee (TOLIC).
- 3rd prize at 15th State Level Energy Conservation Award 2019-20 constituted by Maharashtra Energy Development Agency (MEDA).

Thal Unit

- FAI Award for Excellence in Safety for the year 2019-20
- National Safety Council Maharashtra chapter accorded "Certificate of Merit" to HWP Thal for the year 2019 for "Zero Accident Frequency Rate".
- National Safety Council Maharashtra chapter accorded "Certificate of Excellence" to RCF Thal for the year 2019 for achieving Lowest average accident frequency rate and Longest Accident free period for 3 consecutive years i.e. 2016, 2017 and 2018.
- Certificate of Appreciation from National Safety Council – India as a part of "National Safety Awards 2020".

OPERATIONAL RESULTS

Thal Unit

During the year, the unit produced 19.12 lakh MT of Urea compared to 20.22 lakh MT produced during the previous year. In terms of nutrients in the fertilisers, the unit produced 8.80 lakh MT of N during the year, compared to 9.30 lakh MT during previous year.

Trombay Unit

The Trombay Unit produced 3.38 lakh MT of Urea & 5.37 lakh MT of Suphala 15:15:15 during the year compared to 3.26 lakh MT of Urea & 5.71 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, 0.81 lakh MT of P_2O_5 and 0.81 lakh MT of K_2O during the year compared to 2.36 lakh MT of N, 0.86 lakh MT of P_2O_5 and 0.86 lakh MT of K_2O respectively during the previous year.

Industrial Products

Your Company produces industrial chemicals at both its units. During the year, your Company produced approx. 4.28 lakh MT of various major industrial chemical products as against approx.1.71 lakh MT during the previous year. Your Company produces, amongst others, AN Melt, Ammonia, ABC, DNA, Conc. Nitric Acid, Sodium Nitrate / Nitrite, Methylamines, SSA, WSA, Argon, Methanol, Gypsum, MMA, Dimethyl Formamide, Formic Acid, Methyl Formate, etc.

MARKETING PERFORMANCE

Fertilizer Division

Your Company achieved sales volume of 31.42 lakh MT during 2020-21 as compared to 33.05 lakh MT during the previous year. Your Company sold 22.62 lakh MT of Urea and 5.43 lakh MT of Suphala 15:15:15 as compared to 23.57 lakh MT of Urea, 6.08 lakh MT of Suphala 15:15:15 during previous year. The total sale of manufactured fertilizers (Urea, NPK & Value added products) during 2020-21 was 28.12 lakh MT as against 29.69 lakh MT during the previous year. Sales of manufactured fertilizers registered reduction of 5.40% over previous year due to pandemic situation in the country resulting from production constraints and less availability of material.

Your company sold 3.31 LMT Imported and traded products i.e. DAP, MOP, Imp NPK, City compost etc. as compared to 3.35 LMT during previous year.

The sale of value added products such as Microla and Sujala picked up momentum during the year. Microla sale registered growth of 29.2% touching 347.4 KL during the year as against 268.8 KL in the previous year. Combined sale of manufactured and imported water soluble fertilizers under the brand name 'Sujala' touched a high of 7100 MT during the year as against 4424 MT sold in the previous year. Other products such as Biola, pH balancer, Silica and OGS also registered healthy volumes during the 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. 45.11 lakh MT quantity of Urea at approx. ₹ 9639.79 Crore through issue of total four (4) Global tenders during the year 2020-21.

During the year, your Company has achieved the following:

1. Yearly highest ever sale of 50,930 MT City compost. (Previous best being 40,329 MT in the year 2019-20).
2. Highest ever sale of 347 KL of Microla.
3. Second Highest sale of 7100 MT of Sujala (Indigenous & Imported).

Industrial Product Division

Industrial Products Division has achieved the highest ever sales turnover of ₹ 1138.48 Crore as against ₹ 721.50 Crore during the previous year. Your Company has registered increase in sales of IPD products and better realisation due to lower RLNG prices and resultant reduction in cost of production coupled with increasing demand and focussed marketing strategies. The Formic Acid, DMF and MF plants were started during the year. 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:

1. Highest ever sale of AN melt of 1.399 LMT (Previous best being 1.311 LMT in the year 2018-19).
2. Highest ever yearly production of Tri Methyl Amine (TMA) of 2475 MT (Previous best being 2416 MT in 2011-12).

Exports

Considering the nature of products manufactured by your Company and indigenous demand, the scope for export is very limited. However, your company successfully exported consignment of 120MT of Suphala 15:15:15 to Sharjah during the year. Your Company earned valuable foreign exchange worth USD 46,560 equivalent to INR 34.10 lakhs from export of Suphala.

Your Company was also successful in popularizing its Ammonium Bicarbonate (ABC) brand in the overseas market through third party export. During financial year 2020-21, your Company has done third party export of Ammonium Bicarbonate (ABC) under ***"MRUDULA"*** brand to the tune of ₹ 62.78 lakh as against ₹ 63.66 lakh during the previous year.

Atmanirbhar Bharat

Under 'Atmanirbhar Bharat', your Company has started Methanol plant at Trombay. Sale of Methanol will improve our turnover and profitability. Enhancement of existing production capacity of AN Melt & improved energy consumption has been proposed. Sale of high volume products like Ammonia, AN(Melt) & DNA will facilitate improvement in turnover as well as profitability. Maximizing sale of SNA 72% & 68% will support in improving 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 provide 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**: 53000 number of NPK and 8700 number of Micro-nutrient analysis have been done and Soil Health Cards distributed.
2. **Kisan Suvidha Kendras**: 112 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 47 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**: 4.20 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 You Tube) with handle @rcfkisanmanch.
8. **Agricultural Extension Services**: 299 field demonstrations, 147 soil testing days, 339 farmers' meetings, 8 krishi melas, 4 veterinary camp/rural sports, 5 exhibitions, etc. were organized for the benefit of the farmers.

9. **Awareness Campaign on Covid-19:** Banners were put up in Osmanabad District of Maharashtra 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 Amrut Mahotsav**: Nation is observing Azadi Ka Amrut Mahotsav to commemorate 75 years of Independence. As per the guidelines of Department of Fertilizers, Government of India, Azadi Ka Amrut 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 Videos**: 3 farmers training videos were launched i.e. Strawberry, Vegetables & COVID-19 Vaccination Awareness.

13. **Online Quiz competition for dealers and farmers**: During vigilance awareness week, online quiz competition was organised for dealers and farmers. Total 712 farmers and 240 dealers participated from all over country in this programme.

COVID 19 PANDEMIC IMPACT ANALYSIS

The Covid 19 pandemic has raised uncertainty around the future economic outlook and pushed the potential policy normalisation further into the future. With the second Covid wave being alarming, stretching healthcare infrastructure and having adverse economic implications on income and consumption, there have been downward revisions in the GDP growth forecast for financial year 2022 by many multilateral institutions.

Fertilizer and agriculture sectors provided much needed strength to Indian economy during the 1st wave of COVID 19. As per the second advance estimates of national income 2020-21, agriculture and allied sector registered a positive growth of 3% during 2020-21 over the previous year. Apart from normal monsoon for the second consecutive year, growth in agriculture was also supported by slew of measures by the central and state governments to facilitate uninterrupted agricultural activities throughout the country. These included exemption of agriculture related activities from COVID linked lockdown, enhanced credit availability, higher level of procurement and financial support through number of other programmes under Atma Nirbhar Bharat.

Your Company has established vaccination centre at RCF Hospital, Chembur with the collaboration of Bombay Municipal Corporation (BMC). This centre will benefit residents of localities in and around RCF and its employees.

For the year ended March 31, 2021, operations of the Company were marginally scaled down on account of issues arising out of lockdown due to Covid-19 pandemic. However, results for the year ended March 31, 2021 have not been impacted. Management has assessed the potential impact of Covid-19 based on the current circumstances and expects that there will be no significant impact on the continuity of operations of the Company, on useful life of the assets, on financial position etc. on a long term basis.

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

A dispute between Rashtriya Chemicals and Fertilizers limited and GAIL (India) Limited (GAIL) for recovery of differential gas pricing for an amount of ₹ 1439.57 crore filed by GAIL before IMC/ Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD) for the period 2006 to 2016 has been settled under AMRCD mechanism for ₹ 87.17 Crore. Accordingly, with the settlement of above-said dispute, no further liability on this account exist against the Company for this period.

No other 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 except the day to day challenges being faced by the company on account of COVID 19 pandemic.

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 COMPLETED

Trombay Urea-V Plant Revamp (Casale Scheme)

Urea-V plant revamp scheme is based on End-to-End survey conducted by M/s Casale SA, Switzerland. The project was taken-up with following objectives:

- Reduction in specific energy consumption of Urea.
- Plant capacity: 1350 MTPD on sustained basis.
- Improving the waste water quality to Boiler Feed Water grade.

Expected energy saving as result of this project is 0.19 Gcal/MT of Urea. Project capital cost is about ₹ 137.03 Crore. The project was completed in Dec. 2020.

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 expected Energy Saving is 0.30 Gcal/MT of Urea. The project is expected to be commissioned by October 2021.

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. 2022.

Variable frequency drive (VFD) for HP Ammonia Feed pump at Thal

Your Company has undertaken installation of variable frequency drive on HP Ammonia feed pumps for power saving at estimated cost of ₹ 6.93 Crore. Expected saving is 0.012 Gcal/MT of Urea. Five no. of VFDs are installed in and taken in line. Four VFDs are balanced for commissioning. Job is held up due to COVID-19 Pandemic. Expected to be completed by end of August 2021.

PROJECTS UNDER CONSIDERATION

New AN Melt Plant at Trombay

With an aim to reduce specific consumption of raw materials and improve the energy efficiency of the plant, your Company is planning to set-up new AN Melt Plant at Trombay. Tender is issued for lining up LSTK Contractor. Estimated Project Cost is ₹ 88.50 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. A consultant is appointed for preparation of Detailed Feasibility Report (DFR). Estimated Project Cost is about ₹ 50 Crore.

Organic Fertilizer Plant at Trombay

Your Company is planning to set-up an Organic Fertilizer plant using STP & ETP sludge and Gypsum, sourced in-house, at Trombay unit. The proposed plant capacity is 10,000 MT per year on single shift operation. The project shall serve dual purpose of marketing organic fertilizer as per Government mandate as well as the disposal/management of STP & ETP sludge with the manufacturing of value added product giving clean environment. Estimated Project Capital Cost is about ₹ 8 Crore.

Presently, Market Development Assistance (MDA) is notified and available for city compost plants based on Municipal Solid waste. Since the proposed Organic Fertilizer plant of RCF shall be based on solid sludge generated from Municipal Sewage and will be complying with the FCO specifications for Organic Fertilizer (Compost), MDA has been sought from GoI.

Zero Liquid Discharge at Trombay

Your Company 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 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. The objective of the scheme is to achieve "Zero Effluent Discharge (ZED) or Zero Liquid Discharge (ZLD)" for RCF Trombay.

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 being appointed for preparation of Detailed Feasibility Report (DFR).

ETP up-gradation at Thal

Upgradation of ETP for treating 9,000 M^3/day effluent at an estimated cost of ₹ 71.48 Crore. Benefit of the project will be better environment management on sustained basis through recycling of treated effluent as a raw water to the tune of 5,250 M^3/day from RCF Thal factory. Scheme will be completed by Oct. 2022.

Motor Driven Nitrogen Compressor in Argon Plant at Thal

Existing steam turbine driven compressor will be replaced with motor driven compressor at an estimated cost of ₹ 20.78 Crore to utilize power generated from GT. Saving expected is ₹ 4.70 Crore per year. Scheme will be completed by Feb. 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 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 (±10%) (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 2023. However, the same is likely to get affected due to Covid-19 pandemic.

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 investorcommunucations@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 unaudited financial statements of FRBL as at March 31, 2021 reported a loss of ₹ 6 crore, thus resulting in accumulated loss of ₹ 199.53 crore.

Urvarak Videsh Limited (UVL)

Your Company has formed a Joint Venture Company with National Fertilizers Limited (NFL) and Krishak Bharti Co-operative Limited (KRIBHCO) by incorporating Urvarak Videsh Limited (UVL) to set 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 had 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, 2021 reported a loss of ₹ 73,193/-, thus resulting in accumulated loss of ₹ 0.48 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. The 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, your Company has infused ₹ 375.97 Crore in TFL.

The unaudited financial statements of the said Company as at March, 2021 reported a profit of ₹ 6.57 crore, thus reducing in accumulated loss to ₹ 15.16 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	2020-21	2019-20
Total Income (Net)	**8413.83**	**9827.12**
Total Operating Expenses	**7548.17**	**9115.16**
Operational Profit	**865.66**	**711.96**
Depreciation/Impairment	174.63	171.04
Finance Cost	179.57	237.82
Share /(loss) of Associates/JVs	2.19	(1.02)
Profit/ (Loss) before Exceptional Item	**513.65**	**302.08**
Exceptional Item (income) / Expense	(4.71)	100.17
Profit/ (Loss) before Tax	**518.36**	**201.91**
Provision for Tax (including deferred Tax liability/ Asset)	143.06	(5.22)
Net Profit / (loss) after tax	**375.30**	**207.13**

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:

Organic Fertilizer: 'Biostimulant'

RCF's Biostimulant is an organic product which is tested successfully on various crops. It is based on organic substances which positively influence the growth and resistance of plants, resulting in a lower pest and disease pressure in the crop and a higher yield. Biostimulant improves soil quality and nutrients absorption from soil at a very low dose of 0.5% to 1%. Product makes crops more tolerant to abiotic stress, such as drought or heat stress.

Biostimulant is available in liquid form which is easy for application through soil, drip and foliar spray. It is an eco-friendly product. Product has been tested for its toxicological effects, on micro and macro flora. This includes effect on algae, earthworm, fishes and oral toxicity to birds (avian toxicological studies) before commercialization. The product has been declared as a non-toxic one as per the requirement of the FCO guidelines.

The first despatch was made to Konkan on February 20, 2021. With the launch of 'Biostimulant', one more value added product is added to the basket of RCF Limited.

Big from Small : Nanofertilizer

Nanotechnology is bound to play an important role in increasing the productivity of crop by keeping the fertilizers dosages low. Zinc oxide based and NPK based nanofertilizers have been developed and field trials completed. The trials have shown an increase in crop yield up to 50% These products shall also address the much needed agricultural sustainability.

Collaborative Research: MoU with ICAR Institutes

Collaboration with Indian Council of Agriculture Institutes viz. Indian Agriculture Research Institute (IARI), Pusa, New Delhi and National Research Centre (Grapes), Pune was done for carrying out field trials of 'Biostimulant ' product. The trials revealed encouraging results with increase in yield around 20-30% in tested crops. These trials supported immensely the process of commercialization of product 'Biostimulant'

Urban Farmer: Gardening kit for urban population

Urban farming, also known as urban agriculture is a way for urban dwellers to grow their own food, vegetables, flower and ornamental plants. To grow the healthy plants, healthy soil and other genuine agro-inputs are required. 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 help stimulate local economy.

Ready to use urban kits were designed and formulated in various options. The urban kit will be put in the market for commercialization in 2021-22.

Agriculture Sustainability: Biofertilizer with Enhanced Shelf life

Biofertilizers are the backbone of organic farming and have been in use since decades. A highly innovative product to enhance the shelf life of biofertilizer from 1 year to almost 2.5 years has been successfully formulated and tested in in-house field trials as well with ICAR institute. It is very easy to apply, transport and store. This form of biofertilizer is certain to penetrate markets and become popular amongst the farming community.

Soilless Cultivation: A new market for 100% water soluble fertilizers

Soilless cultivation or 'Hydroponics' technology is a method of growing plants, usually crops, without soil, by using mineral nutrient solutions in an aqueous solvent. Farmers/ urban population can benefit from the controlled, automated, affordable, and sustainable methods of growing their crops with minimal monitoring and without the waste of resources like water, land and various fertilisers. It is fast becoming a popular choice for many growers globally and specially for growth of exotic crops.

A Hydroponics facility has been established in R&D campus with the objective of development of various grades of 100% water soluble fertilizers required for the growth of exotic crops viz lettuce, strawberry, basil, jalapeno etc.

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 expectations 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 both its 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, NOx, SO_2, Particulate matter (PM10 & PM2.5) & metrological parameters. Both units monitors are connected to MPCB and CPCB servers for continuous monitoring online data of stack and effluent parameters. At RCF Trombay, Third party monitoring for stack, ambient air quality (Dust, Ammonia, NOx, SO2) and ETP overflow (as per consent parameters) is being done by MoEFCC approved laboratory once in a month. As you are aware, your Company 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 at Trombay and Thal unit have ensured that the environment in and around the operating units are fully protected. Environmental safety of neighbours 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 a Sewage Treatment Plant 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. Last year, an additional stream of STP is commissioned.

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 and school students, housing societis, Panchayat offices, ladies club members and household members in the adjoining localities by following COVID-19 guidelines.

Recently, International Fertilizer Association (IFA) has upgraded RCF's safety benchmarking rating to 19 from 42.

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 ₹ 4.22 Crore including ₹ 0.64 Crore set off for succeeding financial year on CSR activities. The activities, in brief, are as under:

Education

a. PM Care Fund :

Your Company has provided ₹ 50.00 lakhs to PM care fund. This is a dedicated fund with the primary objective of dealing with any kind of emergency or distress situation, like posed by the 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 and spent about ₹ 126 lakhs on this account during the year. More than 26,000 residents of the villages got benefited of the scheme.

c. Financial Assistance for Medical Equipment for Civil Hospital, Alibag Dist. Raigad, Maharashtra:

Your Company has provided financial assistance to District Government Hospital for procurement of Medical equipments like X-Ray Machine, CT scan machine, medical Testing kits etc. The beneficiary of this facility are all needy patients of Raigad District.

d. Livelihood enhancement projects

Your Company has also supplied paddy, fruit saplings and free fertilizers to needy villagers near Thal Unit.

e. Rural Development- Road Repairing:

Your company has repaired local Roads from Thal Palthi to Navgaon creek and local Road from Chondhi Naka to Kihim at Thal .

f. Garbage Vans to Villages:

Your Company has provided 2 Garbage Vans, one each for Kurul & Navgaon Gram Panchayats in Raigad District.

g. Distribution of Oxymeter and Thermal Thermometers in slum areas:

Your Company provided financial assistance to M/s. Shri Radha Foundation for purchase of Oxymeter and Thermal Thermometers for distribution in slum areas in Chembur for controlling covid cases. This will help to check people for likely symptoms such as fever and lack of oxygen so as to prevent spread of the corona virus from people with symptoms.

h. Treatment of OPD Patients:

Your Company provided financial Assistance to Sushrut Hospital for treatment of poor out door patients. Your Company is providing this facility for more than 15 years.

i. Women Empowerment:

Your company provided financial assistance to Asmita Mahila Mandal for distribution of mini flour mills and sewing machines to the underprivileged women of slums in Chembur. This will help these women to earn their livelihood and support their families.

j. Aspirational District (Osmanabad)

Government of India has issued guideline to CPSEs related to utilization of CSR funds in a focussed manner towards national priorities by adopting a theme based approach. As per the DPE guidelines common theme identified for the year 2020-21 was Health Care & Nutrition.

Your Company had selected Osmanabad which is one of the Aspirational district in Maharashtra. Your Company has implemented following schemes in Osmanabad.

1.) Financial Assistance to Grampanchyat Barul, Dist Osmanabad for procurement of Medical equipments for Primary Health Center.

2) Financial Assistance to PHC Rugn Kalyan Samiti, Bembli Tal & Dist Osmanabad for purchase of Medical Equipments

3) Financial support to Optimal Skills and Solutions Foundation (OSSF) to train graduating students in their final year to make them skilled manpower through suitable training programme. From this programme, OSSF will train total 100 selected students of 15 collages in Osmanabad District.

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 the Company.

The status of each and every actionable point is reviewed by Management on fortnight basis and by 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 March 23, 2012, notified the public procurement policy in respect of procurement of goods and services produced and provided by Micro and Small Enterprises and further amended vide Government of India Gazette Notification S.O. 5670(E) dated November 9, 2018.

The Public Procurement Policy for Micro and Small Enterprises (MSE) order, 2012 mandates the 20% of Annual procurement by Central Ministries/ Department and CPSEs from MSEs including 4% from MSEs owned by SC/ST entrepreneurs w.e.f. April 1, 2015.

With amendment in Public procurement policy for Micro & Small Enterprises (MSEs) order, 2012 vide GoI Gazette Notification S.O. 5670(E) dated November 9, 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 November 9, 2018.

Due to the very nature of operations of our Company, a portion of the procurement targets from MSEs could not be achieved in the year 2020-21.

With concerted efforts, in the year 2020-21, RCF has been able to achieve 32.69% procurement from MSEs and 0.71% of procurement from MSEs owned by SC/ST entrepreneurs out of total procurement of Goods and Services. The percentage of procurement from MSEs owned by women entrepreneurs was 0.84% out of total procurement. 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:

Sewage Treatment plant

Your Company is operating Two Sewage Treatment Plants (STP) 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 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 2020-21, about 7034.27 Million Litres of treated water was generated in 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, Trombay and Soil Testing labs with an aggregate capacity of 2.16 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 2020-21, 4446 MWh of solar power and 2172 number of Solar Renewable Energy Certificates (RECs) were generated.

Organic Fertilizer Plant

Setting-up an Organic Fertilizer plant at Trombay is under active consideration of your Company. The plant shall be using STP and ETP sludge and Gypsum, sourced in-house at Trombay unit. The proposed plant capacity is 10,000 MT per year on single shift operation. The project shall serve dual purpose of marketing organic fertilizer as per Government mandate as well as the disposal/management of STP & ETP sludge with the manufacturing of value added product giving clean environment.

VIGILANCE

Vigilance Department is headed by Shri Sameer Rastogi, Indian Forest Service, who holds the charge of Chief Vigilance Officer (CVO) of RCF. The CVO is assisted by a team of officers drawn from various functional departments and placed in Corporate Office at Mumbai and at 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. Your Company follows the ideology that "All officers are Vigilance Officers" and the same 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. The Vigilance Department has a complaint handling system and an online 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.

The Vigilance Department conducted the Vigilance Awareness Week from 27.10.2020 to 02.11.2020. The activities during the week were designed to spread Vigilance Awareness among young citizens and our external partners. Due to prevalent Covid -19 conditions, all the competitions were organized on e-platform for employees and stakeholders. Awareness for taking e-integrity pledge was spread through SMS, display of e-banner on intranet, email etc. A link for taking e-integrity pledge on CVC website was provided on RCF website for all the stakeholders. A webinar session on "Vigilant India – Prosperous India" was organized by CVO-RCF for Vigilance Study Circle, Mumbai. The session was attended by CVOs of various PSUs and PSBs, all Vigilance Officers and top Management Representatives of RCF. Badges were distributed to increase awareness and elicit active participation of all employees of RCF, CISF & Contractors working within the RCF campus. An online quiz competition was organized for RCF employees and stakeholders i.e. farmers & dealers. Various competitions were held for school and college students from Mumbai and Thal.

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 2020-21. The Auditors would be retiring at the conclusion of the Forty Third 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 2021-22 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 K. G. Goyal & Associates, Cost Accountants (FRN 000024), Jaipur as Cost Auditor to audit the cost accounts of the Company for the year 2021-22 on a remuneration of ₹ 2.50 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 K. G. Goyal & 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 2019-20 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 comprises of nine Directors, constituting of four Executive Directors (including the Chairman & Managing Director); two Nominee Directors (non-executive) and three 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 does not have the requisite number of Independent Directors on its Board.

b) An independent director of the Company vacated the office on account of completion of his term as Independent Director on March 7, 2020 and a new independent director was appointed on June 25, 2020. Regulation 25 (6) of the Listing Regulations and Section 149 read with Rule 4 of the Companies (Appointment and Qualifications of Directors), 2014, any intermittent vacancy of an independent director shall be filled-up by the Board at the earliest but not later than immediate next Board meeting or three months from the date of such vacancy, whichever is later. The Company has not complied with the requirement of appointment of a new independent director within three months from date of such vacancy.

Explanation on observations made by Secretarial Auditors para (a) & (b) above is as under:

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.

d. SECRETARIAL STANDARDS

During the year 2020-21, 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, 2021, 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, 2021 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 2019-20.

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 31.03.2021:

1. Shri S. C. Mudgerikar [DIN 03498847], Chairman & Managing Director
2. Shri Sudhir D. Panadare [DIN 07933191], Director (Technical)
3. Shri Umesh Dongre [DIN 08039073], Director (Finance) & CFO
4. Shri K. U. Thankachen [DIN 06946476], Director (Marketing)
5. Shri Jai Bhagwan Sharma [FCS 5030], Company Secretary

CHANGES IN THE BOARD OF DIRECTORS

Smt. Shashi Bala Bharti (DIN 08770477) has been appointed as an Independent Director of the Company w.e.f. June 25, 2020.

Ms Aparna S. Sharma (DIN 07798544) has been appointed as Govt. Nominee Director of the Company w.e.f. September 1, 2020.

Ms Gurveen Sidhu (DIN 08121526) ceased to be Government Nominee Director w.e.f. September 1, 2020.

Shri Sudhir D. Panadare, [DIN 07933191], ceases to be Director (Technical) on the Board on his superannuation on May 31, 2021 (Closure of Business hours).

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, Shri Umesh Dongre (DIN:08039073) and Ms Aparna S. Sharma (DIN 07798544), 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

Twelve (12) Board Meetings were held during the year. The details of the Board Meetings held during the financial year 2020-21 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 2020-21 as per regulation 17(10) 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 have any pecuniary relationships or transactions vis-à-vis the Company.

The details of the investment in equity made by the Company as on March 31, 2021 is as under:

		₹ Crore
1	FACT-RCF Building Products Limited	32.87 *
2	Urvarak Videsh Limited	0.18 *
3	Talchar Fertilizers Limited	535.18
	Total	**568.23**

* 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 Rs 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 first installment of ₹ 5.10 crore out of the total 5 installments in the month of December 2020 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, no complaint of Sexual Harassment of Women at Workplace was received by the internal complaints committee formed by your Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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 141 RTI applications out of which 134 has 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, 2021 is available on the Company's website on https://www.rcfltd.com/public/storage/investers/1632482206.pdf

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

During the year, your Company has allotted 5,000, 6.59% Rated, Listed, Secured, Redeemable, Non-Cumulative, Taxable, Non-Convertible Debentures (NCDs) of face value of ₹ 10,00,000/- (Rupees Ten Lakh only) each, aggregating to ₹ 500 crore (Rupees Five Hundred Crore only) on private placement basis for cash at par, in dematerialized form (ISIN: INE027A07012), through BSE Electronic Book Platform (EBP) on August 5, 2020.

The NCDs are for a tenure of Five 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.rcfltd.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: August 12, 2021

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, RCF, 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/cmspdfFile/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	Chairperson, Independent Director	3	3
2	Ms Alka Tiwari	Member, Govt. Nominee Director	3	1
3	Shri Umesh Dongre	Member, Director (Finance)	3	3

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/1622527449.pdf

CSR policy

https://www.rcfltd.com/public/storage/cmspages/cmspdfFile/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 2020-21. 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

Sr. 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 ₹)
	-	-	-

6. Average net profit of the company as per section 135(5): ₹ 17887 lakh

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 358.00 lakh

(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: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 358 lakh

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

Total Amount Spent for the Financial Year (in ₹ Lakh)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
421.72	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)	
Sr. 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 ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	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)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. 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.		Amount spent for the project (in ₹ Lakh)	Mode of implementation Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Registration Number
1	PM Care Fund	Health Care	Yes			50.00	No	PM Care Fund	-

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. 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.		Amount spent for the project (in ₹ Lakh)	Mode of implementation Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Registration Number
2	Supply of safe Drinking water to 7 villages nearby Thal Unit	Health Care	Yes	Maharashtra	Raigad	126.91	Yes	RCF	-
3	Financial Assistance for Medical Equipment for Civil Hospital, Alibag Dist. Raigad, Maharshtra.	Health Care	Yes	Maharashtra	Raigad	16.30	No	District Civil Hospital, Raigad	-
4	Fin. Assist. M/s. Shri Radha Foundation for purchase of Oxymeter and Thermal Thermometers for distribution in slum areas in Chembur for controlling covid cases	Health Care	Yes	Maharashtra	Mumbai	19.94	No	M/s. Shri Radha Foundation	-
5	Fin. Assist. M/s. Sadasmitha Foundation, Bengalaru for procurement of 3000 N-95 masks and 3000 hand sanitizer bottles	Health Care	Yes	Karnataka	Bengalaru	6.29	No.	M/s. Sadasmitha Foundation, Bengalaru	-
6	Provided Medical Equipments for Primary Health Centers under PHC Dhokwade, Tal Alibag	Health Care	Yes	Maharashtra	Raigad	15.76	yes	RCF	-
7	Financial Assistance for purchasing Medical Equipments to civil hospital Alibag	Health Care	Yes	Maharashtra	Raigad	74.69	No	District Civil Hospital, Alibag	-
8	Provided 2 Garbage Vans for Kurul & Navgaon Gram Panchayat , Raigad District	Health Care	Yes	Maharashtra	Raigad	11.31	Yes	RCF	-
9	Distribution of Medicated Mosquito Nets procured from HIL	Health Care	Yes	Maharashtra	Mumbai and Raigad	6.30	Yes	RCF	-
10	Financial Asst. Grampanchyat Barul, Dist Osmanbad for procurement of Medical equipents for Primary Health Center	Health Care	Yes	Maharashtra	Osmanabad	4.67	No	Grampanchyat Barul, Dist Osmanbad	-
11	Financial Assistance to PHC Rugn kalyan samiti , Bembli Tal & Dist Osmanabad for purchase of Medical Equipments	Health Care	Yes	Maharashtra	Osmanabad	6.21	No	Rugn kalyan samiti , Bembli Tal & Dist Osmanabad	-
12	Financial Assistance to Sushrut Hospital for treatment of poor out door patients.	Health Care	Yes	Maharashtra	Mumbai	5.00	No	Sushrut Hospital, Chembur	-
13	Finacial support to Central Railways for purchase of Medical Equipment for their Byculla Hospital	Health Care	Yes	Maharashtra	Mumbai	20.00	No	Central Railway	-
14	Free Distribution of Fertilizers and Sapling to farmers of villages nearby Thal	Rural Development	Yes	Maharashtra	Raigad	10.81	Yes	RCF	-
15	Repairing of local Road from Chondhi Naka to Kihim near Thal Unit	Rural Development	Yes	Maharashtra	Raigad	7.87	Yes	RCF	-

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. 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.		Amount spent for the project (in ₹ Lakh)	Mode of implementation Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Registration Number
16	Repairing of local Road from Thal Palthi to Navgaon creek near Thal Unit	Rural Development	Yes	Maharashtra	Raigad	17.04	Yes	RCF	-
17	Financial Assistance to Asmita Mahila Mandal for distribution of mini flour mills and sewing machines to the underprivileged women of slums in Chembur	Skill Development & livelihood	Yes	Maharashtra	Mumbai	4.00	No	Asmita Mahila Mandal, Chembur	-
18	Providing 15 No .of PCs and 8 no of printers along with 15 UPS to nearby schools of Thal unit	School Education	Yes	Maharashtra	Raigad	7.29	Yes	RCF	-
19	Financial Support to OSSF for conducting skill development programme in Osmanabad District under CSR.	Skill Development & livelihood	Yes	Maharashtra	Osmanabad	11.33	No	OSSF , Hyderabad	-
	Total					**421.72**			

(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) ₹ 421.72 lakh

(g) Excess amount for set off, if any

Sr. No.	Particulars	Amount (in ₹) lakh
(i)	Two percent of average net profit of the company as per section 135(5)	358.00
(ii)	Total amount spent for the Financial Year	421.72
(iii)	Excess amount spent for the financial year [(ii)-(i)]	63.72
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	63.72

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

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the Reporting Financial Year (in ₹).	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 ₹)
				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)
Sr. No.	Project ID	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing.
-	-	-	-	-	-	-	-	-

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).

(a) Date of creation or acquisition of the capital asset(s): None

(b) Amount of CSR spent for creation or acquisition of capital asset: Nil

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : Not Applicable

(d) 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

Sd/-
S. C. Mudgerikar
Chairman & Managing Director

Sd/-
Prof. Anil Kumar Singh
Chairperson – CSR Committee

Dated: June 23, 2021
Place : Mumbai

ANNEXURE – II

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW OF THE ECONOMY

Indian economy had started recovering from the shocks of 1st wave of COVID-19 pandemic which resulted in estimated negative growth of about 8% for the year 2020-21.

Fertilizer and agriculture sectors provided much needed strength to Indian economy during the 1st wave of COVID 19. As per the second advance estimates of national income 2020-21, agriculture and allied sector registered a positive growth of 3% during 2020-21 over the previous year. Apart from normal monsoon for the second consecutive year, growth in agriculture was also supported by slew of measures by the central and state governments to facilitate uninterrupted agricultural activities throughout the country. These included exemption of agriculture related activities from COVID linked lockdown, enhanced credit availability, higher level of procurement and financial support through number of other programmes under Atma Nirbhar Bharat.

INDUSTRY STRUCTURE AND DEVELOPMENT

Overall fertilizers production has increased by 1.82 % during financial year 2021 as against financial year 2019-20. The country witnessed an on-time arrival of Southwest monsoon, followed by a quick spread across the region which has resulted in higher sowing thus augmenting the sales of fertilizers which has led to an increase in production. Increase in production can also be ascribed to restocking activities undertaken by the manufacturers in order to keep up with the sharp increase in fertilizer sales witnessed during the year. Imports have increased sharply by 14.29% due to increase in demand.

Production of urea increased by 0.60% during the financial year 2020-21 as against 2019-20 due to favourable weather and market conditions. Urea is largely sourced domestically however, high demand necessitated imports which rose sharply by 7.72% to supplement the domestic production.

DAP production fell by 17.05% during financial year 2020-21 as against financial year 2019-20. Decline in production can be attributed to the shortage of raw material availability and increase in prices of inputs. Imports on the other hand have risen by 2.13% in financial year 2020-21 as against financial year 2019-20.

MOP imports have increased sharply by 23.09% during financial year 2020-21 as against financial year 2019-20. 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.

NPK imports have increased sharply by 102.13% during financial year 2020-21 as against financial year 2019-20.

The production of SSP which is an indigenous phosphatic multi-nutrient fertilizer increased sharply by 16.04 % during financial year 2020-21 as against financial year 2019-20. SSP is a cheaper alternative to DAP.

Overall sales of fertilizers have increased by 7.09% during financial year 2020-21 as against financial year 2019-20. Sales of Urea, DAP, NPKS and MOP have increased by 4.55%, 2.13%, 16.84% and 19.06% respectively during financial year 2020-21 as against financial year 2019-20. Initially at the start of FY21, additional buying by farmers and dealers. The momentum in sales has been sustained due to a favourable monsoon season, which has led to good crop sowing.

Technically the overall subsidy has increased by 11.5% from its financial year (FY) 21 Budget Estimate (BE) amount. Though it seems like the amount has fallen by 40.6%, the FY21 Revenue Estimate (RE) figure also includes the additional ₹ 65,000 crore announced by the Hon'ble Finance Minister of India in November 2020. The Finance Minister had announced a ₹ 65,000 crore fertilizer subsidy for farmers as part of her stimulus package (Atmanirbhar III). The allocated amount is being provided to ensure adequate availability of fertilisers to farmers and to enable timely accessibility of fertilisers in the upcoming crop season.

Fertilizer sector is intimately tied up with agriculture and witnessed positive growth in 2020-21. Government facilitated uninterrupted production, movement and sale of fertilizers throughout the crisis period. Fertilizer sector also got additional allocation of ₹ 65,000 crores as one-time package to clear the long pending subsidy dues of the fertilizer industry. This helped in improving the industry's liquidity position. This in turn enabled industry to maintain production of fertilizers.

Apart from providing fertilizers, the domestic fertilizer industry also extended all possible help and support to the country in fighting COVID crisis including contribution to PM Care Fund, providing direct help to the citizens affected by COVID and lockdown. Many of the fertilizer companies are setting up plants for medical grade oxygen to tide over the present oxygen crisis in the country. The fertilizer industry is fully committed to work with the government in these difficult times.

While availability of fertilizers is likely to be adequate, the rising international prices of fertilizers and raw materials, and consequently significant increase in cost of fertilizers, will pose a challenge for minimizing impact on farmers. With 5 new urea plants coming into production, our dependence on import will be first reduced and then will be completely eliminated. The MRP of urea is controlled by the government. Hence, any increase in prices of natural gas may not reflect on MRP of urea. But, subsidy burden of the government may increase. However, due to lack of natural resources, our import dependence for P & K fertilizers will continue in foreseeable future. Under NBS policy, the subsidy for P & K fertilizers is fixed at uniform levels by the government and MRP is allowed to be fixed by industry at reasonable levels to ensure that the subsidy is passed on to the farmers. Hence, any significant increase in cost of P & K fertilizers will either need increase in subsidy by the government or increase in MRP for the farmers.

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, and Sujala 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) Owing to the large subsidy backlog as well as shifting of subsidy realization from point of dispatch to point of retail sale and implementation of DBT have adverse impact on the working capital cycle of the fertilizer industry in the near term.

vi) 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 saving projects like Trombay Ammonia-V plant revamp, GTG-HRSG project at Trombay, VFD for

HP Ammonia feed pump at Thal, etc., are planned for completion within next 2 year. This will have positive impact on the profitability 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

Rural demand and markets have been buoyed and are very promising despite the coronavirus pandemic and macroeconomic uncertainty. This has translated in improving the underlying macros for the Indian fertilizer industry. Agricultural operations have been well placed and supported by a bumper Rabi harvest and good monsoon during the Kharif season. With surplus reservoirs levels, record high kharif crop sowing and plentiful rainfall during the monsoon season, demand for the procurement of fertilizers has been promising till date.

Going forward with the increase in liquidity of farmers and good moisture level in the soil we expect a very good Rabi season. Keeping this in mind, the demand outlook for fertilizers for the rest of FY22 seems positive.

With the forecast of normal monsoons and the rollout of COVID vaccination program in the coming months, we expect the economic activities to normalize during FY22. Currently, IMD is forecasting a normal monsoon, This will lead to the acreage being favourable as well. So from that standpoint, we should see the consumption and the growth in demand to continue.

With lowering of the debt and the associated interest costs, the cash generation and the credit profile of the industry would improve substantially. For financial year 2021-22, profitability is expected to remain healthy for the industry, given the expectations of a normal monsoon for the upcoming kharif season. Additionally, the agri-economy has witnessed strong performance in FY21 with healthy farm incomes, and we expect the benefit of the current year to rub off on the next fiscal as well.

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

Your 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 is now outsourced for 3 years i.e. FY 2020-21, 2021-22 and 2022-23 and the entire audit area of your Company is divided between two Audit firms of Chartered Accountants. M/s Pipara & Co. LLP, Chartered Accountants & M/s. AMAA & Associates, Chartered Accountants, Internal Auditors has been appointed as Internal Auditors of the Company.

Internal Audit Department is headed by technical person having wide experience in technical field with good administration and interpersonal skill in the rank of Deputy 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 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee has constituted and formulated the Scope, Functioning, Periodicity and Methodology for conducting the Internal Audit and informed to the Board of Directors. The adequacy & 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 was 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 22.50 LMT of Urea compared to 23.48 LMT produced during the previous year. Your Company has also produced 5.37 LMT of Suphala 15:15:15 as compared to 5.71 LMT produced during the previous year. In terms of Nutrients, your Company has produced 11.16 LMT of "N", 0.81 LMT of "P_2O_5" and 0.81 LMT of "K_2O" as compared to 11.66 LMT of "N", 0.86 LMT of "P_2O_5" and 0.86 LMT of "K_2O" respectively during the previous year.

In addition to above, your Company has produced 121.150 KL of Biola, 303.416 KL of Microla and 5390 MT of Sujala as compared to 106.20 KL of Biola, 237.98 KL of Microla and 3956 MT of Sujala respectively during the previous year. During the year, your Company has produced 1.75 KL of Organic Growth Stimulant and 7.40 KL of Water pH balancer.

Industrial Products

Your Company produces industrial chemicals at its both units. During the year, your Company produced approx. 4.28 lakh MT of various major industrial chemical products as against approx. 1.71 lakh MT during the previous year. Your Company produces, amongst others, Conc. Nitric Acid, Sodium Nitrate / Nitrite, Methylamines, Dimethyl Formamide, Formic Acid, Argon, AN Melt 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 its Thal unit and from 1st October, 2020 of its 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".

Consequent to Notification No.12012/3/2010-FPP dated 30th March, 2020 issued by DoF for determination of fixed cost for urea units, company has recognized subsidy on account of revision in fixed cost as per modified NPS-III during the year.

The year witnessed a steep increase in the pool price of Gas for Urea. Though IPP of Urea also increased, it was not proportional to the increase in the cost of gas. Compensation for production beyond BRAC was not increased suitably by increasing the component of other incidental charges (Central Government levies) impacting economics of the said production.

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. Further the issue of gas allocation and retrospective recovery towards use of cheap Domestic gas for manufacture of P&K fertilizers and chemicals remains unresolved. The said matter has been referred to an Inter-Ministerial Committee for resolution. Company has represented that such action is discriminatory in nature and not in the spirit of the policy and expects a favourable response. Consequent to Gas Pooling being made applicable to Urea, Company has also sought that pooled price be made applicable even to its non-urea operations for the year 2015-16. From May, 2016, the Company has been using market determined RLNG for non-urea operations.

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 in targeted disbursement of subsidy. However since availability of stocks all over the year needs to be ensured, it is straining the working capital of fertilizer companies as erstwhile they were being compensated based on receipted dispatches. Further DBT subsidy settlement has been delayed due to exhaustion of Government Budget allocated towards Fertilizer Subsidy leading to higher Working Capital and increased finance costs.

Impact of Government policies on IPD marketing

Government has liberalized import of chemicals to meet the ever increasing consumption level of chemicals in almost all sectors of the economy. International manufacturers are having huge production capacities thus benefiting from the economies of scale, making available their products at a cheaper rate compared to domestic manufacturers which has put strain on producing products like Methanol, DMAc, DMF, Formic Acide. As a result our producing plants like Methylamines Trombay, DMAC, Thal, DMF, Thal were shut down due to unviability since more than a year. Cheaper imports & our high cost of production has made Sodium Nitrite/Nitrate difficult to run. However to safeguard interest of domestic manufacturers the Government has also imposed anti dumping duty on imports of Sodium Nitrate/Nitrite, DMAc and Ammonium Nitrate. (Lock down due to Covid-19 have also affected the sale in second fortnight of March 21).

DISCUSSON ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Review of the financial performance

During the year, your Company achieved Revenue from Operations of ₹ 8281.18 crore as against ₹ 9697.95 crore in previous year (PY). Despite Revenue from operations being lower, on account of lower gas prices resulting in lower subsidies of Urea, Company achieved a record revenue of ₹ 1138.48 crore during the year from its industrial chemicals segment which is highest ever since inception. Your Company has reported the highest ever Profit Before Tax (PBT) of ₹ 516.17 crore for the year 2020-21 as compared to ₹ 202.93 crore for the previous year registering a growth of more than 154%. The previous highest PBT was ₹ 509.63 crore in the year 2014-15. Profit after tax for financial year 2020-21 surged to ₹ 373.11 crore from ₹ 208.15 crore in previous year registering an increase of 79.25%, as the Company gained from improved energy efficiencies, improved productivity, better margins of industrial chemicals and reduction in finance cost.

Owing to settlement of back log of subsidy claims under special budget allocation by Government of India in the last quarter of the year, there has been a substantial reduction in subsidy receivables and receivables on urea imports on account of Government. This resulted in reduction in short term borrowings and subsequent reduction in finance cost by 24.49% y-o-y to ₹ 179.57 Crore from ₹ 237.82 Crore.

Your Company achieved fertilizer sales volume of 31.35 lakh MT during 2020-21 as compared to 33.01 lakh MT during the previous year. The Total sale of manufactured fertilizers during 2020-21 was 28.05 lakh MT as against 29.65 lakh MT during the previous year. Sales of manufactured fertilizers registered decrease of 5.41 % over previous year owing to some impact of Covid 19 on plant operations during initial period at first wave which severely affected mumbai & surrounding areas where our plants are located.

Your Company produced 27.87 lakh MT of fertilizers (22.50 lakh MT of Urea & 5.37 lakh MT of Suphala 15:15:15) during the year as against 29.19 lakh MT of fertilizers (23.48 lakh MT of Urea & 5.71 lakh MT of Suphala15:15:15) produced during the previous year.

Energy Consumption

The energy consumption achieved during the year ended March 31, 2021 as compared to the previous year ending March 31, 2020 is given below:

(In GCal/MT)

Plant	For the year 2020-21	For the year 2019-20
Ammonia Trombay-V	8.788	9.277
Ammonia Thal	8.338	8.512
Urea Thal	5.860	5.987
Urea Trombay	6.653	7.117

Specific Energy Consumptions of Ammonia and Urea plants at Trombay and Thal Unit have improved mainly on account of implementation of various energy saving schemes.

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

Training and Development

Your Company's 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 increase productivity, motivate employees & improve overall organizational culture. Continuously adopting to innovative Learning & Development techniques are aligned to business objective for enhancing employee competencies, skills sets, engagement & empowering them.

The Strategic Role of HRD at RCF

A) To Build & 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 :

Mahatma Gandhiji learnings - Vigilance Awareness Week celebration - Yoga Day Celebrations - Indian Constitution Day: Constitutions Values and Fundamental Principles of the Indian Constitution - Swami Vivekananda Ji's work and Thoughts - Inspiration for Youth/ Workforce".

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

Every position in the organisation is of immense importance. Understanding the role they are expected to perform requires grooming and updation of skills, knowledge and attitude. At RCF, we execute Learning initiatives based on the position.

- **Role Clarity Programs** for promoted senior executives on "Leadership Excellence" & Managerial Effectiveness for middle executives
- **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.
- Workforce Productivity Enhancement for Business Growth" was organized for Frontline Workplace Leaders (Non-Officers).

C) Develop People Capabilities

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

- **Specialized Programmes**
  - Advanced Contract Drafting, Management & Dispute Resolution
  - Cost Consciousness & Cost Optimization
- **Cross-functional Learning opportunity**
  - "Purchase for Non-Purchase"
  - "Preventive Vigilance & Vigilance Aspects in Commercial procedures":
- 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 virtual/online trainings.

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

- On-Line Vigilance integrity pledge
- On-Line Covid-19 Appropriate Behavior Pledge.
- On-Line Gender Sensitization certification
- On-Line Lectures
- Induction training including organisational and Functional inputs.
- **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

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

- Life Skills Programme, Retirement Planning & Financial Planning for superannuating employees, Financial planning for all age groups, English Speaking, Writing, Drafting programmes.
- **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 19 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 were a morale booster for employees
  - Initiated contact to reach remote workers to connect with Marketing staff through HRD Aapke Dwar at Marketing offices covering Nasik & Pune.
- **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
- UN's guidelines on access to social justice for people with disabilities.
- E- Learning: uploaded various videos related to Helpline Numbers for Assistance/Emotional Support during Pandemic due to Severe Illness/ Psychological problems to Employees & family members suffering from Mental Health disorder were shared with all employees
- Shared inputs with Managers & above on various Professional Books, Documentaries, Business Magazines, Subscriptions to, Industry Data sources & Global trends and other important tips which will be useful for their overall development to grow at their personal front and professional level.
- 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

- MOU signing with Management Institutes.
- Blended 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.
- 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.
- Launching the first ever hashtag campaign in the organization i.e. **#EachForEqual**

I) Women Empowerment Initiatives

- "Breakthrough Leadership Programme" which focused on Leadership Skills and overcoming fear by performing certain activities.

- **Women mentoring**

  CMDC has made a Bank of Women Employee Mentors (Sr. Manager & above) who are ready to perform the role of a Mentor who will coach, guide, and direct the 30 Mentee from Trombay & Thal Unit (women employees from our organization up to the age of 33 years only) in their professional and personal growth for a period of one year.

- **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.**

J) On-Line/ E- Learning Courses

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

- RCF Product Knowledge"-with emphasis on R & D (Bio-Agro) product was organized for our Marketing field force related with our product range from R & D

- Management Development Programme on "Leadership & Business Acumen" for Marketing personnel's. MDP focused on understanding & assessing the current business realities of our 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 our Dealers & Farmers with farming inputs

CMDC launched **"Kisan Care"** link on RCF Internet www.rcfltd.com 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,

Courses and informative webinars especially of e-skill India

- Webinar on overview of Digital Skills titled, **"Emerging Advanced Digital** skill Technology Adoption for RCF Business - Digital Learning Initiative" for employees.

- Digital Skills- Free Access to Learning Resources

  To insulate creativity and productivity of employees, CMDC identified online courses offered under e-skill India. The digital learning platform of the National Skill Development Corporation, e Skill India provides a platform for skill seekers to learn. CMDC has facilitated a learning platform for employees where they can search the courses by registering under NSDC's e-Skill India portal.

M) 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. Developed a link and uploaded on our 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 2845 employees comprising 1393 Officers and 1452 non-officers, as on March 31, 2021 compared to 3021 employees (1483 officers and 1538 non-officers) as on the corresponding date of the previous year.

During the year, 108 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 check up 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 abides 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 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 act 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. But 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 and Person with Benchmark Disability are followed by your company. As on March 31, 2021, your Company has on its rolls, 425 employees belonging to Schedule Caste, 211 belonging to Scheduled Tribe and 528 Other Backward Classes, EWS & PWD.

Your company is committed to the welfare of the backward classes in general and SC/ST employees in particular. Regular meetings are held with SC/ST Employees Welfare Association to address grievances, if any, and for providing guidance for development.

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 ₹ 10,000/- each to 110 students in drought prone districts who are from 6th Standard to 10th standards. The scheme will cover 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. But this year activities are suspended due to Covid-19, restrictions.

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

Providing transport services: While re-starting of the plant operations, it was observed that a significant number of technical staff was staying outside Chembur and at far off places. It was essential to bring these employees for the safe and continuous operations of the Trombay Unit, transportation was made available free of cost.

PPE's to employees, Mathadi's, Contract Labours, CISF: All the essential PPE's required to be worn like Mask, Gloves and soaps were procured and were given to them. Sanitisers were also procured from the market to be used as hand rub.

Catering Services: The employees / contract labours who were staying in the factory premises were served lunch/ dinner and Tea/Snacks/Breakfast. Food coupons were distributed. The food services were continued during lock down period.

Catering Services at JET Hostel: Employees or their family members affected by the COVID 19 were provided quarantine facilities at JET Hostel rooms. They were provided lunch/ dinner/tea/breakfast for the quarantined period they stayed.

Lodging Services at Training Centre: Arrangement was done for the stay of the employees who are staying outside in Gangadhar Deshmukh Hall till 15.04.2020. The arrangement which was done in GD Hall was later shifted to Training Centre due to space constraints and to cater to more employees. Similar steps were also taken for stay of Contract (Special Job) labours/ mathadi labours.

Sanitising of Factory, Colony, CISF Barracks: Regularly at specific time interval sanitizing of RCF premises such as Administrative Building, Priyadarshini Building, RCF Trombay Plant area, RCF Residential Colony area, RCF Hospital and CISF complex, etc., with disinfectant was done. Regular sanitizing is also being carried out of all the control rooms, welfare blocks, offices of Administrative and Priyadarshini Building.

PPE's for Hospital staff: RCF Hospital staffs being the frontline warriors' in fight against Covid-19 were provided with specific PPE Kit.

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

Quarantine Facility: a) RCF have 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 patient's among RCF employees to provide stay for high risk untested contacts and for Asymptomatic individuals. b) One more facility consisting of 32 rooms was facilitating to be used as quarantine facility jointly with BPCL under the care of Shiv Hospital.

Procurement of Sneeze Guards: Acrylic Mirror sheets were procured and provided at offices spaces working table, canteen tables and conference halls tables.

Creating Awareness of Covid-19 Pandemic: As per Govt., guidelines, posters, banners were displayed on COVID related social behavior norms such as wearing mask, social distancing and hand washing/ sanitizing at offices, Plants, Township and Hospitals. These posters/ banners have been installed at various locations in factory and township.

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.

2 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 our 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 in your organization, 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 to Male Employees.

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

Sr. No.	Particulars	2020-21	2019-20 (regrouped)	% Change	Reasons
1	Debtors Turnover (Days)	63.89	171.29	-62.70	Reduction in subsidy receivables from GOI.
2	Inventory Turnover	15.54	12.11	28.27	Increase in Trading inventory with decrease in Revenue from operations on account of low pool gas rate
3	Interest Coverage Ratio	4.82	2.99	61.03	Decrease in Loans due to repayment / low Working capital and low interest rates
4	Current Ratio	1.65	1.24	32.50	Decrease in Short term borrowings and Decrease in Trade Receivables and subsidy receivables from GOI
5	Debt Equity Ratio (Long Term Borrowings incl Current Maturities)	0.37	0.23	59.54	Long term loans taken for meeting capex
6	Operating Profit Margin (%)	8.34	5.58	49.61	Better Energy Efficiencies, margins of Complex Fertilizer & Industrial Chemicals ,Traded products, Reduced Finance Cost
7	Net Profit Margin (%)	4.51	2.15	109.92	
8	Change in return on Net Worth	11.18	6.53	71.08	

Ratio at 3 = EBIDTA / FINANCE COSTS

Ratio at 6 have been calculated excluding exceptional item (Income) of ₹ 4.71 crore for 2020-21 -20 (₹ 100.17 crore Expense in 2019-20).

DISCLOSURE OF ACCOUNTING TREATMENT

The financial statement for the year ended March 31, 2021 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.

Annexure III

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021

[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, 2021** 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, 2021 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'):-

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

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

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018#**;**

   d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014#;

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

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

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009#; and

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018#;

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

vi. 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:

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

ii. 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 subject to the following Observations –

a) The Board of Directors comprises of nine Directors, constituting of four Executive Directors (including the Chairman & Managing Director); two Nominee Directors (non-executive) and three 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 does not have the requisite number of Independent Directors on its Board.

b) An independent director of the Company vacated the office on account of completion of his term as Independent Director on March 7, 2020 and a new independent director was appointed on June 25, 2020. Regulation 25 (6) of the Listing Regulations and Section 149 read with Rule 4 of the Companies (Appointment and Qualifications of Directors), 2014, any intermittent vacancy of an independent director shall be filled-up by the Board at the earliest but not later than immediate next Board meeting or three months from the date of such vacancy, whichever is later. The Company has not complied with the requirement of appointment of a new independent director within three months from date of such vacancy.

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) During the audit period, the Company has allotted 5,000, 6.59% Rated, Listed, Secured, Redeemable, Non-Cumulative, Taxable, Non-Convertible Bonds in the nature of Debentures amounting to ₹ 500 Crore on private placement basis

b) Members' approval has been obtained at the 42nd Annual General Meeting held on December 30, 2020, by way of special resolution(s) inter alia for:

I. Approval for increasing the Borrowing Powers of the Company from ₹ 10,000 Crore to ₹ 12,500 Crore pursuant to Section 180(1)(c) of the Companies Act, 2013.

II. Approval for creation of charge/ mortgage/ pledge/ hypothecation, in addition to charge/ mortgage/ pledge/ hypothecation, on all or any of the moveable and/or immoveable properties, tangible and/or intangible assets of the Company pursuant to Section 180(1)(a) of the Companies Act, 2013.

III. Approval for raising of capital by way of issuance of secured non-convertible debentures (NCDs) up to an amount of ₹ 1,000 Crore by way of Private Placement Issue.

For **Bhandari & Associates**
Company Secretaries

S. N. Bhandari
Partner
FCS No: 761; C P No. : 366
ICSI UDIN: F000761C000772147

Mumbai | August 12, 2021

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, 2021 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. Where ever 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

S. N. Bhandari
Partner
FCS No: 761; C P No. : 366
ICSI UDIN: F000761C000772147

Mumbai | August 12, 2021

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 2020-21 which has resulted in significant reduction in the energy consumption

(i) STEPS TAKEN FOR CONSERVATION OF ENERGY TROMBAY UNIT

➢ **Ammonia-V Plant**

- 52 nos. of steam traps and its isolation valves replaced.
- HT CO shift catalyst replaced. Pressure drop across converter decreased from 1.60 to 0.14 kg/cm2 resulting in increase in internal HP steam production.
- 70W Metal Halide fitting with 45 W LED fittings replaced
- Overhauling of process and ammonia gas flare unit ignition system. This has helped in reliability improvement in flare pilot burners lighting up process and loss of fuel gas due to faulty orientation of fuel to pilot burner and FFG line.
- PAC LP barrel 2nd stage diaphragm replaced.

➢ **Urea Plant**

- Successful completion of Urea Casale revamp.
- Conversion of Treated waste water from waste water section to Boiler Feed Water.
- URACA make High Pressure Carbamate Pumps commissioned.

➢ **STP Plant**

- Successful transfer of Product water from STP-1 to STP-2 Final storage tank without using the pumps and only by gravity during STP-1 FST repair job

THAL UNIT

➢ **Urea Plant**

- Replacement of Ammonia Pump (P-1) Torque converters with VFD in Urea plant

➢ **SGP Plant**

- Installation of VFD for portable water pump No.3

➢ **OTHERS**

- 10 KWp Solar power generation facility was installed on water reservoir no.4.in the month of March'21.
- Solar Pipe light have been installed at new training hall near Administrative building in the month of Nov'20. Expected annual saving is 803 KWH.
- 10 Motion sensors were installed in Admin building walkways in the month of Feb'21.
- 10 Nos. energy efficient (Star rated) 1.5TR Window ACs replaced in the plant in the month of March'21.

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

- Replacement of Ammonia Pump (P-1) Torque converters with VFD in Urea plant, Five VFDs out of nine have been installed. The estimated cost for remaining 4 pumps is ₹ 1.79 Crore and expected energy saving to be 0.0014 Gcal/MT of Urea. Completion is expected by August 2021.
- Replacement of existing Carbamate ejector(EJ-1) to reactor with high capacity ejector in Urea-11 & 21 at an estimated cost of ₹ 2.52 Crore Energy saving is expected to be 0.004 Gcal/MT of Urea. Completion is expected by October 2021.
- Installation of a new motor driven N2 compressor in Argon Plant to stop existing steam driven N2 compressor to save energy at an estimated cost of ₹ 19.41 Crore. Expected energy saving is 116 Gcal/Day. Completion is expected by Feb'22.

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

THAL UNIT

- 10 KWp Solar power generation facility was installed on water reservoir no.4. in the month of March'21.
- Solar Pipe light installed in the month of Nov'20 at new training hall near ADM building.
- Total solar power capacity as on today is 1790 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 ₹ 94.51 Crore on energy conservation equipment.

B. TECHNOLOGY ABSORPTION

I. Major efforts made towards technology absorption

Nil

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

Nil

III. 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

Sl No.	Particulars	Amount (₹ in Crore)
1.	Capital	0.05
2.	Recurring	2.48
3.	Total	2.53
4.	Total R &D expenditure as a percentage of total turnover	0.03%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Sl No.	Particulars	Amount (₹ in Crore)
i.	Total foreign exchange earned	0.34
ii.	Total foreign exchange used	1065.59

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: **L24110MH1978GOI020185**.
2. Name of the Company: **M/s. Rashtriya Chemicals and Fertilizers Limited**
3. Registered address: **"Priyadarshini", Eastern Express Highway, Sion, Mumbai- 400 022.**
4. Website: **www.rcfltd.com**
5. E-mail id: **investorcommunications@rcfltd.com**
6. Financial Year reported: **April 1, 2020 to March 31, 2021**
7. 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

8. **List three key products/services that the Company manufacturers/provides (as in the balance sheet):**

   i) Urea;

   ii) Complex Fertilizers; and

   iii) Industrial Chemicals

9. **Total number of locations where business activity is undertaken by the Company**

   a) Number of International Locations (Provide details of major 5): Nil

   b) Number of National Locations:

   Plant manufacturing facilities 2

   Administrative offices 2

   c) Regional Offices in India 28

10. **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)	₹ 8413.83 Crore
3	Total profit after taxes 2020-21 (INR)	₹ 373.11 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 ₹ 4.22 Crore including ₹ 0.64 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	i) Education ii) Promoting health care iii) Sanitation iv) Promoting rural sports v) Eradicating malnutrition by providing quality food in school vi) Livelihood enhancement project vii) Supply of drinking water to villages

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies?**

   The Company does not have any subsidiary.

2. **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

3. **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

1. **Details of Director/Directors responsible for BR**

a. Details of the Director/Director responsible for implementation of the BR policy/policies

- DIN Number : 07933191
- Name – Shri Sudhir D. Panadare
- Designation –Director (Technical)
- Details of the BR head

S.No.	Particulars	Details
1.	DIN Number (if applicable)	08715250
2.	Name	Shri M. M. Deo
3.	Designation	ED (P & PD)
4.	Telephone number	022 2552 3071
5.	e-mail id	mmdeo@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

<table>
<tr><th>Sr. No.</th><th>Questions</th><th>P1</th><th>P2</th><th>P3</th><th>P4</th><th>P5</th><th>P6</th><th>P7</th><th>P8</th><th>P9</th></tr>
<tr><td rowspan="2">6.</td><td rowspan="2">Indicate the link for the policy to be viewed online?</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td colspan="9">The following policies relevant to external stakeholders are hosted on RCF website- www.rcfltd.com, under heading: About us, sub heading : Policies
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</td></tr>
<tr><td>7.</td><td>Has the policy been formally communicated to all relevant internal and external stakeholders?</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td>8.</td><td>Does the company have in-house structure to implement the policy/policies</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td>9.</td><td>Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td>10.</td><td>Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?</td><td colspan="9">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.</td></tr>
</table>

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	N.A.								
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 2020-21.

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

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.

2. **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 2020-21:

Stakeholder	No. of Complaint received	No. of Complaint resolved	% Resolved
Shareholder's Complaints	6	6	100
Customers/Consumers	19	19	100
Related to services, tenders and through Public Grievance Redressal	67	67	100
Vigilance	63*	54*	85.70
RTI	141	134	95.04
Workers Grievance	1	1	100.00

*** 28 complaints pending against last years were resolved.**

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 Sillicon 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, Nitrogen efficiency of Urea Plant improved to 96.21% during current year as compared to 95.95% during last year. Nitrogen efficiency of Suphala Plant improved to 94.67% during current year as compared to 94.56% during last year. Whereas, Phosphate (P_2O_5) and Potash (K_2O) efficiency of Suphala Plant improved to 98.24% and 98.28% during current year as compared to 98.09% and 98.19% during last year respectively.

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

Farmers in almost all the states purchase 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. Your Company undertakes Method/Product demonstration of agriculture plots for use of company fertilizers in vegetables, Sugar cane, Cotton & Fruit crops etc. During 2020-21 company had undertaken Live Field Demonstrations in 299 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 has reduced to approximately 50% with enhanced yield of crops.

Your Company has developed specialty fertilizers for drip and foliar application. 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 SHE 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 neutrient 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 aroung 5000 cubic meter consumption of fresh water. Project completion is expected in next 2 years. 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 31.03.2021 is 2845.

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 31.03.2021 is 733

3. **Please indicate the Number of permanent women employees:**

   The total number of **permanent women** employees as on 31.03.2021 is 207.

4. **Please indicate the Number of permanent employees with disabilities:**

   The total number of employees with disabilities as on 31.03.2021 is 41.

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 30.45 % 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	Nil	Nil
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 Em-ployees	Employees Trained		% Employees Trained	
			Safety	Skill Upgra-dation	Safety	Skill Upgra-dation
1	Permanent Employees	2845	2086	1129	73.32	39.68
2	Permanent Women Employees	207	76	128	36.71	61.84
3	**Casual/ Temporary/ Contractual Employees**	733	727	*	99.18	*
4	Employees with Disabilities	41	13	15	31.70	36.58

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 2020-21. 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, 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.

   In Trombay unit, Casale project of Urea plant is implemented in Dec'20 as energy reduction schemes. Due to this, the specific energy of Urea is reduced by 0.19 GCal/MT. Also quality of waste water generated in Urea plant is improved to Boiler Feed Water grade and subsequently effluent generation is reduced by 28-30 M^3/Hr. GTG-HRSG is under commissioning.

   Thal unit has already made both its GTG-HRSG units 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 2020-21, about 70,34,266 M^3 of treated water generated at our two Sewage Treatment Plants.

   ii) **Renewable Energy:**

   - During the year 2020-21, at both the units of RCF about 4,446 MWh of Solar Power was generated. During 2020-21, 2172 Solar Renewable Energy Certificates (RECs) were generated at RCF Trombay Unit.

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

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

   - 2 x 25 MW Gas Turbine Generator (GTG) with Heat Recovery Steam Generator (HRSG) project for energy saving is commissioned at Thal Unit.
   - Installation of Vortex mixer and conversion booster in Urea Reactor at Thal Unit.
   - Revamp of CO_2 Compressor and Turbine at RCF Thal unit.
   - Revamp of Urea-V plant through M/s Casale for energy saving.
   - Vapour Absorption Machine (VAM) for Process Air Compressor at Thal Unit
   - Vapour Absorption Machine (VAM) for CO_2 Compressor at Thal Unit
   - Vapour Absorption Machine (VAM) for Process Air Compressor (PAC) and CO_2 compressors at Trombay.
   - Ammonia V PAC & CO_2 compressor internals & turbine replacement at Trombay.

   RCF is in process of implementing following energy saving scheme:

   - Gas Turbine Generator (GTG) with Heat Recovery Steam Generator (HRSG) project for energy saving is under implementation at Trombay Unit.
   - Revamp of Ammonia-V plant through M/s KBR for energy saving.
   - VFD for High Pressure Ammonia Feed Pump at Thal 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 2020-21 is ₹ 4.22 Crore including ₹ 0.64 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 2020-21. 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 (rcfltd.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 Strawberry and Vegetables which are made available on RCF's social media handle @rcfkisanmanch for use by farmers.
- RCF has produced videos on COVID-19 to generate awareness.
- RCF organized Rural Sports & Veterinary Camps.
- RCF organized Virtual Meetings with farmers under the Programme **"Azadi Ka Amrut Mahotsav - Atmanirbhar Bharat"**
- RCF operates Toll Free help line number (1800-22–3044) for farmers.
- RCF operates Customer Care Service (022-25523044) for farmers.
- RCF has organised **"Krushi Samrudhichi Gurukilli"** programme on Sahyadri DD channel for farmers education.

In addition to the above RCF has established 115 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 31.03.2021, the Board comprises Nine Directors out of which Four are Executive Directors including Chairman & Managing Director, two Government Nominee Directors and three 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 2020-21, 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, 12 [Twelve] meetings were held by the Board viz. on May 8, 2020, May 29, 2020, July 29, 2020, August 11, 2020, September 11, 2020, October 9, 2020, November 10, 2020, November 19, 2020, December 16, 2020, January 15, 2021, February 5, 2021 & February 10, 2021.

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 2020-21	Number of Board Meetings attended in the financial year 2020-21	Whether attended last AGM(held on December, 30, 2020)	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	
A. **EXECUTIVE DIRECTORS**									
Shri S. C. Mudgerikar (DIN: 03498837)	Chairman & Managing Director	12	12	Yes	-	2	-	-	1. The Fertiliser Association of India 2. Indian Potash Limited
Shri Sudhir D. Panadare (DIN: 07933191)	Director (Technical)	12	12	Yes	-	-	-	-	-
Shri Umesh Dongre (DIN:08039073)	Director (Finance) & CFO	12	11	Yes	-	-	-	-	-
Shri K. U. Thankachen (DIN: 06946476)	Director (Marketing)	12	12	Yes	-	-	-	-	-

Name of Directors	Category	Number of Board Meetings held during the financial year 2020-21	Number of Board Meetings attended in the financial year 2020-21	Whether attended last AGM(held on December, 30, 2020)	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	
B. NON-EXECUTIVE OFFICIAL DIRECTORS									
Ms Alka Tiwari (DIN: 03502306)	Govt. Nominee Director	12	8	No	-	2	-	**2**	1. Fertilisers and Chemicals Travancore Limited 2. Hindustan Organic Chemicals Limited
Ms Gurveen Sidhu (upto 31.08.2020) (DIN: 08121526)	Govt. Nominee Director	4	2	N.A.	-	-	-	**-**	-
Ms Aparna S Sharma (From 01.09.2020) (DIN 07798544)	Govt. Nominee Director	8	7	No	-	-	-	**1**	1. Fertilisers and Chemicals Travancore Limited 2. Hindustan Organic Chemicals Limited
C. NON-EXECUTIVE INDEPENDENT DIRECTORS									
Prof. Anil Kumar Singh (DIN: 08382601)	Independent Director	12	12	Yes	-	-	-	**-**	-
Dr. Shambhu Kumar (DIN: 07368172)	Independent Director	12	12	Yes	-	2	-	**-**	1. Village Boy Productions Private Limited 2. Subansiri Development Private Limited
Smt. Shashi Bala Bharti (from 25.06.2020) (DIN 08770477)	Independent Director	8	8	No	-	-	-	**-**	-

Note: In line with Regulation 26 of SEBI Listing Regulations, 2015, membership of only Audit committee and Stakeholders Relationship Committee has been consideredDue to the exceptional circumstances caused by the COVID-19 pandemic and consequent relaxations granted by MCA and SEBI, all Board meetings in FY 2021 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

Shri Sudhir D. Panadare, Director (Technical) holding 200 equity shares of the Company. Except Shri Panadare, none of the Directors were holding any shares/debentures in the Company as on March 31, 2021. 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/1616394001.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	Fertilizers and Chemicals, Research and Development, Human Resources & Agriculture and Rural Economy
Shri Umesh Dongre	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 Alka Tiwari	General Administrative and Co-operation, Finance, Fertilizers and Chemicals, Economics, Agriculture and Rural Economy & Public Sector Undertaking
Ms Aparna S. Sharma (From 01.09.2020)	General Administrative and Co-operation, Finance, Fertilizers and Chemicals, Costing, Agriculture and Rural Economy & Public Sector Undertaking
Prof. Anil Kumar Singh	Fertilizers and Chemicals, Risk Management, Research and Development & Business Management
Dr. Shambhu Kumar	Fertilizers and Chemicals, Agriculture and Rural Economy & General Administrative and Co-operation
Smt. Shashi Bala Bharti (From 25.06.2020)	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, Smt. Shashi Bala Bharti was appointed as an Independent Director on the Board of the Company w.e.f. June 25, 2020.

Cessation of Independent Directors

During the year, none of the Independent Directors ceased on completion of tenure/resignation.

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;

(f) disclosure of any related party transactions;

(g) modified opinion(s) in the draft audit report;

(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 Prof A. K. Singh, Independent Director as Chairperson, Dr. Shambhu Kumar, Independent Director and Ms. Alka Tiwari, Government Nominee Director as other members. Director [Finance] and 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 42nd AGM of the Company was held on December 30, 2020 and was attended by Prof. A. K. Singh, Chairperson of the Audit Committee.

Meetings and Attendance

During the year, the Audit Committee met 6 [Six] times on May 29, 2020, August 11, 2020, October 9, 2020, November 10, 2020, January 15, 2021 & February 5, 2021 and the attendance was as under:

Name of Director	Number of meetings required to attend	Number of meetings attended
Prof. A. K. Singh	6	6
Dr. Shambhu Kumar	6	6
Ms Alka Tiwari	6	4

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 2020-21, 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 Prof. Anil. K. Singh , Independent Director as Chairperson, Dr. Shambhu Kumar, Independent Director, Ms. Alka Tiwari, Govt. Nominee Director and Shri S. C. Mudgerikar, Chairman & Managing Director as Member. The 42nd AGM of the Company was held on December 30, 2020 and was attended by Prof. A. K. Singh, Chairperson of the Nomination and Remuneration Committee.

Meetings and Attendance

During the year, the Committee met four (4) times on May 29, 2020, October 19, 2020, January 15, 2021 & March 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	4	4
Dr. Shambhu Kumar	4	4
Ms Alka Tiwari	4	2
Shri S. C. Mudgerikar	4	4

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 Dr. Shambhu Kumar, Independent Director as Chairperson and Shri S. C. Mudgerikar, Chairman & Managing Director and Shri Umesh Dongre, Director (Finance) 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 42nd AGM of the Company was held on December 30, 2020 and was attended by Dr Shambhu Kumar, Chairperson of the Stakeholders' Relationship Committee.

Details of complaints received and redressed during the financial year 2020-21:

During the year, six complaints were received and all have been resolved. The Company also received and attended 99 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 2020-21, the Committee met three [3] times on May 29, 2020, August 11, 2020 & February 5, 2021 and the attendance was as under:

Name of Director	Number of meetings required to attend	Number of meetings attended
Dr. Shambhu Kumar	3	3
Shri S. C. Mudgerikar	3	3
Shri Umesh Dongre	3	3

Share Transfer Committee

The Share Transfer Committee looks into the following;

i) Transfer and transmission of shares; and

ii) 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 Sudhir D. Panadare and Shri Umesh Dongre, Members. During the year, no meeting of committee was held and 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 Prof. Anil Kumar Singh, Independent Director as Chairperson, Shri Umesh Dongre, Director (Finance) and Ms Alka Tiwari, Govt. Nominee Director, as members.

Meetings and Attendance

During the year, the Committee met three (3) times on May 29, 2020, August 11, 2020 & March 3, 2021 and the attendance was as under:

Name of Director	Number of meetings required to attend	Number of meetings attended
Prof A. K. Singh	3	3
Ms Alka Tiwari	3	1
Shri Umesh Dongre	3	3

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

Sl. No.	Name of the Member	Designation
i	Shri Umesh Dongre	Chairperson
ii	Shri Sudhir D. Panadare	Member
iii	Shri K. U. Thankachen	Member
iv	Prof. Anil Kumar Singh	Member
v	Dr. Shambhu Kumar	Member

During the year, the committee met once on March 27, 2021 and the attendance was as under:

Name of Director	Number of meetings required to attend	Number of meetings attended
Shri Umesh Dongre	1	1
Shri Sudhir D. Panadare	1	1
Shri K. U. Thankachen	1	1
Prof A. K. Singh	1	1
Dr. Shambhu Kumar	1	1

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 ₹ 500 Crore in case of each procurement.

Committee comprising Shri S. C. Mudgerikar, Chairman & Managing Director as Chairperson, Shri Sudhir D. Panadare, Director (Technical), Shri Umesh Dongre, Director (Finance) and Shri K. U. Thankachen, Director (Marketing) as members. During the year, the Committee met eleven (11) times on April 10, 2020, April 25, 2020, May 2, 2020, May 11, 2020, July 7, 2020, November 25, 2020, February 3, 2021, February 12, 2021, March 13, 2021, March 24, 2021 & March 27, 2021.

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 INR 3,000 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, Shri Sudhir D. Panadare, Director (Technical), Shri Umesh Dongre, Director (Finance) and Shri K. U. Thankachen, Director (Marketing) & Prof. Anil Kumar Singh, Independent Director as members.

During the year, the Committee met five (5) times on April 6, 2020, June 30, 2020 August 18, 2020, October 23, 2020

& March 31, 2021 and the attendance was as under:

Name of Director	Number of meetings required to attend	**Number of meetings attended**
Shri S. C. Mudgerikar	5	5
Shri Sudhir D. Panadare	5	5
Shri Umesh Dongre	5	5
Shri K. U. Thankachen	5	5
Prof A. K. Singh	5	5

Debenture Allotment Committee

Board in 413th meeting held on August 8, 2019 has constituted the Debenture Allotment Committee of the Board to decide and allot NCDs on private placement. Committee is comprising of Shri S. C. Mudgerikar, Chairman & Managing Director as Chairperson, Shri Sudhir D. Panadare, Director (Technical) & Shri Umesh Dongre, Director (Finance) as members. During the year, the Committee met once on August 5, 2020.

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)

Sl No.	Name of the Director	Salary and Allowances	*Other Benefits and perquisites	Total Remuneration
1.	Shri S. C. Mudgerikar, Chairman & Managing Director	50.30	6.00	56.30
2.	Shri Sudhir D. Panadare Director(Technical)	53.91	15.10	69.01
3.	Shri Umesh Dongre Director(Finance)	46.37	10.53	56.90
4.	Shri K. U. Thankachen Director (Marketing)	50.23	8.18	58.41

Note:

1. *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.*
2. *Other benefits and perquisites includes contribution to Provident Fund, pension, medical expenses etc. and actual payments towards leave encashment, if any.*
3. *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.*
4. *During the year, no Stock Options were issued by the Company to Whole-time Directors.*
5. *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 2020-21 is as follow:

Name of the Director	Sitting Fees (in Lakh)
Prof. Anil Kumar Singh	8.90
Dr. Shambhu Kumar	7.40
Smt. Shashi Bala Bharti (from 25.06.2020)	3.30

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 27, 2021.

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 2020-21

(S. C. Mudgerikar)
Chairman & Managing Director

Place: Mumbai
Date: 06.05.2021

General Body Meetings

The details of the last three Annual General Meetings (AGM) held are as under:

Financial Year	Time and Date	Venue
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.
2017-18	3 p.m. on 26.09.2018	

Particulars of Special Resolution passed at the last three AGMs

Financial Year	Time and Date	Venue	Special Resolutions Passed
2019-20	3 p.m. on 30.12.2020	Meeting conducted through VC / OAVM pursuant to the MCA Circular	1. Offer or invitation to subscribe to Secured Non-Convertible Debentures on private placement. 2. Borrowing Powers of the Company 3. 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.
2017-18	3 p.m. on 26.09.18		

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 Free Press Journal, Nav Bharat, Navshakti 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: Thursday, October 28, 2021

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, 2021and 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, 2021, the financial results were announced on:

- August 11, 2020 : First Quarter
- November 10, 2020: Second Quarter
- February 5, 2021 : Third Quarter
- May 27, 2021 : Forth Quarter & Annual

Payment of dividend

The Board of Directors of your Company at their meeting held on February 5, 2021 has approved payment of an Interim Dividend of ₹ 1.20 per equity share for the financial year 2020-21 and dividend was paid to the shareholders on March 2, 2021.

The Board of Directors of your Company have recommended a final dividend of ₹ 1.78 per share for the financial year 2020-21 subject to the approval of the members at ensuing Annual General Meeting which will be paid after October 28, 2021.

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
The National Stock Exchange of India Limited (NSE)	Exchange Plaza,C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai 400 051	RCF	INE027A07012

The Company has paid Listing fees in respect of its listed securities to both the stock exchanges for the financial year 2021-22.

In addition, the Secured, 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, 2021

Sl No.	Month	BSE Limited			The National Stock Exchange of India Limited		
		High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
1	Apr-20	43.25	26.55	6502007	43.25	26.45	71948001
2	May-20	43.40	36.25	4457213	43.40	36.25	50416961
3	Jun-20	49.40	42.45	8269508	49.35	42.40	88305652
4	Jul-20	51.80	45.80	5222567	51.70	45.65	60775305
5	Aug-20	53.45	46.30	4580488	53.50	46.20	48510035
6	Sep-20	49.10	41.80	1639566	49.20	41.65	16459715
7	Oct-20	47.90	42.10	1856524	47.95	42.10	17353816
8	Nov-20	47.50	42.15	2105192	47.60	42.20	20730935
9	Dec-20	58.25	47.30	6710546	58.15	47.25	71634163
10	Jan-21	60.80	51.70	7419797	60.80	51.60	75778357
11	Feb-21	80.90	52.75	14372496	80.80	52.75	155882965
12	Mar- 21	100.15	68.55	22625991	100.15	68.75	194172650

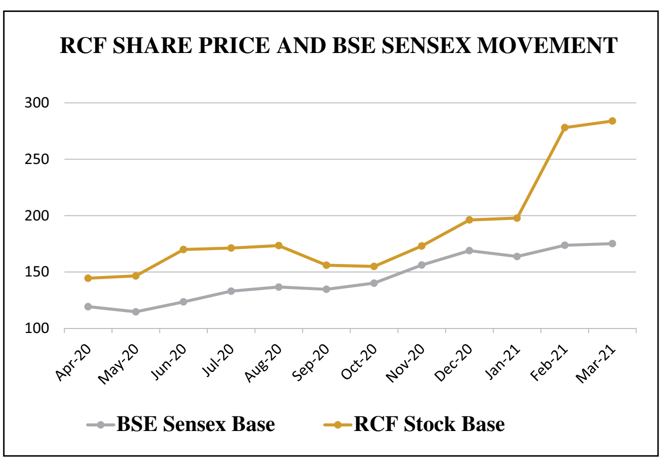
During the year, your Company's shares were actively traded on BSE and NSE. The shares were traded in the range of a maximum of ₹ 100.15 [on 02.03.2021] and minimum of ₹ 26.55 [on 03.04.2020] at BSE.

Stock Price Performance in comparison to broad-bases indices

During the year 2020-21, the share price of the Company opened at ₹ 28.90 on 01.04.2020 and closed at ₹ 77.50 on 31.03.2021 on the BSE thereby increasing by 168.17%. During the same period, BSE sensex opened at 29505.33 on 01.04.2020 and closed at 49509.15 on 31.03.2021 thereby increasing by 67.80%. During the same period, NSE Nifty opened at 8584.10 on 01.04.2020 and closed at 14690.70 on 31.03.2021 thereby increasing by 71.14%.

Performance of the share price of the Company in comparison to the BSE Sensex

The relative performance (on base of 100 as on 01.04.2020) of the monthly closing price of the Company's share vis-a-vis BSE Sensex during the year 2020-21 is give below:



Base 100 = April 2020

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

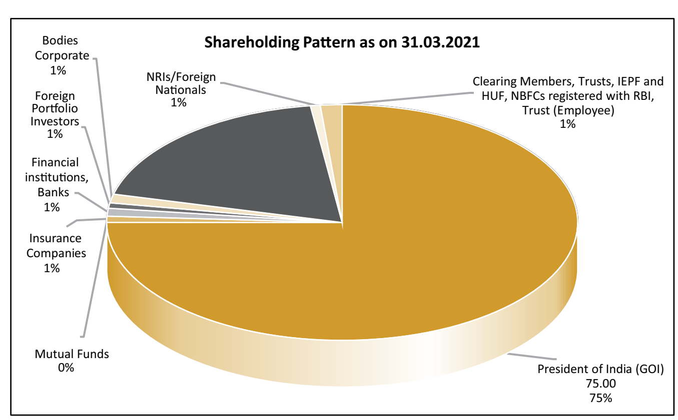
The shareholding distribution of equity shares of nominal value of ₹ 10/- each as on March 31, 2021 is as under

Sl. No	No. of Shares held	No. of share-holders	% of total	Share amount [₹]	% of total
1	1 - 5000	193584	84.06	275887170	5.00
2	5001 - 10000	19387	8.42	162051320	2.94
3	10001 - 20000	9117	3.96	142207000	2.58
4	20001 - 30000	2987	1.30	77789830	1.41
5	30001 - 40000	1308	0.57	47868830	0.87
6	40001 - 50000	1257	0.54	60517210	1.10
7	50001 - 100000	1565	0.68	117716880	2.13
8	100001 - and above	1081	0.47	4632842760	83.97
	Total	230286	100.00	5516881000	100.00

Shareholding Pattern

The shareholding pattern of the company as on March 31, 2021 is as follows:-

Category	No. of Shares	% of Holding
President of India (GOI)	413769483	75.00
Mutual Funds	420551	0.07
Insurance Companies	4079475	0.74
Financial institutions, Banks	6418945	1.16
Foreign Portfolio Investors	4275665	0.78
Bodies Corporate	5458114	0.99
Indian Public	105800500	19.18
NRIs/Foreign Nationals	3347234	0.61
Clearing Members, Trusts, IEPF and HUF, NBFCs registered with RBI, Trust (Employee)	8118133	1.47
Total	**551688100**	**100.00**



Dematerialization of Shares and Liquidity

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, 2021, out of the total 55,16,88,100 equity shares, 55,06,57,410 shares, i.e., 99.82% are in demat segment and only 10,30,690 i.e. 0.18 % 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 2020-21

a. Total exposure of the Company to commodities – ₹ 4084.96 crore

b. Exposure of the Company to the aforesaid commodities is as under:

Com-modity 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				
			Domestic Market		International Market		Total
			OTC	Ex-change	OTC	Ex-change	
Natural Gas	4084.96	71227430.90 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 2020-21 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.

Credit Ratings

The details of the Credit Ratings assigned to the Company as on March 31, 2021 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	6000	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 5,000, 6.59% Rated, Listed, Secured, Redeemable, Non-Cumulative, Taxable, Non-Convertible Debentures (NCDs) of face value of ₹ 10,00,000/- (Rupees Ten Lakh only) each, aggregating to ₹ 500 crore (Rupees 500 Crore only) on private placement basis for cash at par. 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 and for the purpose of corporate requirements of regular business activities

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, 2014 which remains unclaimed on October 25, 2021 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:

Sl. No	Financial Year	Date of declaration of dividend	Unclaimed dividend as on 31.03.2021	Last date for claiming unpaid dividend
1	31.3.2014	19.09.2014	1,255,216.50	25.10.2021
2	31.3.2015	27.08.2015	1,680,085.80	01.10.2022
3	31.3.2016	23.09.2016	1,108,180.50	28.10.2023
4	31.3.2017	21.09.2017	1,463,721.60	26.10.2024
5	31.3.2018	26.09.2018	888,326.40	31.10.2025
6	31.03.2019	24.09.2019	976,538.01	29.10.2026
7	31.03.2020	30.12.2020	2,115,774.20	03.02.2027
8	31.03.2021 (Interim)	05.02.2021	11,07,701	13.03.2028

The details of unclaimed shares transferred to IEPF during year 2020-21:

Sl. No.	Financial year	Number of shares transferred to IEPF
1	2012-13	16,840

The details of unclaimed dividend transferred to IEPF during year 2020-21:

Sl. No.	Financial year	Amount of unclaimed dividend transferred to IEPF (₹ in Lakh)
1	2012-13	13.16

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:

Sl. No.	Event	Likely date
(i)	Announcement of 1st Quarterly (unaudited) financial result for FY 2021-22	August 12, 2021
(ii)	Book Closure for the purpose of Dividend and AGM.	Friday, October 22, 2021 to Thursday, October 28, 2021 (both days inclusive)
(iii) (a)	AGM for 2020-21 : Date	Thursday, October 28, 2021 at 3 p.m.
(iii) (b)	AGM for 2020-21: 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 2020-21	On or before November 14, 2021
(v)	Announcement of 3rd quarterly (unaudited) financial result for FY 2021-22	on or before February14, 2022
(vi)	Announcement of Audited results for FY 2021-22	on or before May 30, 2022

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 http://www.rcfltd.com/public/storage/cmspages/cmspdfFile/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 December 2020.Further, the Company has made an application to BSE for waiver of fine levied for quarter ended March, 2021. Further, the Company has also made an application to NSE for waiver of fine levied for quarters from September 2018 till March 2021.

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 ₹ 1 Crore and above.

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 http://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 2020-21. The particulars of payment of Statutory Auditors' fees, on consolidated basis for FY 2021 is given below:

The fees paid to the Statutory Auditors during the year 2020-21 is as under:

(₹ in Crore)

Sr. No.	Particulars	Year ended 31.3.2021
1	Audit fees for the year	0.23
2	Audit fees for Limited review	0.03
3	Audit fees for Consolidated Financial Statement	0.01
4	For Certificate and other expenses	0.09

Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

a. Number of complaints filed during the financial year : Nil

b. Number of complaints disposed of during the financial year: Nil

c. 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 submit 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 Shri Sudhir D. Panadare, Director (Technical) holds 200 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 1.02 % of total expense for financial year 2020-21 as against 0.98% in the previous year 2019-20.

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, 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, 2021.

This is to certify that:

This is to certify that:

A. We have reviewed financial statements for the financial year ended March 31, 2021 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 2020-21;

   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.

Umesh Dongre
Director [Finance] & CFO

S. C. Mudgerikar
Chairman & Managing Director

Place: Mumbai
Date: May 27, 2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

The Members of
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, 2021 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
1	Mr. Shriniwas Chandrashekhar Mudgerikar	03498837	01.10.2019
2	Mr. Sudhir Dattatraya Panadare	07933191	18.12.2017
3	Mr. Umesh Dongre	08039073	09.02.2018
4	Mr. Koppurath Ulahannan Thankachen	06946476	11.12.2018
5	Ms. Alka Tiwari	03502306	06.03.2017
6	Ms. Aparna Sachin Sharma	07798544	01.09.2020
7	Prof. Anil Kumar Singh	08382601	07.03.2019
8	Dr. Shambhu Kumar	07368172	07.03.2019
9	Smt. . Shashi Bala Bharti	08770477	25.06.2020

** Registration of Independent Directors in the Data Bank for Dr. Shambhu Kumar and Smt. Shashi Bala Bharti was done on July 16, 2021 and for Prof. Anil Kumar Singh was done on July 20, 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

S. N. Bhandari
Partner
FCS No: 761; C P No. : 366
ICSI UDIN: F000761C000772136

Mumbai | August 12, 2021

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 Sudhir D. Panadare, Director (Technical)

Shri Sudhir D. Panadare has taken over the Director (Technical) of Rashtriya Chemicals and Fertilizers Limited on 18.12.2017.

Shri Panadare is Chemical Engineer from University Department of Chemical Technology, Mumbai (now known as Institute of Chemical Technology). He is also a certified Energy Auditor by Bureau of Energy Efficiency (BEE). He joined the Company in year 1981 as Management Trainee and rose to the post of Director (Technical). In his long career spanning more than 40 years, he has worked in various capacities in Technical Services, Ammonia plants, Urea Plant & Chemical Plants etc. and in development of the projects of the Company.

Shri Panadare headed the Corporate Department for pre project work of Thal expansion project and other projects and has visited various countries like Denmark, Egypt, USA, Ghana, Vietnam and Turkmenistan for business opportunities. Shri Panadare was leader of RCF team for re-commissioning of revamped Namrup III Unit of Brahmaputra Valley Fertilizer Corporation Limited.

Prior to elevation to the present post, he was Executive Director (Planning and Project Development) In-charge.

He is an avid reader and has published technical papers in various journals.

Shri Umesh Dongre, Director (Finance)

Shri Umesh Dongre has taken over as Director (Finance) & Chief Financial Officer of Rashtriya Chemicals and Fertilizers Limited on 09.02.2018.

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 11.12.2018.

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 Alka Tiwari, Government Nominee Director

Ms Alka Tiwari, IAS is Government Nominee Director on the Board of the Company w.e.f. 06.03.2017. 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. 01.09.2020. 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 26 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

Professor Anil Kumar Singh is appointed as an Independent Director on the Board of the Company, w.e.f. 07.03.2019.

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

Dr. Shambhu Kumar is appointed as an Independent Director on the Board of the Company w.e.f. 07.03.2019.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. 25.06.2020. 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.

CERTIFICATE OF COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To

The Members of
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, 2021, 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.

*I*n 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, *except that the Company did not have the requisite number of Independent Directors on its Board as prescribed under Regulation 17(1) of the Listing 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 Listing Regulations.*

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

S. N. Bhandari
Partner
FCS No: 761; C P No. : 366
ICSI UDIN: F000761C000775678

Mumbai | August 12, 2021

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR's REPORT

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, 2021, 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, 2021 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, 2021 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 48 - Gas pooling applicable to Fertilizer (Urea) sector:** In view of the lack of progress in the matter of levy of a differential price for use of domestic gas for non-urea operations, liability of ₹ 211.79 Crore recognised for the period commencing from June 1, 2015 to March 31, 2019 continues to be carried forward. The related claim by GAIL for differential levy is pending for resolution before government designated authorities and the balance amount of the claim of ₹ 1246.21 Crore (net after provision) is reflected as a contingent liability.

b) **Note no 49 - 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 (₹ 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.

c) **Note no. 75 - 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 2021, 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.	**Revenue recognition and measurement in respect to subsidy income.** 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. During the year, Subsidy adjusted on account of the escalations/de-escalations basis for the year amounts to ₹ 82.44 Crore refundable to FICC/DOF (PY ₹ 247.18 Crore receivable). 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. 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. 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. 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.	Our Procedure included: **Accounting policies and principles:** 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. **Tests of controls:** We have evaluated the design, implementation and operating effectiveness of key controls over recognition of subsidy income. **Tests of details:** We have verified the supporting documentation for determining that the subsidy was recognized in the correct accounting period and as per notified rates. 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. In case estimation of income is based on other parameters like IPP of Urea etc. verification of the same based on available information in public domain. Testing reasonability of assumptions based on past trends, consistency in application and changes in the same owing to change in Government policies. **Performing substantive analytical procedures: -** Ascertainment and analysis of variations with respect of amounts estimated and actually entitled upon notification with respect to previous years. We also assessed as to whether the disclosures in respect of revenue were adequate.
2	**Estimation of Provision & Contingent Liabilities** In the recognition and measurement of provisions, there is uncertainty about the timing or amount of the future expenditure required to settle the liability. In respect of contingent liabilities, there are estimates and assumptions made to determine the amount to be disclosed. As a result, there is a high degree of judgement required for the recognition and measurement of provisions and disclosure of contingent liabilities. Company has reported Provision and Contingencies amounting to ₹ 1797.74 Crore (PY ₹ 1697.23 Crore) in the financial statement. There is a risk of material misstatement that the estimates are incorrect and that the provisions or contingent liabilities are materially misstated.	**Internal enquiry:** 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. **Tests of details:** 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. **Enquiry and confirmation of lawyers:** In respect of matters which are under dispute, we have assessed opinion of Company's in-house Legal Department / external lawyers wherever necessary.

Sr. No.	Key Audit matter	Response to Key Audit Matter
3	**Information Technology Controls** 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.	We focused our audit on those IT systems and controls that are significant to the Company's financial reporting process. 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. In a limited number of cases, we adjusted our planned audit approach as follows: - 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.

Other Information

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

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

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.

Responsibilities of Management and Those Charged with Governance 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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.
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 41.1.5 to Financial Statements)

4. As required by section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure C"**.

   g) With respect to the other matters to be included in the Auditor's Report as per section 143(3)(j):

      I. 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.

      II. 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 41 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.

For M M Nissim & Co LLP
Chartered Accountants
Firm Regn. No.107122W/W100672

CA. N. Kashinath
Partner
Membership No. 036490
UDIN: 21036490AAAAFZ1033

For Gokhale & Sathe
Chartered Accountants
Firm Regn. No. 103264W

CA. Atul Kale
Partner
Membership No. 109947
UDIN: 21109947AAAAOA1559

Place: Mumbai
Dated: May 27, 2021

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, 2021.)

Statement on Matters specified in paragraphs 3 & 4 of the Companies (Auditor's Report) Order, 2016:

(i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets 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 a regular program for physical verification of its fixed assets by which its fixed assets 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 fixed assets. According to information and explanations given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and on the basis of examination of the records of the company, the title deeds of immovable properties are held in the name of the Company except:-

Sr. No.	Total No. of Cases	Type of assets	Gross Block as at March 31, 2021 (₹ Crore)	Net Block as at March 31, 2021 (₹ Crore)	Remarks
1	2	Free Hold Land –Thal (1,824,903 Sq. Mtr. of land)	1.60	1.60	The Company is in the process of Transferring the title deeds.
2	1	Free Hold Land -Trombay (378,321 Sq. Mtr. of land)	0.24	0.24	The Company is in the process of transferring the title deeds.

(ii) Physical verification of finished goods, packing materials and raw materials inside the factory premises has been carried out by the management at reasonable intervals and verification of stock of stores and spare parts has been conducted by them with the help of an independent outside agency (Internal auditors and technical consultants) at reasonable intervals.

Stock of stores and spare parts has been conducted by the management with the help of an independent outside agency in a phased programme so as to complete the verification of all items over a period.

Finished goods and other inventory stored outside the factory premises are taken as per warehousing certificates and third-party confirmation respectively. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in books of account.

(iii) The Company has not granted any loans, secured or unsecured to companies, firms and limited liability partnerships or other parties covered in register maintained under section 189 of the Act during the year. Therefore, the provisions of sub-clause (a), (b) and (c) of paragraph 3(iii) of the Order are not applicable.

(iv) The Company has complied with the provisions of section 185 and 186 of the Act, as applicable, in respect of investments made in the Joint Venture Company and loans given to body corporates. The Company has not given any guarantees or provided any security to any party covered under section 185 and 186 of the Act.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public and hence the directions issued by Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the Rules framed there under are not applicable.

(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:

Sr. No.	Name of the Statute	Nature of dues	Amount (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
1	Customs Act, 1962	Demand of Customs duty and penalty (Trombay Unit)	25.62	FY 2004-05	Central Excise, Service Tax Appellate Tribunal
2	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
3	Customs Act, 1962	Demand of Differential customs duty on import of Potash (Marketing)	0.16	FY 2012-13	Commissioner of Customs, Mangalore
4	Income Tax Act, 1961	Disallowance of additional depreciation claimed	0.97	AY 2013-14	Commissioner of Income Tax (Appeals)
5	Income Tax Act, 1961	Demand of Tax for Short Deduction / non deduction of TDS	1.18	AY 2008-09 to AY 2020-21	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
		Demand of excise duty on account of Diversion of Urea for industrial usages (Thal Unit)	8.93	FY 2010-14	Central Excise and Service Tax Appellate Tribunal, Ahmedabad
		Availment of Service Tax Cenvat Credit on Common Input Services (Thal Unit)	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

Sr. No.	Name of the Statute	Nature of dues	Amount (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
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
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)	2.35	April 2011 to June 2017	Dy. Commissioner of Central Excise, Customs & Service Tax
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 LD (Corporate Dept.)	0.78	FY 2012-2015	Central Excise & Service Tax Appellate Tribunal, Mumbai
14	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
15	Service Tax	Demand of Service Tax on Handling Charges	0.01	Period from April 2006 to March 2008	Superintendent Service Tax, Aurangabad
16	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 & Serivce Appellate Tribunal, Mumbai
17	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
18	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
19	Service Tax	Demand on Dispatch Money (Corporate Unit)	0.54	Period from September 2012 to March 2015	Asst. Commissioner of Central Excise & Service Tax
20	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
21	Service Tax	Demand on LD(Trombay Unit	3.60	September 2012 to March 2015	Asst. Commissioner of Central Excise & Service Tax.

Sr. No.	Name of the Statute	Nature of dues	Amount (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
22	Service Tax	Demand on Despatch Money (Trombay Unit)	2.92	September 2012 to March 2015	Asst. Commissioner of Central Excise & Service Tax.
23	Service Tax	Service Tax on CS Deputation Manpower	0.10	2008-2014	Asst. Commissioner of Central Excise & Service Tax.
24	Service Tax	Service Tax on LD and other Misc. Recoveries (Thal Unit)	0.78	2012-14	Commissioner Appeals of Central Excise & Service Tax.

(viii) The Company has not defaulted in repayment of loans or borrowings to banks, financial institutions and debenture holders. There were no borrowings or loan from the government.

(ix) The Company has not raised money through initial public offer or further public offer (including debt instruments). The Company has utilized the monies raised by way of debt instruments and term loans for the purpose for which the loans were obtained.

(x) During the course of our examination of the books of account and records of the Company, and according to the information and explanation given to us and representations made by the Management, no material fraud by or on the Company by its officers or employees, has been noticed or reported during the year.

(xi) 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.

(xii) The provisions of paragraph 3(xii) of the Order, for Nidhi Company, 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) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, provision of clause 3 (xiv) of the Order are not applicable to the Company.

(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) 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) of the Order are not applicable.

For M M Nissim & Co LLP
Chartered Accountants
Firm Regn. No.107122W/W100672

CA. N. Kashinath
Partner
Membership No. 036490
UDIN: 21036490AAAAFZ1033

For Gokhale & Sathe
Chartered Accountants
Firm Regn. No. 103264W

CA. Atul Kale
Partner
Membership No. 109947
UDIN: 21109947AAAAOA1559

Place: Mumbai
Dated: May 27, 2021

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, 2021.

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

During the current year, 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: No.

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:

a) 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.

b) 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 2020-21.

Subsidy received during the year amounting to ₹ 7595.14 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 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.

b) 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.

c) Subsidy accounted on quantity sold but to be confirmed in POS - As per DBT scheme, 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, 2021, quantity of 6.08 LMT of Urea and P&K having subsidy amounting ₹ 716.21 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 4.63 LMT and subsidy ₹ 667.94 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 Company's accounting policy, finished goods inventories are valued at lower of cost and net realizable value. 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.

As on 31st March 2021, 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	Total Closing Stock Valuation (A) * (E)
					(B) or (C) whichever is lower (E)	₹ Crore (F)
Trom Urea- BRAC- SILO	3,111.071	21,855.60	20,697.42	15,988.15	20,697.42	6.44
Trom Urea- BRAC- Bagged in factory	726.530	22,506.75	21,344.13	16,369.00	21,344.13	1.55
Trom Urea- BRAC- Marketing godowns	45.150	24,201.06	22,881.57	17,588.91	22,881.57	0.10
Trom Urea –up to RAC Marketing godowns	5,502.991	24,201.06	24,426.51	19,133.91	24,201.06	13.32
Thal Urea- BRAC- SILO	12,041.965	17,672.12	17,609.66	13,146.16	17,609.66	21.21
Thal Urea- BRAC- Bagged in factory	3,090.140	18,454.10	18,422.21	13,471.00	18,422.21	5.69
Thal Urea- BRAC- Marketing godowns	3,799.767	20,332.73	20,236.15	14,944.16	20,236.15	7.69
Thal Urea –up to RAC Marketing godowns	34,076.378	20,332.73	21,028.82	15,736.16	20,332.73	69.29
Suphala - SILO	17,636.078	19,726.44	23,991.58	6,569.00	19,726.44	34.79
Suphala - S Bagged	2,772.96	20,521.54	24,785.38	6,569.00	20,521.54	5.69
Suphala - Bagged Marketing godowns	11,441.80	22,243.80	26,443.26	7,752.26	22,243.80	25.45
MOP	53,536.15	16,206.61	21,385.54	6,070.00	16,206.61	86.76
DAP	17.80	27,680.61	31,317.54	10,231.00	27,680.61	0.05
NPK 20.20.0.13	13,000.20	21,027.80	24,421.61	7,044.00	21,027.80	27.34

Impact of revision of subsidies during the year on closing stock of such fertilizers is ₹ 0.57 Crore resulting in reduction in inventory values as compared to Net realizable value of previous year which is at previous year subsidy rates. As finished goods are valued at lower of cost and Net realizable value, revision in subsidies impact only such stocks which are valued at Net realizable value.

The said impact been computed only for the purpose for response to this additional sub direction and has got no reference to the financial statements.

There is no impact on financial statements of the company from the above 4 sub directions.

The Compliance/Action taken by management on last year's management letter is as follows:

Sr. No.	Para	Compliance/ Action Taken
1	*The Significant accounting policy of the Company on subsidy and revenue recognition in relation to DBT Scheme is in contravention of the Government of India policy on fertilizer subsidy. This needs to be reviewed and suitably disclosed in the Notes to the financial statement.*	The company has complied with the para and the note is disclosed in Note no:47 of Financial statements.
2	*The discount on issue of commercial paper (CP) of ₹ 8.31 crore was included under Current Assets – Prepaid Expenses as prepaid interest. As this is not an advance payment for procurement of goods/services, the same needs to be shown as separate line item instead of including it under prepaid expenses.*	The company has complied with the para and the note is disclosed in Note no:24 of Financial statements.
3	*As per the note, the Company has property cards of 3044530 sq meters. On scrutiny of records, it was noticed that the company had handed over the possession of 48849.74 sq meters to MMRDA for the purpose of construction of the Anik Panjarapole Link Road (Eastern Freeway) and a possession certificate issued by MMRDA was received in 2013. The Company only deducted 46427sq meters from its property card whereas it transferred the area of 48849.74 sq meters to MMRDA. A disclosure to the effect that transfer of the title deed is still pending in respect of 2422.74 sq meters (48849.74-46427.00), handed over to MMRDA, needs to be given in the financial statements of 2020-21 as per applicable status at that time.*	The company has complied with the para and the note is disclosed in Note no:44 of Financial statements.
4	*Sr No. (U) of significant Accounting Policies, for the recognition of individual expenses as prepaid expenses asset in Financial Statements states that 'Individual expenses upto ₹ 100000 is not considered in classifying prepaid expenses. Due care needs to be taken to ensure that such expenses are charged off while preparing quarterly/annual financial statement in future.*	The Company has not recognized prepaid expenses below 1,00,000 during the year and have complied with the para raised.
5	*As per Educational material on Ind AS 7, deposit and withdrawal from cash credit Account need to be reported on net basis under cash flow from financing activities. However, the Company has been disclosing the net impact in cash credit Account as cash and cash equivalent instead of reporting it as the net inflow/outflow as cash flow from financing activities, this needs to be reviewed.*	The company has complied with the para. Note no 24 & Cash flow Statement to the financial statements discloses cash credit as a borrowing and its movement is captured in cash flow under financing activity.

For M M Nissim & Co LLP
Chartered Accountants
Firm Regn. No.107122W/W100672

CA. N. Kashinath
Partner
Membership No. 036490
UDIN: 21036490AAAAFZ1033

For Gokhale & Sathe
Chartered Accountants
Firm Regn. No. 103264W

CA. Atul Kale
Partner
Membership No. 109947
UDIN: 21109947AAAAOA1559

Place: Mumbai
Dated: May 27, 2021

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, 2021.)

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, 2021 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, 2021, 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: 21036490AAAAFZ1033

For Gokhale & Sathe
Chartered Accountants
Firm Regn. No. 103264W

CA. Atul Kale
Partner
Membership No. 109947
UDIN: 21109947AAAAOA1559

Place: Mumbai
Dated: May 27, 2021

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDE SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED, MUMBAI FOR THE YEAR ENDED 31 MARCH 2021

The preparation of Financial Statements of Rashtriya Chemicals and Fertilizers Limited, Mumbai for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (the Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the Financial Statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 27 May 2021.

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, Mumbai for the year ended 31 March 2021 under Section 143 (6)(a) of the Act. This supplementary Audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

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

(A) Comments on Profitability
Statement of Profit and Loss
Income
Other Income (Note 30)
Interest Income from others: ₹ 9.94 crore

The Company imported urea on behalf of Government of India and raised invoices for advance payment which as per Memorandum of Understanding were required to be released by DoF within 10 working days. In case of delay in release of any payment by DoF within the stipulated time period, DoF was to consider and pay interest for the delayed period at actuals. The 'Other Income' includes an amount of ₹ 9.92 crore being the interest to be received from Department of Fertilizers (DoF) on account of delayed release of 98 per cent of invoice value by the DoF. The Company raised claims of ₹ 14.32 crore on DoF for interest on delayed payments using prevailing cash credit interest rate (ranging from 7.35 per cent to 8.30 per cent) as Company considered its actual cost which was incurred for funding of import urea. However, Company while accounting interest income in books applied different interest rates (ranging from 4.15 per cent to 6.77 per cent) based on weighted average short term borrowing interest rates and ₹ 9.92 crore was accounted under interest income against the claim of ₹ 14.32 crore made on DoF.

This has resulted in understatement of 'Other Income' and 'Trade Receivables' by ₹ 4.40 crore. Consequently 'Profit for the Year' is also understated by the same amount.

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

(Keerti Tewari)
Director General of Audit
(Agriculture, Food & Water Resources)

Place: New Delhi
Date: 17.09.2021

MANAGEMENT REPLIES TO THE COMMENTS OF COMPTROLLER & AUDITOR GENERAL OF INDIA

C & AG Comments	Management Replies
The company imported urea on behalf of Government of India and raised invoices for advance payment which as per Memorandum of Understanding were required to be released by DoF within 10 working days. In case of delay in release of any payment by DoF within the stipulated time period, DoF was to consider and pay interest for the delayed periods at actuals. The "Other Income' includes as amount of Rs 9.92 Crore being the interest to be received from Department of Fertilizers (DoF) on account of delayed release of 98 percent of invoice value by the DoF. The Company raised claims of Rs 14.32 crore on DoF for interest on delayed payments using prevailing cash credit interest rate (ranging from 7.35 percent to 8.30 percent) as Company considered its actual cost which was incurred for funding of import of Urea. However, Company while accounting interest income in books applied different interest rates (ranging from 4.15% to 6.77%) based on weighted average short term borrowings interest rates and Rs 9.92 crore was accounted under interest income against the claim of Rs 14.32 crore made on DoF. *This has resulted in understatement of "Other Income" and "Trade Receivables" by Rs 4.40 crore. Consequently "Profit for the Year" is also understated by the same amount*".	Company had recognized interest income on estimated basis in accordance with the terms of MoU for import of Urea which allowed for payment of interest on delayed payments at actuals. In line with the interest income accrued for FY 2019-20, Company continued to recognize interest on such delayed payments in FY 2020-21 (i.e.@ weighted average cost of borrowings) since a claim lodged considering interest rate on cash credit borrowings for FY 2019-20 tender was yet to be settled as on 31st March 2021 and thus a mere lodgment of a claim is not a trigger for change in estimates specially in the said instance. Further interest income has been recognized by applying conservative estimates. This is in accordance with the prevalent accounting standards which require the Company to make estimates and as per its Accounting policy any revisions to the accounting estimates are recognized prospectively when revised, in current and future periods. Thus there is no understatement of "Other Income" and "Trade Receivables" and" Consequently "Profit for the Year" by Rs 4.40 crore as observed by audit.

Sd/-
(Umesh Dongre)
Director (Finance)

Sd/-
(S. C. Mudgerikar)
Chairman & Managing Director

BALANCE SHEET AS AT 31ST MARCH 2021

₹ Crore

Particulars	Note No.	AS AT 31.03.2021	AS AT 31.03.2020
ASSETS			
1. NON CURRENT ASSETS			
(a) Property, Plant and Equipment	1	2158.80	2121.30
(b) Capital Work in Progress	1.4	392.67	433.49
(c) Investment Property	2	5.91	6.10
(d) Intangible Assets	3	2.98	2.62
(e) Financial Assets			
(i) Investments	4	650.19	263.09
(ii) Trade Receivables	5	-	-
(iii) Loans	6	15.32	20.53
(iv) Others	7	-	-
(f) Other non-current assets	8	185.27	203.84
		3411.14	**3050.97**
2. CURRENT ASSETS			
(a) Inventories	9	787.55	949.94
(b) Financial Assets			
(i) Trade Receivables	10	1449.54	4551.23
(ii) Cash and Cash Equivalents	11	1471.23	1.31
(iii) Bank balances other than (ii) above	12	49.09	1.29
(iv) Loans	13	6.19	6.50
(v) Others	14	296.64	1655.20
(c) Other Current Assets	15	154.80	74.94
		4215.04	7240.41
TOTAL ASSETS		**7626.18**	**10291.38**
EQUITY AND LIABILITIES			
A. EQUITY			
(a) Equity Share Capital	16	551.69	551.69
(b) Other Equity	17	2786.78	2634.58
		3338.47	**3186.27**
B. LIABILITIES			
1. NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	18	1043.04	600.91
(ii) Trade Payables	19		
(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
(iii) Other Financial Liabilities	20	35.69	43.89
(b) Provisions	21	186.32	188.55
(c) Deferred Tax Liabilities (Net)	22	217.80	196.94
(d) Other non-current liabilities	23	34.17	39.11
		1728.81	**1281.19**

BALANCE SHEET AS AT 31ST MARCH 2021

₹ Crore

Particulars	Note No.	AS AT 31.03.2021	AS AT 31.03.2020
2. CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	24	819.52	4067.61
(ii) Trade Payables	25		
(A) Total Outstanding Dues of Micro Enterprises and Small Enterprises.		40.01	36.81
(B) Total Outstanding Dues of Creditors Other than Micro Enterprises and Small Enterprises.		865.78	959.92
(iii) Other Financial Liabilities	26	599.96	482.54
(b) Other Current Liabilities	23	103.05	81.51
(c) Provisions	27	119.23	142.14
(d) Current Tax Liabilities (Net)	28	11.35	53.39
		2558.90	**5823.92**
TOTAL EQUITY AND LIABILITIES		**7626.18**	**10291.38**
Statement of Significant Accounting Policies	A		
Explanatory Information on Financial Statements	40 - 76		

For and on behalf of the Board of Directors
RASHTRIYA CHEMICALS AND FERTILIZERS LTD.

(S. C. Mudgerikar)
Chairman & Managing Director
DIN : 03498837

(Umesh Dongre)
Director (Finance)
DIN : 08039073

(J. B. Sharma)
Company Secretary
Membership No: FCS5030

Dated : 27th May, 2021.
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

For GOKHALE & SATHE
Chartered Accountants
Firm Regn. No. 103264W

(Atul Kale)
Partner
Membership No: 109947

Dated : 27th May, 2021.
Place: Mumbai

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

	Particulars	Note No.	Year Ended 31.03.2021	Year Ended 31.03.2020
I	Revenue from Operations	29	8281.18	9697.95
II	Other Income	30	132.65	129.17
III	**Total Income(I+II)**		**8413.83**	**9827.12**
IV	**Expenses:**			
	Cost of Materials Consumed	31	3022.67	3776.22
	Purchases of Stock in Trade	32	749.21	294.43
	Changes in Inventories of Finished Goods and Stock in Trade	33	(30.73)	603.25
	Employee benefits expense	34	563.83	617.26
	Finance costs	35	179.57	237.82
	Depreciation and amortization expense / Impairment	36	174.63	171.04
	Other Expenses	37	3243.19	3824.00
	Total Expenses		**7902.37**	**9524.02**
V	**Profit before exceptional items (III-IV)**		**511.46**	**303.10**
VI	Exceptional Items	38	(4.71)	100.17
VII	**Profit before tax (V-VI)**		**516.17**	**202.93**
VIII	**Tax Expense**			
	(1) Current tax		128.88	71.72
	(2) Deferred tax		19.25	(77.16)
	(3) Taxation Adjustment of Earlier Years Excess(-)/Short(+)		(5.07)	0.22
IX	**Profit/ (loss) for the Period (VII-VIII)**		**373.11**	**208.15**
X	**Other Comprehensive Income**	39		
	(i) Items that will not be reclassified to profit or loss		2.62	(16.27)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.65)	10.90
	Other Comprehensive Income for the Year (X)		**1.97**	**(5.37)**
XI	**Total Comprehensive Income for the Year (IX+X)**		**375.08**	**202.78**
XII	**Earnings per equity share**			
	Basic and Diluted Earnings per share (₹)	57	6.76	3.77
	Statement of Significant Accounting Policies	A		
	Explanatory Information on Financial Statements	40 - 76		

For and on behalf of the Board of Directors
RASHTRIYA CHEMICALS AND FERTILIZERS LTD.

(S. C. Mudgerikar)
Chairman & Managing Director
DIN : 03498837

(Umesh Dongre)
Director (Finance)
DIN : 08039073

(J. B. Sharma)
Company Secretary
Membership No: FCS5030

Dated : 27th May, 2021.
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 : 27th May, 2021.
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 2021

A. EQUITY SHARE CAPITAL

₹ Crore

Balance as at 01.04.2020	Changes in equity share capital during the year	Balance as at 31.03.2021	Balance as at 01.04.2019	Changes in equity share capital during the year	Balance as at 31.03.2020
551.69	-	551.69	551.69	-	551.69

B. OTHER EQUITY

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	**2580.55**	**-**	**54.03**	**2634.58**
Profit for the year	-	373.11	-	373.11
Other Comprehensive Income (Net of Tax)	-	(2.84)	4.81	1.97
Total Comprehensive Income for the year	**-**	**370.27**	**4.81**	**375.08**
Dividend paid Refer note no. 17A	-	(222.88)	-	(222.88)
Transfer to General Reserve	147.39	(147.39)	-	-
Balance as at 31.03.2021*	**2727.94**	**-**	**58.84**	**2,786.78**

FOR THE YEAR ENDED 31ST MARCH 2020

₹ Crore

Particulars	Reserves and Surplus		Items of Other Comprehensive Income	Total
	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	
Balance as at 01.04.2019	**2437.48**	**-**	**45.53**	**2483.01**
Profit for the year	-	208.15	-	208.15
Other Comprehensive Income (Net of Tax)	-	(13.87)	8.50	(5.37)
Total Comprehensive Income for the year	**-**	**194.28**	**8.50**	**202.78**
Dividend paid (Including Dividend Distribution Tax) Refer note no. 17A	-	(51.21)	-	(51.21)
Transfer from General Reserve	143.07	(143.07)	-	-
Balance as at 31.03.2020*	**2580.55**	**-**	**54.03**	**2634.58**

* The closing balance in General Reserve is arrived after adjustment of Remeasurement of Defined Benefit Plans ammounting to ₹ 2.84 crore (P.Y. ₹ 13.87 crore) during the year net of current tax amounting to ₹ 0.96 crore (P.Y. ₹ 4.67 crore)

For and on behalf of the Board of Directors
RASHTRIYA CHEMICALS AND FERTILIZERS LTD.

(S. C. Mudgerikar)
Chairman & Managing Director
DIN : 03498837

(Umesh Dongre)
Director (Finance)
DIN : 08039073

(J. B. Sharma)
Company Secretary
Membership No: FCS5030

Dated : 27th May, 2021.
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

For GOKHALE & SATHE
Chartered Accountants
Firm Regn. No. 103264W

(Atul Kale)
Partner
Membership No: 109947

Dated : 27th May, 2021.
Place: Mumbai

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

	Particulars	Year Ended 31.03.2021		Year Ended 31.03.2020	
A	**Cash Flow From Operating Activities**				
	Net Profit before tax		516.17		202.93
	Adjustments for :				
	Share of (Profit) / Loss from Joint Ventures				
	Exceptional Items - (Income)/ Expenses	(4.71)		100.17	
	Depreciation/Loss on Impairment of Assets	174.96		171.38	
	Provision on Raw Materials of Impaired Assets	4.46		-	
	Profit(-) / Loss on Sale of Assets	0.58		3.21	
	Interest Income	(25.96)		(38.73)	
	Dividend Income	(0.17)		(0.20)	
	Interest and Finance Charges	179.57		237.82	
	Provision for Bad/Doubtful Debts	1.16		4.73	
	Provision for Obscelence Stores	2.31		3.29	
	Provision Written Back	(9.02)		(6.24)	
	Unrealised Foreign Exchange (Gain) /Loss	2.42		13.39	
			325.60		488.82
	Operating Profit before Working Capital Changes		841.77		691.75
	Adjustments for :				
	Trade Receivables and Other Assets	4380.64		(1501.72)	
	Inventories	159.78		531.32	
	Trade Payables and Other Liabilities	(49.61)		(145.32)	
			4490.81		(1115.72)
	Cash Generated from Operations		5332.58		(423.97)
	Direct Taxes Paid (Net of Refunds)		(112.00)		(98.50)
	Net Cash from Operating Activities ------ A		**5220.58**		**(522.47)**
B	**Cash Flow from Investing Activities**				
	Additions to Fixed Assets (Net of Trade Credit)	(232.19)		(425.47)	
	Sale of Fixed Assets	5.13		0.31	
	Purchase of Investments -Joint Ventures	(375.97)		(143.16)	
	Inter Corporate Advances / Repayments	5.29		(1.09)	
	Interest Received	24.72		38.69	
	Dividend Received	0.17		0.20	
	Margin Money Deposits with Banks	(46.64)	(619.49)	(0.03)	(530.55)
	Net Cash from Investing Activities ----- B		**(619.49)**		**(530.55)**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

	Particulars	Year Ended 31.03.2021		Year Ended 31.03.2020	
C	**Cash Flow from Financing Activities**				
	Net Proceeds /Repayment of Working Capital Facilities and Short Term Loans	(3248.36)		1178.03	
	Proceeds from Term loans / Non Convertible Debentures	852.75		309.00	
	Repayments of Term loans	(351.63)		(139.08)	
	Interest Paid	(157.11)		(241.52)	
	Dividend Paid (Including Dividend Distribution Tax in Previous Year)	(222.69)		(51.22)	
	Repayment of Lease liabilities	(4.13)	(3131.17)	(3.28)	1051.93
	Net Cash from Financing Activities ----- C		**(3131.17)**		**1051.93**
	Net Increase/Decrease(-) in Cash and Cash Equivalent (A+B+C)		1469.92		(1.09)
	Cash and Cash Equivalents as at 1st April (Opening Balance)		1.31		2.40
	Cash and Cash Equivalents as at 31st March (Closing Balance)		1471.23		1.31
	Components of Cash and Cash Equivalents				
	Cash on Hand		-		0.01
	Balance With Scheduled Banks				
	in Current Accounts		6.23		1.30
	in Term Deposits with Less Than 3 Months Maturity		1465.00		-
			1471.23		**1.31**

Note:

1. The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard Ind AS (7) on Cash Flow Statement and presents cash flows by operating, investing and financing activities.
2. Figures in the Bracket are outflows / deductions.
3. Figures of the previous year have been regrouped / rearranged wherever necessary to make it comparable to the current year presentation.
4. 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 LTD.

(S. C. Mudgerikar)
Chairman & Managing Director
DIN : 03498837

(Umesh Dongre)
Director (Finance)
DIN : 08039073

(J. B. Sharma)
Company Secretary
Membership No: FCS5030

Dated : 27th May, 2021.
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As per our report of even date attached

For M M NISSIM & CO LLP
Chartered Accountants
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(N. Kashinath)
Partner
Membership No: 036490

Dated : 27th May, 2021.
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 2021

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.

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 received upon surrender of rights on open land which are measured at fair value. Refer to policy at item no "Q"))

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. **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 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**

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

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 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. Further as per Management estimates, there is a reasonable certainty as to its settlement by 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 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 by the Government of India under Nutrient Based Subsidy Scheme from time to time.

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.

Remaining 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, which is generally when shareholders approve the dividend.

Included in Lease

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.

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 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.

a. Depreciation

Depreciation is calculated on a Straight-line basis over the estimated useful lives of the assets on the depreciable amount when such assets are ready for their intended use.

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.

Depreciation on PPE is estimated by the management based on technical evaluation which are equal to the useful life prescribed under Schedule II to the Companies Act, 2013, other than the cases as mentioned in table below from where the useful lives are different from those prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

A major portion of the plant and equipment of the Company has been considered as continuous process plant.

Sl. No.	Assets	Useful Lives
1	Plant and Equipment	1 to 25
2	Office Equipments	1 to 10
3	Furniture and Fixtures	1 to 10
4	Electrical Equipment's	1 to 25

Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation on additions/deletions to Gross Block is calculated on pro-rata basis from the date of such additions upto the date of such deletions as per useful lives of such assets on Straight Line Basis.

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 INDAS 116. 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.

As at date of transition i.e. 01.04.2019, Company has opted for Modified Retrospective Option for accounting of its leases (except for leases with balance term of less than twelve months (short term) and low-value assets), wherein present value of remaining lease payments for existing operating leases have been calculated using incremental borrowing rate

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 polices 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.

The Net realizable value of imported Urea is the selling price net of dealers' margin and other entitled compensation as contracted with the Government net of variable selling and distribution cost.

The net realizable value of off-spec imported Urea is taken at 40% 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 and derivatives at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income FVTOCI

b. 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.

c. 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.

d. Equity investments

All equity investments in scope of Ind-AS 109 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.

e. 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.

f. 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.

g. Impairment of financial assets

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

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 AS 115.

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.

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

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

Based on the same, it recognizes impairment allowance based on lifetime ECL at each reporting date, right from its initial recognition.

Further for the purpose of measuring lifetime ECL allowance for trade receivables the Company has used a practical expedient as permitted under Ind AS 109.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.

h. 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:-

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.

i. 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 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 in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

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.

Transferable development Rights having commercial substance, received upon surrender of rights on open land is initially measured at fair value. Their subsequent measurement would be at lower of their carrying amount and fair value less costs to sell, since they are expected to be disposed.

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. As per corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

IV) Exemptions applied

Ind AS 101 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 pronouncement. There are no recent pronouncement/amendment with respect to IND AS accounting standards requiring any additional disclosures.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

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/ 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
a.	Land (Freehold)	10.74	-	-	10.74	-	-	-	-	-	-	-	10.74	10.74
	Land (Leasehold) ROU	10.39	-	-	10.39	0.80	0.80	-	1.60	-	-	-	8.79	9.59
b.	Buildings	242.05	17.78	0.16	259.67	34.96	9.70	0.01	44.65	0.71	(0.01)	0.70	214.32	206.38
	Buildings ROU	2.48	0.47	0.24	2.71	0.55	0.77	0.24	1.08	-	-	-	1.63	1.93
c.	Plant & Machinery	2403.58	175.18	7.56	2571.20	603.31	142.20	2.06	743.45	10.26	0.21	10.47	1817.28	1790.01
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
	Vehicles ROU	3.51	2.96	0.01	6.46	1.35	1.95	0.01	3.29	-	-	-	3.17	2.16
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	**2858.30**	**216.65**	**8.11**	**3066.84**	**726.03**	**173.25**	**2.41**	**896.87**	**10.97**	**0.20**	**11.17**	**2158.80**	**2121.30**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

NOTE NO. 1 – PROPERTY, PLANT & EQUIPMENT *(Contd.)*

AS AT 31.03.2020

₹ Crore

Sr. No.	Description	DEEMED COST / COST				DEPRECIATION				IMPAIRMENT LOSS			NET BOOK VALUE	
		AS.AT 01.04.2019	Of Additions/ Adjustments *	Of Deductions/ Adjustments	AS.AT 31.03.2020	UPTO 01.04.2029	Provided during the year	On items Sold/ Discarded/ Adjusted	UPTO 31.03.2020	UPTO 01.04.2029	Provided during the year	UPTO 31.03.2020	AS.AT 31.03.2020	AS.AT 31.03.2019
a.	Land (Freehold)	10.74	-	-	10.74	-	-	-	-	-	-	-	10.74	10.74
	Land (Leasehold) ROU	-	10.39	-	10.39	-	0.80	-	0.80	-	-	-	9.59	-
b.	Buildings	163.13	78.99	0.07	242.05	25.42	9.55	0.01	34.96	0.71	-	0.71	206.38	137.00
	Buildings ROU	-	2.68	0.20	2.48	-	0.59	0.04	0.55	-	-	-	1.93	-
c.	Plant & Machinery	2161.42	246.32	4.16	2403.58	466.98	137.28	0.95	603.31	7.40	2.86	10.26	1790.01	1687.04
d.	Furniture & Fixtures	11.63	0.39	0.05	11.97	5.55	1.34	0.03	6.86	-	-	-	5.11	6.08
e.	Vehicles	3.36	0.68	0.06	3.98	1.98	0.37	0.06	2.29	-	-	-	1.69	1.38
	Vehicles ROU	-	3.51	-	3.51	-	1.35	-	1.35	-	-	-	2.16	-
f.	Office Equipments	25.11	0.64	0.08	25.67	14.58	3.21	0.05	17.74	-	-	-	7.93	10.53
g.	Others													
i)	Roads & Culverts	12.18	2.06	-	14.24	5.37	1.94	-	7.31	-	-	-	6.93	6.81
ii)	Railway Sidings	15.29	-	-	15.29	5.12	0.96	-	6.08	-	-	-	9.21	10.17
iii)	Water System, Sewerage & Drainage	20.20	0.74	-	20.94	4.27	1.27	-	5.54	-	-	-	15.40	15.93
iv)	Miscellaneous Equipments	87.61	5.91	0.06	93.46	30.58	8.68	0.02	39.24	-	-	-	54.22	57.03
	TOTAL	**2510.67**	**352.31**	**4.68**	**2858.30**	**559.85**	**167.34**	**1.16**	**726.03**	**8.11**	**2.86**	**10.97**	**2121.30**	**1942.71**

₹ Crore

1.1

*** Additions/Adjusments in PPE include the following**	**Item of Asset**	**AS AT 31.03.2021**	**AS AT 31.03.2020**
Exchange Differences	Plant & Machinery	-	0.46
Borrowing Costs		7.08	-
TOTAL		**7.08**	**0.46**

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 18

1.4

₹ Crore

Capital work in progress	**AS AT 31.03.2021**	**AS AT 31.03.2020**
	392.67	433.49

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

NOTE NO. 2 – NON-CURRENT ASSETS - INVESTMENT PROPERTY

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 (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**

AS AT 31.03.2020

₹ Crore

Description	DEEMED COST / COST				DEPRECIATION				IMPAIRMENT LOSS			NET BOOK VALUE	
	AS.AT 01.04.2019	Of Additions/ Adjustments	Of Deductions/ Adjustments	AS.AT 31.03.2020	UPTO 01.04.2019	Provided during the year	On items Sold/ Discarded/ Adjusted	UPTO 31.03.2020	UPTO 01.04.2019	Provided during the year	UPTO 31.03.2020	AS.AT 31.03.2020	AS.AT 31.03.2019
Land (Freehold)	0.01	-	-	0.01	-	-	-	-	-	-	-	0.01	0.01
Buildings	7.04	-	-	7.04	0.76	0.19	-	0.95	-	-	-	6.09	6.28
TOTAL	**7.05**	-	-	**7.05**	**0.76**	**0.19**	-	**0.95**	-	-	-	**6.10**	**6.29**

2.1 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

2.2

Information regarding income and expediture of Investment Property	AS AT 31.03.2021	AS AT 31.03.2020
Rental income derived from investment properties	34.96	33.97
Less: Direct operating expenses (including repairs and maintenance) generating rental income	1.17	1.36
Less: Direct operating expenses (including repairs and maintenance) that did not generate rental income	0.04	0.17
Profit arising from investment properties before depreciation and indirect expenses	**33.75**	**32.44**
Less: Depreciation	0.19	0.19
Profit arising from investment properties before indirect expenses	**33.56**	**32.25**

2.3 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 maintainance of investment property is given.

2.4 As at 31 March 2021, the fair values of the properties is ₹ 928.46 crore (₹ 842.58 crore as on 31.03.2020). These valuations are based on valuations performed by M/s Anmol Sekhri Consultant Pvt. Ltd, 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

2.5 Fair value disclosures for investment properties is detailed below

₹ Crore

Reconciliation of Fair value	AS AT 31.03.2021	AS AT 31.03.2020
LAND		
Opening balance	242.08	232.84
Fair Value	251.33	242.08
Fair value difference	9.25	9.24
Purchases / Transfers	-	-
Closing balance	**251.33**	**242.08**
BUILDING		
Opening balance	600.50	607.71
Fair Value	689.24	639.72
Fair value difference	88.74	32.01
Purchases / Transfers	(12.11)	(39.22)
Closing balance	**677.13**	**600.50**
TOTAL		
Opening balance	842.58	840.55
Fair Value	940.57	881.80
Fair value difference	97.99	41.25
Purchases / Transfers	(12.11)	(39.22)
Closing balance	**928.46**	**842.58**

NOTE No. 3 – NON-CURRENT ASSETS - INTANGIBLE ASSETS

AS AT 31.03.2021

₹ Crore

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	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
Computer Software	15.11	1.68	-	16.79	12.49	1.32	-	13.81	-	-	-	2.98	2.62
TOTAL	**15.11**	**1.68**	**-**	**16.79**	**12.49**	**1.32**	**-**	**13.81**	**-**	**-**	**-**	**2.98**	**2.62**

AS AT 31.03.2020

₹ Crore

Description	DEEMED COST / COST				AMORTISATION				IMPAIRMENT LOSS			NET BOOK VALUE	
	AS.AT 01.04.2019	Of Additions/ Adjustments	Of Deductions/ Adjustments	AS.AT 31.03.2020	UPTO 01.04.2019	Provided during the year	On items Sold/ Discarded/ Adjusted	UPTO 31.03.2020	UPTO 01.04.2019	Provided during the year	UPTO 31.03.2020	AS.AT 31.03.2020	AS.AT 31.03.2019
Computer Software	12.49	2.62	-	15.11	11.50	0.99	-	12.49	-	-	-	2.62	0.99
TOTAL	**12.49**	**2.62**	**-**	**15.11**	**11.50**	**0.99**	**-**	**12.49**	**-**	**-**	**-**	**2.62**	**0.99**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 4	"NON-CURRENT ASSETS" "FINANCIAL ASSETS – INVESTMENTS"	AS AT 31.03.2021	AS AT 31.03.2020
A	**Investments in Equity Instruments:**		
a	**Joint Ventures at Cost**		
	Talcher Fertilizers Limited	535.48	159.51
	(Formerly known as Rashtriya Coal Gas Fertilizers Limited)		
	(53,54,80,424 equity shares (P.Y. 15,95,04,807 equity shares) of ₹ 10 each)		
	(Under lock in period for 5 year from date of commercial operation)		
		535.48	**159.51**
b	**Investment Designated at Fair Value Through OCI**		
	Indian Potash Limited*	78.68	72.26
	(6,73,200 equity shares (P.Y.6,73,200 equity shares) of ₹ 10 each)		
B	**Other Investments (Unquoted) Designated at Fair Value Through P&L**		
	Transferable Development Rights	36.03	31.32
	(Refer Note No. 64)		
	TOTAL	**650.19**	**263.09**

*Reconciliation of fair value measurement of the investment in unquoted equity shares of Indian Potash Limited (IPL)

₹ Crore

	AS AT 31.03.2021	AS AT 31.03.2020
Opening balance	72.26	69.99
Total Gains and losses recognised in OCI	6.42	2.27
Closing Balance	**78.68**	**72.26**

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	-	-
b.	Urvarak Videsh Ltd.	0.18	0.18
	(1,80,000 equity shares (P.Y.1,80,000) of ₹ 10 each)		
	Less:- Provision for Diminution in the value of investment	(0.18)	(0.18)
	Carrying Value	-	-

₹ Crore

NOTE NO. 5	"NON-CURRENT ASSETS" "FINANCIAL ASSETS – TRADE RECEIVABLES"	AS AT 31.03.2021	AS AT 31.03.2020
	Trade Receivables		
	Credit Impaired	1.71	1.56
	Less: Provision for Doubtful Debts	(1.71)	(1.56)
	TOTAL	–	–

₹ Crore

NOTE NO. 6	"NON-CURRENT ASSETS" "FINANCIAL ASSETS – LOANS"	AS AT 31.03.2021	AS AT 31.03.2020
i.	Secured Considered Good : Loans- Employees	0.02	0.13
ii.	Unsecured Considered Good : Loan- Other CPSE (Refer Note No. 55.2)	15.30	20.40
iii.	Significant Increase in Credit Risk	-	-
iv.	Credit Impaired	-	-
	TOTAL	**15.32**	**20.53**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 7	"NON-CURRENT ASSETS" "FINANCIAL ASSETS – OTHERS"	AS AT 31.03.2021	AS AT 31.03.2020
(i)	**Advances to Related Parties**		
	Considered Doubtful (Refer Note No. 55.1)	36.50	36.50
	Less: Provision	(36.50)	(36.50)
		–	–
(ii)	Advance Against Equity Pending Allotment (Refer Note No. 55.1)	2.36	2.36
	Less: Provision Towards Diminution in Value	(2.36)	(2.36)
		–	–
(iii)	**Others**		
	Receivables Towards Rent / Services Provided		
	Unsecured - Considered Doubtful	1.77	4.40
	Less: Provision for Doubtful Receivables	(1.77)	(4.40)
		–	–
	TOTAL	–	–

₹ Crore

NOTE NO. 8	"NON-CURRENT ASSETS" "FINANCIAL ASSETS – CURRENT ASSET"	AS AT 31.03.2021	AS AT 31.03.2020
(i)	**Capital Advances**		
	Unsecured -Considered Good	43.16	10.31
(ii)	**Advances other than capital advances**		
	a. Loans (Material Given on Refundable Basis) to Related Parties		
	Considered Doubtful	1.37	1.37
	Less: Provision	(1.37)	(1.37)
		-	-
	b. Other Advances		
	Unsecured -Considered Good		
	i. VAT Receivable		
	Unsecured -Considered Good	39.53	60.80
	Unsecured -Considered Doubtful	-	1.30
	Less: Provision	-	(1.30)
		39.53	60.80
	ii. Other Advances Considered Doubtful	3.20	3.37
	Less: Provision for doubtful advances	(3.20)	(3.37)
		-	-
	iii. Advance Income Tax (Net of Provision)	79.28	109.74
	iv Deposits with Customs, Port Trust etc.		
	Unsecured -Considered Good (Refer Note No. 41.1.3)	23.04	22.59
	Unsecured -Considered Doubtful	2.06	2.27
	Less: Provision (Refer Note No. 56)	(2.06)	(2.27)
		23.04	22.59
	v. Prepaid expenses	0.19	0.27
		142.04	193.40
(iii)	**Others**		
	Employee Benefit Asset	0.07	0.13
	TOTAL	**185.27**	**203.84**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 9	"CURRENT ASSETS" "INVENTORIES"	AS AT 31.03.2021	AS AT 31.03.2020
i.	Raw materials	132.30	240.38
	Raw Materials-in-transit	-	85.51
	Raw Materials (Total)	132.30	325.89
	Less: Impaired Stock	(4.46)	-
	Raw Materials (Total)	127.84	325.89
ii.	Finished Goods	148.81	233.16
	Finished Goods-in-transit	56.94	50.67
	Finished Goods (Total)	205.75	283.83
iii.	Stock in Trade/Bought Out Products	114.93	3.33
	Stock in Trade/Bought Out Products-in-Transit	-	-
	Stock in Trade/Bought Out Products (Total)	114.93	3.33
iv.	Intermediary Products	28.58	28.90
v.	By products	3.25	5.77
vi.	Stores & Spares, Packing Materials and Petroleum products	330.44	327.36
	Less: Provision for Obsolescence etc./Loss under Investigation (Refer Note No. 51)	(23.29)	(25.14)
		307.15	302.22
vii.	Certified Emission Reduction Credits (CER) / Renewable Energy Certificates (REC)	0.05	-
	(Refer Note No. 60)		
	(No. of CER Units C.Y. 9,73,738 , P.Y. 9,73,738)		
	(No. of REC Units C.Y. 2497, P.Y. 13)		
	TOTAL	**787.55**	**949.94**
	Inventory Includes:		
	Stores and Spares		
	a) Under inspection	4.24	1.87
	b) Platinum & Rhodium stolen in earlier year and under investigation which is not available for verification	0.21	0.21
	c) With fabricators	33.80	20.12
	Cost of Inventories Recognised as Expense	3184.59	3866.29
	Writedown of Inventories Charge to P&L (Difference Between Cost & NRV)	0.70	10.03
	Reversal of Writedowns	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 10 "CURRENT ASSETS" "FINANCIAL ASSETS – TRADE RECEIVABLES"	AS AT 31.03.2021	AS AT 31.03.2020
Subsidy Receivable (Unsecured - considered good)*	1106.17	4248.14
Trade Receivables		
Secured - Considered good	122.31	108.87
Unsecured - Considered good	221.15	197.35
Significant Increase in Credit Risk	0.64	0.84
	344.10	307.06
Less : Provision for expected credit loss **	(0.73)	(3.97)
Total - Sundry Debtors	343.37	303.09
TOTAL	**1449.54**	**4551.23**

*Includes an amount of ₹ NIL (P.Y. ₹ 910.66 crore) under special banking arrangement secured by way of specific subsidy claims to be settled by DoF/FICC)

** 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	0.14	0.24
00 - 90 days	2.37	3.06
91 - 180 days	20.77	19.31
181 - 365 days	66.90	58.35
> 365 days (fully secured)	-	-
Age of Receivables (₹ Cr)		
Not Due - Receivable from GoI (Not tested for ECL)	35.47	12.38
Not Due - Other Trade Receivables	300.60	250.18
00 - 90 days	6.84	35.96
91 - 180 days	0.28	6.67
181 - 365 days	0.14	1.69
> 365 days (fully secured)	0.77	0.18
	344.10	**307.06**
Movement in ECL allowance (₹ Cr)		
Balance at Beginning of the year	3.97	1.77
Movement	(3.24)	2.20
Balance at End of the year	0.73	3.97

Out of the Total Trade Receivables, Trade Receivables amounting to ₹ 122.31 Crore as on 31.03.2021 (PY ₹ 108.87 Crore) are secured against collaterals in form of Deposits / Bank Guarantees received and held by the company

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 11	"CURRENT ASSETS" "FINANCIAL ASSETS – CASH AND CASH EQUIVALENTS"	AS AT 31.03.2021	AS AT 31.03.2020
Cash and Cash Equivalents			
i.	Balances with Bank	6.23	1.30
ii.	Cash on Hand	-	0.01
iii.	Deposits with Original Maturity less than 3months	1465.00	-
	TOTAL	**1471.23**	**1.31**

The above cash and cash equivalent have not been pledged

₹ Crore

NOTE NO. 12	"CURRENT ASSETS" "FINANCIAL ASSETS – OTHER BANK BALANCES"	AS AT 31.03.2021	AS AT 31.03.2020
i.	Margin Money Deposit / Bond Money Received from Employees	47.06	0.42
ii.	In Unpaid Dividend Account *	2.03	0.87
	TOTAL	**49.09**	**1.29**

* Earmarked balances with banks / No amounts are due & payable to Investor Education & Protection Fund

₹ Crore

NOTE NO. 13	"CURRENT ASSETS" "FINANCIAL ASSETS – LOANS"	AS AT 31.03.2021	AS AT 31.03.2020
i.	**Secured Considered Good**		
	Loans- Employees	0.19	0.31
ii.	**Unsecured Considered Good (Refer Note No. 55.2)**		
	Loan- Other CPSE	6.00	6.19
iii.	Significant Increase in Credit Risk	–	–
iv.	Credit Impaired	–	–
	TOTAL	**6.19**	**6.50**

₹ Crore

NOTE NO. 14	"CURRENT ASSETS" "FINANCIAL ASSETS – OTHERS"	AS AT 31.03.2021	AS AT 31.03.2020
i.	Derivatives	3.81	2.67
ii.	Interest Receivable	1.44	0.20
iii.	Receivables towards Rent / Services provided **	291.39	1652.33
	TOTAL	**296.64**	**1655.20**

* Expected Credit Loss-NIL

** Includes an amount of ₹ 247.02 Crore Receivable from Government of India towards Import of Urea on Government Account (P.Y. ₹ 1598.65 crore)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 15	"CURRENT ASSETS" "OTHER CURRENT ASSETS"	AS AT 31.03.2021	AS AT 31.03.2020
i.	**Advances other than capital advances**		
	Security Deposits		
	Unsecured -Considered Good	0.29	0.08
ii.	**Other Advances**		
	Unsecured -Considered Good		
	i. Contractors	79.44	32.77
	ii. Employees	0.14	0.29
	iii. GST Receivable	55.52	38.77
	iv. Prepaid Expenses	18.87	2.47
	Total Other Advances	153.97	74.30
iii.	**Non Current Assets held for Disposal**	0.48	0.48
	(Refer Note No. 54)		
iv.	**Employee Benefit Asset**	0.06	0.08
	TOTAL	**154.80**	**74.94**

₹ Crore

NOTE NO. 16	"EQUITY" "EQUITY SHARE CAPITAL"	AS AT 31.03.2021	AS AT 31.03.2020
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

	31.03.2021		31.03.2020	
	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

	31.03.2021		31.03.2020	
	No.	% age of shareholding	No.	% age of shareholding
i. President of India	413769483	75.00%	413769483	75.00%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 17 "EQUITY" "OTHER EQUITY"	AS AT 31.03.2021	AS AT 31.03.2020
i. Other Reserves		
General Reserve		
Opening Balance	2580.55	2437.48
Add: Transferred (to) / from Retained Earnings	147.39	143.07
Closing Balance	2727.94	2580.55
Equity Instruments through Other Comprehensive Income Reserve		
Opening Balance	54.03	45.53
Add: Other Comprehensive Income for the Year (Net of Tax)	4.81	8.50
Closing Balance	58.84	54.03
ii. Retained Earnings		
Opening Balance / Adjustments	-	-
Profit for the Year	373.11	208.15
Adjustment for Remeasurement of Defined Benefit Plans (Net of Tax) -Actuarial Valuation	(2.84)	(13.87)
Less: Dividends Paid	(222.88)	(42.48)
Less: Dividend Distribution Tax	-	(8.73)
Less: Transfer (to) / from General Reserve	(147.39)	(143.07)
Closing Balance	-	-
TOTAL	**2786.78**	**2634.58**

For FY 2020-21, The Board of Directors have recommended a final dividend of ₹ 1.78 per equity share (P.Y. ₹ 2.84 per equity share) which is subject to approval by shareholders of the Company. This is in addition to the interim dividend of ₹ 1.20 per equity share (P.Y. NIL) paid by the Company.

₹ Crore

NOTE NO. 17A "DIVIDEND"	AS AT 31.03.2021	AS AT 31.03.2020
Dividends on Equity Shares paid during the year		
Final Dividend for the FY 2019-20 [₹ 2.84 (P.Y. ₹ 0.77) per equity share of ₹ 10 each]	156.68	42.48
Dividend Distribution Tax	-	8.73
Interim Dividend for the FY 2020-21 [₹ 1.20 (P.Y. NIL) per equity share of ₹ 10 each]	66.20	-
TOTAL	**222.88**	**51.21**

₹ Crore

NOTE NO. 18 "NON-CURRENT LIABILITIES" "FINANCIAL LIABILITIES - BORROWINGS"	AS AT 31.03.2021		AS AT 31.03.2020	
	Non Current	Current	Non Current	Current
SECURED				
Non Convertible Debentures (NCDs)				
6.59% Listed Secured Non Convertible Debentures (RCF Series I -2020)	499.62	-	-	-
Listed Secured Non Convertible Debentures(NCDs) (RCF Series I -2020) in Nos. 5000 have been issued at an interest rate of 6.59% pa 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.				
	499.62	-	-	-
Term Loan from Banks				
1 Rupee Loan from Banks				
a. Kotak Mahindra Bank Limited	143.18	6.82	-	-
A secured loan of ₹ 150 crore availed from Kotak Mahindra Bank on 5th November 2020 is availed at a rate of interest linked to Repo Rate plus fixed spread of 1.99% per annum. The loan is secured by moveable plant and machinery of the Company to the extent of 1.25 times of the amount borrowed from bank. The security for this loan is yet to be created and perfected. Repayment of the said loan would fall due for ₹ 6.82 crore in F.Y. 2021-22, ₹ 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 and ₹ 6.83 crore in F.Y. 2027-28.				

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 18	"NON-CURRENT LIABILITIES" "FINANCIAL LIABILITIES - BORROWINGS"	AS AT 31.03.2021		AS AT 31.03.2020	
		Non Current	Current	Non Current	Current
b.	**Kotak Mahindra Bank Limited**	58.83	58.82	117.65	58.82
	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. Repayment of the said loan would fall due for ₹ 58.82 crore in FY 2021-22, ₹ 58.83 crore in FY 2022-23.				
c.	**Exim Bank**	34.41	27.53	61.94	27.53
	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. Repayment of the said loan would fall due for ₹ 27.53 crore in FY 2021-22, ₹ 27.53 crore in FY 2022-23 and ₹ 6.88 crore in F.Y 2023-24.				
d.	**State Bank of India**	85.20	51.84	297.56	11.44
	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. This loan has been prepaid to the extent of ₹ 200 crore in this year. Repayment of the balance loan amount would fall due for ₹ 51.84 crore in F.Y 2021-22, ₹ 51.84 crore in F.Y. 2022-23 and ₹ 33.36 crore in F.Y. 2023-24.				
		321.62	145.01	477.15	97.79
2	**Foreign Currency Loan / External Commercial Borrowings (ECB)**				
a.	**Yes Bank Limited**	6.03	12.07	18.56	12.38
	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 ₹ 12.07 crore in F.Y. 2021-2022 and ₹ 6.03 crore in F.Y. 2022-23.				
b.	**State Bank of India**	72.73	36.36	105.20	35.07
	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 ₹ 36.59 crore in F.Y. 2021-22, ₹ 36.59 crore in F.Y. 2022-23 and ₹ 36.59 crore in F.Y. 2023-24.				

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 18 "NON-CURRENT LIABILITIES" "FINANCIAL LIABILITIES - BORROWINGS"	AS AT 31.03.2021		AS AT 31.03.2020	
	Non Current	Current	Non Current	Current
c. **State Bank of India**	143.04	10.79	-	-
ECB of EURO 18.00 Million availed by the Company from State Bank of India, New York Branch against a sanctioned amount of EUR 25.00 Million, under RBI Loan Registration no. 202011111at a rate of interest of 6 months EURIBOR plus spread of 1.40% per annum. The loan is secured by moveable plant and machienry of the Company to the extent of 1.25 times of the amount borrowed from bank. The security for this loan is yet to be created and perfected. Repayment of the said loan would fall due for ₹ 11.07 crore in F.Y. 2021-22, ₹ 22.14 crore in F.Y. 2022-23, ₹ 22.14 crore in F.Y. 2023-24, ₹ 22.14 crore in F.Y. 2024-25, ₹ 22.14 crore in F.Y. 2025-26, ₹ 22.14 crore in 2026-27, ₹ 22.14 crore in F.Y. 2027-28 crore and ₹ 11.07 crore in F.Y. 2028-29.				
	221.80	59.22	123.76	47.45
Amount disclosed under the head "OTHER CURRENT LIABILITIES" (Refer Note No. 26)		(204.23)		(145.24)
TOTAL	**1043.04**	**-**	**600.91**	**-**
Details of Borrowings and Transaction Costs				-
Total External Commercial Borrowings		217.09		105.88
Less: Transaction Costs		1.32		0.68
Carrying value of External Commercial Borrowings		**215.77**		**105.20**
Non-Covertible Debentures				-
6.59% Listed Secured Non Convertible Debentures (RCF Series I -2020)		500.00		-
Less: Transaction Costs		0.38		-
Carrying value of Non-Covertible Debentures		**499.62**		**-**

₹ Crore

NOTE NO. 19 "NON-CURRENT LIABILITIES" "FINANCIAL LIABILITIES – TRADE PAYABLES"	AS AT 31.03.2021	AS AT 31.03.2020
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. 48)	211.79	211.79
TOTAL	**211.79**	**211.79**

₹ Crore

NOTE NO. 20 "NON-CURRENT LIABILITIES" "FINANCIAL LIABILITIES – OTHERS"	AS AT 31.03.2021	AS AT 31.03.2020
i. Security Deposit from Vendors	26.52	34.44
ii. Deposit from Employees	-	0.01
iii. Other Liabilities (ROU Lease Liability)	9.17	9.44
TOTAL	**35.69**	**43.89**

₹ Crore

NOTE NO. 21 "NON-CURRENT LIABILITIES" "PROVISIONS"	AS AT 31.03.2021	AS AT 31.03.2020
Provision for Employee Benefits		
i. Leave Salary Encashment	87.53	101.25
ii. Post Retirement Medical Benefits	98.57	87.03
iii. Long Service Award	0.22	0.27
TOTAL	**186.32**	**188.55**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 22	"NON-CURRENT LIABILITIES" "DEFERRED TAX LIABILITIES (NET)"	AS AT 31.03.2021	AS AT 31.03.2020
a.	**Deferred Tax Liability:**		
i.	Depreciation	300.25	286.17
ii.	Fair value of Investments	19.67	18.06
iii.	Revenue from TDR	8.39	8.39
iv.	Other timing differences	1.69	0.77
	TOTAL	330.00	313.39
b.	**Deferred Tax Asset:**		
i.	Provision for Doubtful Debts/Claims/Advances	11.23	11.95
ii.	Provision for Obsolescence of Stores	3.46	4.14
iii.	Provision for Diminution in Value of Investments	8.91	-
iv.	Expenditure Allowable on Payment Basis	58.02	69.29
v.	Other Timing Differences	30.58	31.07
	TOTAL	112.20	116.45
	NET DEFERRED TAX LIABILITY	**217.80**	**196.94**

₹ Crore

NOTE NO. 23	"OTHER LIABILITIES"		AS AT 31.03.2021	AS AT 31.03.2020
I	**NON CURRENT**			
i.	Advance rent Received	23 A	2.28	4.44
ii.	Government Grants	23 B	0.78	0.98
iii.	Deferred Deposit		31.11	33.69
	TOTAL OTHER NON CURRENT LIABILITIES (I)		34.17	39.11
II	**CURRENT**			
(a)	**Revenue received in advance**			
	Income Received in Advance from Customers (Contract Liabilities)	23 C	57.46	48.40
(b)	**Other Advances**			
	Retention money		12.50	12.50
(c)	**Other Liabilities:**			
i.	Advance Rent Received	23 A	2.15	2.55
ii.	Government Grants	23 B	0.18	0.30
iii.	Deferred Deposit		3.90	4.59
iv.	Statutory Dues:			
a.	Withholding taxes		14.00	13.08
b.	GST Payable		12.84	-
v.	Others (Refer Note No. 52)		0.02	0.09
			33.09	20.61
	TOTAL OTHER CURRENT LIABILITIES (II)		**103.05**	**81.51**

₹ Crore

NOTE NO. 23A "ADVANCE RENT RECEIVED"	AS AT 31.03.2021	AS AT 31.03.2020
At at 1st April	6.99	9.54
Received / (Repaid) during the year	-	-
Released to the statement of profit and loss	2.56	2.55
As at 31st March	**4.43**	**6.99**
Current	2.15	2.55
Non-current	2.28	4.44

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 23B "GOVERNMENT GRANTS"	AS AT 31.03.2021	AS AT 31.03.2020
At at 1st April	1.28	1.60
Received / (Repaid) during the Year	-	-
Released to the Statement of Profit and Loss	0.32	0.32
As at 31st March	0.96	1.28
Current	0.18	0.30
Non-Current	0.78	0.98

₹ Crore

NOTE NO. 23C "INCOME RECEIVED IN ADVANCE FROM CUSTOMERS (CONTRACT LIABILITIES)"	AS AT 31.03.2021	AS AT 31.03.2020
At at 1st April	48.40	39.98
Received / (Repaid) during the Year	57.46	48.40
Released to the Statement of Profit and Loss	48.40	39.98
As at 31st March	57.46	48.40
Current	57.46	48.40
Non-Current	-	-

₹ Crore

NOTE NO. 24 "CURRENT LIABILITIES" "FINANCIAL LIABILITIES – BORROWINGS"	AS AT 31.03.2021	AS AT 31.03.2020
(a) Loans Repayable on Demand		
I. Secured		
a. From Banks*		
i. Cash Credit	8.89	81.24
ii. Working Capital Demand Loan	350.00	1230.66
(includes Rupee Loans amounting to ₹ NIL (P.Y. ₹ 910.66 crore) from Punjab National Bank under Special Banking Arrangement against the subsidy receivables on Urea and P&K Fertilizers from Govt of India. which was secured by hypothecation of subsidy receivables of equivalent amount. This loan was fully repaid in current year.		
Total Secured	**358.89**	**1311.90**
II. Unsecured:		
a. From Banks		
i. Foreign Currency Loans from Banks-Buyers Credit **	143.14	215.21
ii. Rupee loans	-	1349.00
	143.14	1564.21
b. Other Loans		
Commercial Paper *** (net of unamortised interest ₹ 2.51 crore, PY ₹ 8.50 crore)	317.49	1191.50
Total Unsecured	**460.63**	**2755.71**
TOTAL	**819.52**	**4067.61**

*Cash Credit from banks carrying interest of 7.35%-7.75% per annum (PY 7.75%-8.55% per annum) and Working Capital Demand Loan / Short Term Rupee Loans carrying interest of 4.00%-7.00% per annum (PY 7.00%-8.00% 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 0.35% -2.25% per annum (PY 2.00% to 3.00% per annum). These loans are repayable within 180 days.

***Unsecured Commercial Papers carry interest of around 3.70%-6.00% per annum (PY 5.48%-7.55% per annum). The oustanding commercial paper is repayable in May 2021.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 25 "CURRENT LIABILITIES" "FINANCIAL LIABILITIES – TRADE PAYABLES"	AS AT 31.03.2021	AS AT 31.03.2020
Trade Payables (including Acceptances)*		
(A) Outstanding dues of micro enterprises and small enterprises (Refer Note No. 52)	40.01	36.81
(B) Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	865.78	959.92
TOTAL	**905.79**	**996.73**

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 ₹ 38.27 crores (P.Y. ₹ 48.51 crores)

₹ Crore

NOTE NO. 26 "CURRENT LIABILITIES" "FINANCIAL LIABILITIES – OTHER FINANCIAL LIABILITIES"	AS AT 31.03.2021	AS AT 31.03.2020
i. Current Maturities of Long Term Debt (Refer Note No. 18)	204.23	145.24
ii. Interest Accrued But Not Due on Borrowings	26.20	3.74
iii. Unclaimed Dividend *	1.06	0.87
iv. Payables on Capital Account	51.36	76.61
v. Standing Deposit from Customers	73.16	45.55
vi. Trade Deposit from Customers	78.56	73.88
vii. Earnest Money Deposit & Security Deposit from Vendors	90.41	78.62
viii. Other Payables	7.77	7.84
ix. Ex-gratia & Employee Benefits	64.58	48.22
x. ROU Lease Liability	2.63	1.97
TOTAL	**599.96**	**482.54**

* No amounts are due & payable to Investor Education & Protection Fund

₹ Crore

NOTE NO. 27 "CURRENT LIABILITIES" "PROVISIONS"	AS AT 31.03.2021	AS AT 31.03.2020
Provision for Employee Benefits		
i. Leave Salary Encashment	91.60	99.32
ii. Post Retirement Medical Benefits	7.73	7.13
iii. Ex-gratia / Gratuity Payable	16.25	16.53
iv. Payable to Provident Fund	3.59	19.07
v. Long Service Award	0.06	0.09
TOTAL	**119.23**	**142.14**

₹ Crore

NOTE NO. 28 "CURRENT LIABILITIES" "CURRENT TAX LIABILITIES NET"	AS AT 31.03.2021	AS AT 31.03.2020
Provision for Taxation less Advance tax	11.35	53.39
TOTAL	**11.35**	**53.39**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 29	"REVENUE FROM OPERATIONS"		Year Ended 31.03.2021	Year Ended 31.03.2020
1. Sales				
A. Manufactured Products		29A		
Fertilizers			2218.66	2369.57
Industrial Products			1023.50	660.94
			3242.16	**3030.51**
B. Bought-out Products		29A		
Fertilizers			536.47	642.74
	Net Sales		**3778.63**	**3673.25**
2. Other Operating Revenues				
Subsidy on Urea & Complex Fertilizers* (Refer Note No. 47)		29B	4457.33	6000.73
Sale of Scrap			1.94	1.87
Management Fees -For Services rendered			12.04	10.67
Margin on Tie- ups			31.24	11.43
	TOTAL		4502.55	6024.70
Revenue from Operations			**8281.18**	**9697.95**

*Subsidy includes ₹ 85.43 crore (P.Y. ₹ 320.33 crore) in respect of earlier years, determined during the year

₹ Crore

NOTE NO. 29A	"SALES - PRODUCT WISE BREAK-UP"	Year Ended 31.03.2021	Year Ended 31.03.2020
1 Manufactured			
A. Fertilizers			
Urea			
Suphala 15 : 15 : 15		1000.60	1119.48
Urea / Neem coated Urea		1165.14	1216.55
Others		52.92	33.54
		2218.66	**2369.57**
B. Industrial Products			
Ammonia		225.44	123.41
Dilute Nitric Acid		90.01	53.95
Concentrated Nitric Acid		94.77	49.70
Ammonium Bi-carbonate		58.93	42.99
Methylamines		95.62	72.47
Ammonium Nitrate Melt		361.60	249.73
Others		97.13	68.69
		1023.50	**660.94**
2 Bought-out Products			
Imported Di Ammonium Phosphate		199.37	350.61
Imported Muriate of Potash		79.19	155.46
Imported NPK 10:26:26		62.30	122.48
Imported NPK 20:20:0		178.27	-
Others		17.34	14.19
		536.47	642.74
	TOTAL	**3778.63**	**3673.25**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 29B	"SUBSIDY ON UREA & COMPLEX FERTILIZERS"	Year Ended 31.03.2021	Year Ended 31.03.2020
1.	**Manufactured Fertilizers**		
	Price	3805.91	5250.17
	Freight	388.31	443.46
		4194.22	5693.63
2.	**Bought-out Fertilizers**		
	Price	226.57	265.44
	Freight	36.54	41.66
		263.11	307.10
	TOTAL	**4457.33**	**6000.73**

₹ Crore

NOTE NO. 30	"OTHER INCOME"	Year Ended 31.03.2021	Year Ended 31.03.2020
1.	**Interest Income on Financial Assets carried at Amortised Cost**		
a.	On Loans to Employees	0.05	0.08
b.	On Deposits with Bank and Others	13.20	3.42
c.	From Customers	2.77	3.71
d.	From Others [includes ₹ 9.92 crore (P.Y. ₹ 30.94 crore) crore dues from DOF]	9.94	31.52
	TOTAL	**25.96**	**38.73**
2.	**Interest Income on Taxes**		
a.	On Income Tax Refund	0.92	2.68
b.	On Sales Tax Refund	3.78	-
		4.70	**2.68**
	TOTAL	**30.66**	**41.41**
3.	**Dividend Income**		
a.	Dividend from Equity Investment measured at fair value through OCI	0.17	0.10
b.	Dividend from Mutual Fund Investment measured at FVTPL	-	0.10
		0.17	**0.20**
4.	**Net Gain arising on Financial Assets measured at FVTPL**		
a.	Gain / (Loss) on Sale of Mutual Fund Investments	0.90	-
b.	Gain / (Loss) on Derivatives	(0.63)	-
		0.27	**-**
5.	**Other Income**		
a.	Profit on Sale of Fixed Assets (Net)	-	0.10
b.	Bad Debts Recovered	0.08	0.11
c.	Foreign Exchange Gain	23.25	0.52
d.	Rental Income Including Other Recoveries	44.69	39.74
e.	Lease Compensation of Railway Siding	0.21	0.21
f.	Government Grants (Refer Note No. 23B)	0.32	0.32
g.	Amortisation of Deferred Deposits	5.50	6.13
h.	Miscellaneous Income	27.58	40.45
		101.63	87.58
Less: Transfer to Research and Development Expenses (Refer Note No. 37C)		(0.08)	(0.02)
	TOTAL	**132.65**	**129.17**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 31 "COST OF MATERIALS CONSUMED"		Year Ended 31.03.2021	Year Ended 31.03.2020
Raw Materials	31A	2899.64	3671.08
Packing Materials		104.89	105.15
Consumption of Stock from Trial Run Production		13.68	-
Add: Raw Materials of Impaired Plants		4.46	-
Less : Transferred to Research & Development (Refer Note No. 37C)		-	(0.01)
TOTAL		**3022.67**	**3776.22**

₹ Crore

NOTE NO. 31A "ITEMWISE BREAKUP OF MATERIALS CONSUMED"	Year Ended 31.03.2021	Year Ended 31.03.2020
RAW MATERIALS		
Rock Phosphate	65.76	74.08
Di-Ammonium Phosphate	5.09	7.49
Mono-Ammonium Phosphate	249.15	306.58
Muriate of Potash	271.77	316.03
Natural Gas	2237.22	2873.76
Others	70.65	93.14
SUB TOTAL	**2899.64**	**3671.08**
Less : Transferred to Research and Development (Refer Note No. 37C)	-	(0.01)
TOTAL	**2899.64**	**3671.07**

₹ Crore

NOTE NO. 32 "PURCHASES OF STOCK IN TRADE"	Year Ended 31.03.2021	Year Ended 31.03.2020
Imported Di Ammonium Phosphate	240.77	166.09
Imported Muriate of Potash	169.13	10.00
Imported NPK 20:20:0	243.23	-
NPK 10:26:26	75.85	137.90
Others	25.97	18.64
SUB TOTAL	**754.95**	**332.63**
Less: Transferred to Plant for internal consumption		
Imported DAP / MOP	(5.74)	(38.20)
TOTAL	**749.21**	**294.43**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 33	"CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN TRADE"		Year Ended 31.03.2021	Year Ended 31.03.2020
Opening Stock				
Finished Goods		33A	283.83	387.72
Intermediary Products			28.90	35.41
By-Products			5.77	4.42
Stock in trade		33A	3.33	497.53
			-	-
	SUB-TOTAL		**321.83**	**925.08**
Closing Stock				
Finished Goods		33B	205.75	283.83
Intermediary Products			28.58	28.90
By-Products			3.25	5.77
Stock in trade		33B	114.93	3.33
Certified Emission Reduction Credits (CER) / Renewable Energy Certificates (REC)			0.05	-
	SUB-TOTAL		**352.56**	**321.83**
	TOTAL		**(30.73)**	**603.25**

₹ Crore

NOTE NO. 33A	"OPENING STOCK - PRODUCT WISE BREAK-UP"	Year Ended 31.03.2021	Year Ended 31.03.2020
Finished Goods			
1. Manufactured			
A. Fertilizers			
Urea (Trombay)		46.26	22.63
Urea (Thal)		130.17	172.13
Complex Fertilizers		87.24	170.14
Others		15.92	16.40
B. Industrial Products			
Methanol		0.12	1.44
Concentrated Nitric Acid		0.24	0.20
Ammonium Bi-carbonate		-	0.27
Sodium Nitrate		0.22	0.51
Sodium Nitrite		0.02	0.57
Methylamines		1.03	0.93
Ammonium Nitrate Melt		0.02	0.02
Dimethyl Formamide		1.17	-
Dimethyl Acetamide		0.08	1.71
Argon Gas / Liquid		0.39	0.69
Formic Acid		0.95	0.07
Others		-	0.01
		283.83	387.72
2. Bought-out Products			
Fertilizers			
Imported Di Ammonium Phosphate		1.55	276.90
Imported Muriate of Potash		0.77	212.17
Imported NPK 20:20:0		0.09	8.46
Others		0.92	-
		3.33	497.53
	TOTAL	**287.16**	**885.25**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 33B "CLOSING STOCK - PRODUCT WISE BREAK-UP"	Year Ended 31.03.2021	Year Ended 31.03.2020
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. 34 "EMPLOYEE BENEFITS EXPENSE"	Year Ended 31.03.2021	Year Ended 31.03.2020
Salaries, Wages and Bonus	505.02	520.90
Contribution to Provident Fund and other funds	27.85	69.51
Contribution to Gratuity Fund	7.06	8.41
Workmen and Staff Welfare Expenses	56.84	52.40
	596.77	651.22
Less: Transferred to Research and Development (Refer Note No. 37C)	(1.65)	(1.97)
Share recoverable from Thal Ammonia Extension and Others	(31.29)	(31.99)
	(32.94)	(33.96)
TOTAL	**563.83**	**617.26**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 35	"FINANCE COSTS"	Year Ended 31.03.2021	Year Ended 31.03.2020
1	**Interest on Financial Liabilities carried at Amortised Cost**		
a.	Interest on Term Loans from Banks	35.85	29.30
b.	Interest on Non-Convertible Debentures	21.58	-
c.	Interest on Working Capital from Banks	92.84	168.07
d.	Interest on Other Loans and Deposits	16.15	4.80
e.	Interest on Deferred Deposits	4.71	5.36
f.	Other Borrowing Costs	1.05	1.55
g.	Exchange Differences Regarded as an Adjustment to Borrowing Costs	5.48	26.65
h.	Interest Expense on Lease Liabilities	1.07	0.90
		178.73	236.63
2	**Other Finance Costs**	0.84	1.19
	TOTAL	**179.57**	**237.82**

₹ Crore

NOTE NO. 36	"DEPRECIATION AND AMORTISATION EXPENSES / IMPAIRMENT"	Year Ended 31.03.2021	Year Ended 31.03.2020
i.	Depreciation on Property Plant and Equipment	173.25	167.34
ii.	Impairment / (reversal) on Property Plant and Equipment	0.20	2.86
iii.	Depreciation on Investment Property	0.19	0.19
iv.	Amortisation on Intangible Assets	1.32	0.99
Total Depreciation / Amortisation Impairment provided during the year		174.96	171.38
Less : Under Research and Development (Refer Note No. 37 C)		(0.33)	(0.34)
As reported under Statement of Profit & Loss:		**174.63**	**171.04**

₹ Crore

NOTE NO. 37	"OTHER EXPENSES"		Year Ended 31.03.2021	Year Ended 31.03.2020
Stores and Spares			39.00	34.20
Power and Fuel			2122.25	2758.87
Water Charges			135.07	62.18
Repairs and Maintenance		37A	151.97	133.11
Freight and Handling Charges			650.23	689.43
Rent			8.89	16.70
Rates and Taxes			11.64	16.00
Insurance			44.22	27.50
Miscellaneous Expenses		37B	80.10	86.07
Less: Transferred to Research & Development Expenses (Refer Note No. 37C)			(0.18)	(0.06)
	TOTAL		**3243.19**	**3824.00**

₹ Crore

NOTE NO. 37A	"REPAIRS AND MAINTENANCE"	Year Ended 31.03.2021	Year Ended 31.03.2020
Plant and Machinery		118.06	93.74
Buildings		21.87	21.16
Other Assets		12.20	18.52
		152.13	133.42
Less: Transferred to Research & Development Expenses (Refer Note No. 37C)		(0.16)	(0.31)
	TOTAL	**151.97**	**133.11**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 37B "MISCELLANEOUS EXPENSES"		Year Ended 31.03.2021	Year Ended 31.03.2020
Security Expenses-Factory and Others		46.28	49.10
Electricity Charges-Township and Offices		5.77	7.94
Advertisement		0.71	0.76
Bank Charges		1.87	1.43
Promotion and Publicity		3.46	5.20
Hire Charges for Vehicles		3.29	3.82
Travelling Expenses		1.13	4.20
Entertainment Expenses		-	0.05
Research and Development Expenses	37C	2.48	5.06
Loss on Fixed Assets Sold /Discarded		0.58	3.31
Losses/ Damages and Other Amounts Written Off		0.27	0.76
Corporate Social Responsibility Expenses		3.58	3.42
Provision for Doubtful Debts/ Claims/ Advances		1.16	4.73
Provision for Obsolescence of Stores		2.31	3.29
Bad Debts Written Off		1.69	-
Provision of Earlier Years no Longer Required		(9.02)	(6.24)
Liabilities for Expenses no Longer Required		(7.02)	(10.79)
Recovery of Share of Common Expenses		(16.78)	(32.64)
Other Expenses **		38.34	42.67
TOTAL		**80.10**	**86.07**

** Includes Directors' Sitting Fees C.Y. ₹ 19,60,000, P.Y. ₹ 18,95,000

₹ Crore

NOTE NO. 37C "RESEARCH & DEVELOPMENT EXPENSES"	Year Ended 31.03.2021	Year Ended 31.03.2020
Salaries and Staff Welfare Expenses	1.65	1.97
Repairs and Maintenance	0.16	0.31
Depreciation	0.33	0.34
Direct Research Expenditure	0.24	2.39
Other Expenses	0.02	0.04
Handling charges	0.16	0.02
Materials Consumed	-	0.01
SUB TOTAL	**2.56**	**5.08**
Less: Transferred from Other Income	(0.08)	(0.02)
TOTAL	**2.48**	**5.06**

₹ Crore

NOTE NO. 38 "EXCEPTIONAL ITEMS"	Year Ended 31.03.2021	Year Ended 31.03.2020
Fair valuation (Gain) / Loss - Transferable Development Rights	(4.71)	100.17
TOTAL	**(4.71)**	**100.17**

(Refer Note No. 64)

₹ Crore

NOTE NO. 39 "OTHER COMPREHENSIVE INCOME"	Year Ended 31.03.2021	Year Ended 31.03.2020
Items that will not be reclassified to profit or loss		
Remeasurements of Defined Benefit Plans	(3.80)	(18.54)
Fair Value Equity instruments (IPL Shares)	6.42	2.27
	2.62	(16.27)
Less: Income Tax / Deferred Tax Relating to Above Items	(0.65)	10.90
TOTAL	**1.97**	**(5.37)**

EXPLANATORY INFORMATION ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 40	"DISCLOSURE OF FINANCIAL ASSETS AND LIABILITIES AS PER IND AS 107"	AS AT 31.03.2021	AS AT 31.03.2020
I)	**FINANCIAL ASSETS**		
a.	BREAKUP OF FINANCIAL ASSETS AT FAIR VALUE THORUGH OCI		
	Investments - fully paid shares	78.68	72.26
	TOTAL	**78.68**	**72.26**
b.	BREAKUP OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT & LOSS		
	Derivatives	3.81	2.67
	Transferable Development Rights	36.03	31.32
	TOTAL	**39.84**	**33.99**
c.	BREAKUP OF FINANCIAL ASSETS CARRIED AT AMORTISED COST		
	Loans	21.51	27.03
	Others Financial Assets	292.83	1652.53
	Trade Receivables	1449.54	4551.23
	Cash and Cash Equivalents	1471.23	1.31
	Other Bank Balances	49.09	1.29
		3284.20	**6233.39**
d.	BREAKUP OF FINANCIAL ASSETS CARRIED AT COST		
	Investments - Joint ventures	535.48	159.51
	TOTAL	**535.48**	**159.51**
	TOTAL FINANCIAL ASSETS	**3938.20**	**6499.15**
II)	**FINANCIAL LIABILITIES**		
a.	BREAKUP OF FINANCIAL LIABILITIES CARRIED AT AMORTISED COST		
	Borrowings	1862.56	4668.52
	Trade Payables	1117.58	1208.52
	Deposit from Employees	-	0.01
	Current maturities of long term debt	204.23	145.24
	Interest accrued but not due on borrowings	26.20	3.74
	Unclaimed dividend	1.06	0.87
	Creditors on Capital Account	51.36	76.61
	Standing Deposit from Customers	73.16	45.55
	Trade Deposit from Customers	78.56	73.88
	Earnest Money Deposit & Security Deposit from Vendors	116.93	113.06
	Ex-gratia & employee benefits	64.58	48.22
	Other Payables - Tie ups	7.77	7.84
	ROU Lease Liability	11.80	11.41
	TOTAL	**3615.79**	**6403.47**
	TOTAL FINANCIAL LIABILITIES	**3615.79**	**6403.47**

The above referred carrying values of Financial Assets and Liabilities approximate its fair value as at the balance sheet date

EXPLANATORY INFORMATION ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

41. Contingent Liabilities not provided for:

41.1 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 31.03.2021	As at 31.03.2020
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.	64.30	64.30
	b	Levy of Market priced gas differential for use of APM/Domestic Gas for Non-Fertilizer Non-Urea operations (Refer Note no. 48)	1246.12	1231.05
	c	For non-submission for FICC certified gas utilization data	39.39	39.39
		Sub total	**1349.81**	**1334.74**
2		**Claims on the Company not acknowledged as debts by Contractors / Suppliers/ Arbitrators etc.**	143.11	81.83
3		**Demands raised by various authorities that may arise in respect of matters in appeal**		
		Excise Duty (D) (Refer note no 41.1.1)	70.33	67.49
		Excise Duty (S)	18.52	20.10
		Sales Tax	7.33	6.45
		Income Tax	39.19	20.08
		Service Tax (D)	13.92	7.24
		Service Tax (S)	2.40	5.59
		Custom Duty (D)	80.93	80.93
		Custom Duty (secured by Bank Guarantee)(Refer note no 41.1.2)	25.62	25.62
4		Water charges claimed by Municipal Corporation of Greater Mumbai(Refer note no 41.1.3)	38.24	38.79
5		Claims preferred by local authorities	8.34	8.37
		GRAND TOTAL	**1797.74**	**1697.23**

(D) – Demands raised / (S) – Show cause notice issued.

41.1.1 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.

41.1.2 Company's appeal filed before the bench of CESTAT, was heard during FY 2019-20 and a favorable order is expected and no provision is required. Further, the bank guarantee offered as security amounting to ₹ 29.07 crore is not renewed as advised by the Company's solicitors.

41.1.3 Demand of ₹ 33.48 crore raised by Municipal Corporation of Greater Mumbai (BMC) towards additional sewerage charges levied from 05.04.1987 were 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 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. Upon disposal of matter by the High Court, Company approached the 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.

EXPLANATORY INFORMATION ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

41.1.4 With reference to additional demand received as per orders of Sub Divisional Officer (SDO) Mumbai Suburban District and as revised by Tahsildar, towards Non Agriculture (NA) Tax and 100% Increase in Land Revenue (ILR), Company had recognized a liability of ₹ 22.00 crore in earlier years, against which ₹ 21.48 crore has been paid. As per the notices received, Company may also be subjected to pay additional NA tax and ILR for any future revision in the same. Company has been advised by its solicitors to appeal against the said demand as the same is not tenable.

41.1.5 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, Companyis in receipt of notice of penalty aggregating to ₹ 0.65 crore (P.Y ₹ 0.76 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.

41.2 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. However, with respect to matter relating to payment of overtime wages, a stay order has been obtained by the Company from High Court, with submission of a Bank guarantee amounting to ₹ 12.00 Crore. The matter is yet to be heard.

41.3 In respect of clause 41.1 to 41.2 above, it is not practicable for the Company to estimate the closure of these issues and the consequential timing of cash flows, if any.

42. Capital Commitments (Net of Advances):

₹ Crore

Particulars	As at 31.03.2021	As at 31.03.2020
Capital Expenditure Commitments	92.92	56.34
Commitment Towards Investments in JV (Talcher Fertilizers ltd)	648.71	1024.69

43. Disclosures relating to Finance Lease:

Relating to 416 Wagons leased to Indian Railways “Under Own your Wagons Scheme”

₹ Crore

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Minimum Lease Payments		
Not Later than one year	-	-
Later than one year but not later than 5 years	-	-
Later than 5 years	-	-
Total	**-**	**-**
Amount representing finance income earned during the year	-	0.01
Adjusted Against Lease Receivable during year	-	0.34
Total	**-**	**0.35**
Present Value of MLP		
Not Later than one year	-	-
Later than one year but not later than 5 years	-	-
Later than 5 years	-	-
Total	**-**	**-**
Unearned Finance Income	**-**	**-**
Expected Credit Loss on above	**NIL**	**NIL**

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 ₹ 0.35crore (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.

EXPLANATORY INFORMATION ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

44. Formalities relating to transfer of certain immovable and other properties 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 30,44,530 Sq. meters (P.Y. 30,44,530 Sq. meters), property cards for 3,78,321 Sq. meters (P.Y. 3,78,321 Sq. meters) are yet to be transferred in the name of the Company. The Company is in the process of transferring the title deeds in its favor.

45. 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.

46. 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.

47. 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, subsidy adjusted on account of this escalations/de-escalations basis for the year amounts to ₹ 82.44 crore refundable to FICC/DOF (PY ₹ 247.18 crore receivable).

With the advent 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 31.03.2021, on quantity of 6.08 LMT of Urea and P&K fertilizers subsidy amounting ₹ 716.21 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 only on actual sale by the retailers through POS machines. (P.Y quantity 4.63 LMT and subsidy ₹ 667.94 crore)

48. Consequent to Gas pooling being made applicable to Fertilizer (Urea) sector w.e.f. June 1, 2015, it is expected that a differential pricing of gas may be made applicable for non-urea usage. Company has represented to DoF for maintaining supply of domestic gas for P&K fertilizers and chemicals. Ministry of Petroleum & Natural Gas (MoPNG) vide its order No. L-13013/3/2012-GP-I, dated: December 16, 2015 has directed GAIL (India) Limited to levy a higher gas price (i.e. the highest rate of RLNG used for production of urea) for gas consumed in non-urea operations. As the matter relating to the same is pending before the IMC for decision, the Company has represented that any decision on the same be taken only upon the issue being settled by the IMC of GoI. However, pending finalization of price payable as per the said letter, Company is recognizing liability based on the difference between domestic gas price and pool / market price of gas for its non-urea operations. The difference is provided considering domestic gas first for urea operations on cumulative basis for the year and the balance if any, for non-urea operations. As no domestic gas has been consumed in non-urea operations during the year, there is no impact for the year ended March 31, 2021. The Company has recognized a liability of ₹ 211.79 Crore for the period commencing from June 1, 2015 to March 31, 2021 (₹ 211.79 Crore upto March 31, 2020) on this account.

The Company has entered into a contract for procurement of market priced gas for non-urea operations at Trombay unit, effective from May 16, 2016.

Pursuant to the said order, GAIL has sought a differential levy amounting to ₹ 1457.92 Crores for the period commencing from July 1, 2006 till June 30, 2019 and has initiated arbitration proceedings towards non-payment of the same. The Company has represented this matter to Department of Fertilizers for dispute resolution as the matter relating to the same is pending before the IMC of GoI. The said matter has been referred to Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD).

EXPLANATORY INFORMATION ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

49. 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 equipments 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 equipments 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.

50. 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:-

For the year 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**	

For the year 2019-20

₹ 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	0.05	-	0.10	0.43	Chemical Segment
2	Carbon Mono Oxide	2.81	-	10.87	1.99	Chemical Segment
	Total	**2.86**	**-**	**10.97**	**2.42**	

The recoverable amount of ₹ 2.44 crore PY (₹ 2.42 crore) was based on value in use and was 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.

EXPLANATORY INFORMATION ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

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.

51. 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. 50, 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 31.03.2021	As on 31.03.2020
A	1	Surplus Stores and Spares	19.83	18.47
	2	Disposable Surplus	13.40	15.38
	3	Specific stores and spares of impaired assets	10.86	10.86
	4	Material Stolen	0.21	0.21
B	1	Provision made for Disposable Surplus	12.77	14.61
	2	Provision reckoned on stores and spares for impaired assets	10.31	10.31
	3	Provision for Material Stolen	0.21	0.21
		Total	**23.30**	**25.14**
C	1	Provision reckoned on Raw materials of Impaired assets - Rapidwall Plant – Trombay	4.46	0.00

52. **52. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act 2006 is as under:**

₹ Crore

Sr. No.	Particulars	As at 31.03.2021	As at 31.03.2020
1	Principal amount remaining unpaid	40.01	36.81
2	Interest due thereon	0.02	NIL
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.	NIL	NIL
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.	0.17	NIL
5	Interest accrued and remaining unpaid	0.19	NIL
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.	0.19	NIL

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.

EXPLANATORY INFORMATION ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

53. Based on the nature of business activities undertaken by the Company and requirement of IND AS 108, 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 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.

54. Non Current Asset Held for Sale:

₹ Crore

Particulars	As at 31.03.2021	As at 31.03.2020
Plant & Machinery & other assets	0.48	0.48
Total	**0.48**	**0.48**

Company intends to dispose of items classified under Asset held for sale in next 12 months. Efforts are underway to dispose of the items to other Fertilizer Companies/Users of such assets.

55. Disclosures under IND AS 24 on Related Party Transactions are given below:

55.1 Transactions with Joint Controlled Entities

1) Relationship

JOINT CONTROLLED ENTITIES

₹ Crore

Name of the Company	No of Shares	Country of Incorporation	% of Ownership interest as at	
			31.03.2021	31.03.2020
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) #	535480424 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 31.03.2021	Year ended 31.03.2020
1	Contribution towards share capital-TFL	375.98	143.16
2	Share of Expenses receivable from TFL	2.69	2.74

EXPLANATORY INFORMATION ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

Balance Outstanding:

₹ Crore

Sr. No.	Particulars	As at 31.03.2021	As at 31.03.2020
		Joint Ventures	Joint Ventures
1	Advances Given –FRBL *	40.23	40.23
2	Share of Expenses receivable from TFL	9.88	7.19

*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.

55.2 Transactions with other entities- where Directors are interested:

a) Name of the entity

Fertilizers and Chemicals Travancore Ltd (FACT) - Owing to

a) Shri K U Thankachen Director (Marketing) was given additional charge of Director (Marketing) of the said entity upto 31.05.2020.

₹ Crore

Sr. No	Nature of Transaction	2020-21	2019-20
1	Interest Earned on Inter Corporate loan during the year.	0.32	2.17

b) Disclosure as required by Regulation 34(3) and 53(f) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

₹ Crore

Sr No.	Particulars	Current Year		Previous Year	
	Entity in which Directors are interested	Amount as on 31.03.2021	Maximum amount outstanding during the year ended 31.03.2021	Amount as on 31.03.2020	Maximum amount outstanding during the year ended 31.03.2020
1	Loans and Advances in the nature of Loans To FACT Ltd	21.30	26.59	26.59	26.59

c) Disclosure as per Section 186 of the Companies Act 2013

₹ Crore

Sr No.	Name of Party	Amount as on 31.03.2021	Amount as on 31.03.2020
1	FACT Ltd (Joint Venture Partner in FRBL)	26.59	25.50

The share of FACT Ltd. towards onetime settlement entered in to with Dena Bank amounting to ₹ 25.50 Crore has been paid by the Company and is reported as Inter Corporate loan given. The said loan carries an interest in accordance with section 186(7) of Companies Act 2013.

55.3 Key Management Personnel

a) Whole Time Directors & Company Secretary

(i) Shri S C Mudgerikar , Chairman & Managing Director

(ii) Shri Sudhir Panadare, Director (Technical)

(iii) Shri Umesh Dongre, Director (Finance) and CFO

(iv) Shri K U Thankachen, Director (Marketing)

(v) Shri Jai Bhagwan Sharma, Company Secretary

EXPLANATORY INFORMATION ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

b) Independent Directors

(i) Prof. Anil Kumar Singh

(ii) Dr. Shambhu Kumar

(iii) Smt. Shashi Bala Bharti w.e.f 25.06.2020

c) Government Nominee Directors

(i) Ms Alka Tiwari

(ii) Ms Aparna Sachin Sharma w.e.f 01.09.2020

Details relating to parties referred above:

Remuneration:

₹ Crore

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Shri S C Mudgerikar	0.56	0.25
Shri Umesh V. Dhatrak	-	0.90
Shri Sudhir Panadare	0.69	0.51
Shri Umesh Dongre	0.57	0.48
Shri K U Thankachen	0.58	0.47
Shri Jai Bhagwan Sharma	0.32	0.26
TOTAL	**2.72**	**2.87**

The above amount includes salaries and allowances, contribution to Provident fund, pension etc. and actual payments towards leave encashment, if any.

The remuneration to key management personnel 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.

There have been no outstanding loans and advances from the above referred parties as at year end.

Sitting Fees in case of Independent Directors

₹ Crore

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Shri Harin Pathak	-	0.01
Shri G. M Inamdar	-	0.02
Shri Suryanarayana Simhadri	-	0.06
Prof. Anil Kumar Singh	0.09	0.05
Dr. Shambhu Kumar	0.07	0.05
Smt. Shashi Bala Singh	0.03	-
TOTAL	**0.20**	**0.19**

55.4 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.

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:

EXPLANATORY INFORMATION ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

Name of Entity	Nature of Transaction	2020-21	2019-20
Sale of Product/Services during the year			
Bharat Petroleum Corporation Limited	Renting of Immovable Property	25.23	21.63
Bharat Petroleum Corporation Limited	Sale of Industrial chemicals	10.30	10.62
Indian Oil Corporation Ltd	Sale of Industrial chemicals	121.59	43.81
The Singareni Collieries Co. Ltd.	Sale of Industrial chemicals	26.75	17.05
Hindustan Insecticides Limited	Sale of fertilizers	-	20.31
Purchase of Product/Services during the year			
GAIL (India) Ltd	Procurement of Gas / Transportation Charges/ Pool difference payment	3885.14	5069.52
Mangalore Refinery & Petrochemicals Ltd	Procurement of Sulphur	8.81	-
Indian Oil Corporation Ltd	Procurement of Gas	-	81.78
Bharat Heavy Electricals Limited	Procurement of Capital Goods	7.49	18.13
Accounts Receivable			
Indian Oil Corporation Ltd	Trade & other receivable	29.19	11.78
Hindustan Insecticides Limited	Trade & other receivable	-	1.71
Bharat Petroleum Corporation Limited	Trade & other receivable	4.14	-
Accounts Payable			
GAIL (India) Ltd	Trade & other payables	521.99	557.05
Mangalore Refinery & Petrochemicals	Trade & other payables	1.41	-
Bharat Heavy Electricals Limited	Trade & other payables	10.39	6.58
Bharat Petroleum Corporation Limited	Trade & other payables	76.46	82.12

The above referred transactions have been carried out on arm's length basis with the said entities.

55.5. Transaction with Trusts

₹ Crore

Name of Related Party	Nature of Transaction	2020-21	2019-20
Contribution to Trust			
RCF Ltd Employees Provident Fund Trust	Contribution	25.23	21.63
RCF Ltd Employees Gratuity Fund	Contribution	1.62	15.63
Reimbursement of Gratuity payment made on behalf of Trust			
RCF Ltd Employees Gratuity Fund	Reimbursement	28.14	50.29
Balance payable(receivable) as on 31st March of financial year			
RCF Ltd Employees Provident Fund Trust	Contribution	6.19	6.76
RCF Ltd Employees Gratuity Fund	Contribution/ Net of reimbursement due	(22.62)	(0.28)

56. Disclosure as per Ind AS 37 on "Provisions, Contingent Liabilities and Contingent Assets" as on 31st March 2021:

Changes in Provisions

₹ Crore

Sr. No.	Particulars	Balance as on 01.04.2020	Addition	Utilization	Reversal	Balance as on 31.03.2021
a)	Disputes and Claims, Legal Matters	2.00 (2.00)	- -	- -	- -	2.00 (2.00)

Figures in brackets are in respect of previous year.

EXPLANATORY INFORMATION ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

57. Earnings per Share –Basic and Diluted

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Net profit after tax as per Statement of Profit and loss (₹ crore) (A)	373.11	208.15
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)	6.76	3.77
Diluted earnings per Share (in Rupees) (Face Value of ₹ 10/- per share) (A)/(B)	6.76	3.77
EPS from continuing operations	6.76	3.77

58. "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	31.03.2020
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 31.03.2021 (Unaudited)	As at 31.03.2020 (Audited)
1	Non-Current Assets	3.51	3.99
2	Cash and Cash Equivalent	0.32	0.01
3	Current Assets other than Cash and Cash Equivalent	13.27	15.03
4	Non-Current Liabilities	47.23	46.58
5	Current Liabilities	98.95	95.53
6	Equity	(129.07)	(123.08)
7	Proportion of the company's ownership	50%	50%
8	Carrying amount of the investment*	-	-
9	Capital Commitments	-	-
10	Commitment to subscribe to additional equity	-	-
11	Contingent Liabilities	5.56	5.56

EXPLANATORY INFORMATION ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

Sr No.	Particulars	Year Ended 31.03.2021 (Unaudited)	Year Ended 31.03.2020 (Audited)
1	Income	16.47	16.84
2	Cost of materials consumed	0.03	1.85
3	Depreciation and amortization expense	-	65.24
4	Finance costs	5.39	4.83
5	Employee benefits expenses	0.75	3.27
6	Other Expenses	16.31	10.87
7	Profit/Loss from continuing operations before exceptional item	(6.00)	(71.49)
8	Exceptional Item	-	-
9	Profit/Loss Before Tax	(6.00)	(71.49)
10	Total comprehensive income for the year	(6.00)	(71.49)
11	Company's Share of profit / (loss) for the year	(3.00)	(35.75)

* 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 ₹ 3.00 crore for the year (P.Y. ₹ 35.75 crore) and ₹ 64.55 crore cumulatively upto the year ended 31.03.2021 (P.Y ₹ 61.55 crore).

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 31.03.2021 (Audited)	As at 31.03.2020 (Audited)
1	Non-Current Assets {₹ 1 (P.Y ₹ 1)}	-	-
2	Cash and Cash Equivalent	0.01	0.03
3	Current Assets other than Cash and Cash Equivalent	0.08	0.07
4	Non-Current Liabilities	-	-
5	Current Liabilities	0.02	0.03
6	Equity	0.06	0.07
7	Proportion of the Company's ownership	33.33%	33.33%
8	Carrying amount of the investment*	-	-

₹ Crore

Sr No.	Particulars	Year Ended 31.03.2021 (Audited)	Year Ended 31.03.2020 (Audited)
1	Income {₹ 44,776 (P.Y ₹ 57,100)}	-	0.01
2	Cost of materials consumed	-	-
3	Depreciation and amortization expense	-	-
4	Finance costs	-	-
5	Employee benefits expenses	-	-
6	Other Expenses	0.01	0.02
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	-	(0.01)

*Company, on implementation of IND AS had adopted the carrying amount as per IGAAP as its deemed cost of its investment in joint ventures.

EXPLANATORY INFORMATION ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

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 31.03.2021 (Unaudited)	As at 31.03.2020 (Audited)
1	Non-Current Assets	1269.78	301.15
2	Cash and Cash Equivalent	931.80	233.71
3	Current Assets other than Cash and Cash Equivalent	29.56	17.50
4	Non-Current Liabilities		-
5	Current Liabilities	639.85	95.57
6	Equity	1591.29	456.79
7	Proportion of the Company's ownership	33.33%	33.33%
8	Carrying amount of the investment	535.48	159.51

₹ Crore

Sr No.	Particulars	As at 31.03.2021 (Unaudited)	As at 31.03.2020 (Audited)
1	Income	13.77	5.78
2	Cost of materials consumed	-	-
3	Depreciation and amortization expense	0.11	0.15
4	Finance costs	-	-
5	Employee benefits expenses	-	-
6	Other Expenses	5.81	8.67
7	Profit/(Loss) from continuing operations	6.57	(3.02)
8	Total comprehensive income for the year	6.57	(3.02)
9	Company's Share of profit / (loss) for the year	2.19	(1.01)

59. Miscellaneous expenses include auditors' remuneration as per details given below:

₹ Crore

Sr No.	Particulars	Year ended 31.03.2021	Year ended 31.03.2020
1	Audit fees for the year	0.23	0.23
2	Audit fees for Limited review	0.03	0.03
3	Audit fees for Consolidated Financial Statements	0.01	0.01
4	Certification and other expenses	0.09	0.13

60. The position of (Net) Certified Emission Reductions (CER's) or Carbon Credits allotted and held by the Company is as under:-

Particulars	Unit	2020-21	2019-20
CER's at the beginning of the year (includes 28,772 CERS held on behalf of supplier of Catalyst)	No.	9,73,738	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.	9,73,738	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	0.02

EXPLANATORY INFORMATION ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

61. Employee Benefits:

The required disclosure under IND AS 19 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 ₹ 32.20 crore (P.Y. ₹ 57.18 crore) has been charged off to statement of Profit and loss towards contribution by the Company.

b) As per Ind AS 19, 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 an amount of ₹ 19.07 crore in FY 2019-20 crores as contribution to Trust owing to such deficit in previous financial year. Owing to appreciation in fair value of plan asset the deficit stands reduced to ₹ 3.59 crore as at 31.03.2021 resulting in a reversal of provision of ₹ 15.48 Crore during FY 2020-21.

The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:

Particulars	As at 31st March 2021	As at 31st March 2020
Maturity profile assumed upto	5 years	5 years
Expected guaranteed interest rate	8.50%	8.50%
Discount rate	6.86%	6.84%

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, 2021

₹ Crore

Particulars	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)	0.00	
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	0.00	0.00	
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)

EXPLANATORY INFORMATION ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

Changes in the benefit obligation and fair value of plan assets as at March 31, 2020

₹ Crore

Particulars	2019-20		
	Defined Benefit Obligation	Fair Value of Plan Asset	Net Benefit Asset
Opening Balance	(1045.72)	1106.05	
Service Cost	(36.93)	-	
Net Interest Expenses	(84.76)	84.76	
Benefits Paid	178.18	(178.18)	
Return on Plan Asset (excluding amounts included in net Interest Expense)	-	(1.02)	
Difference in Book value & Fair Value of Plan Asset		(78.38)	
Experience Adjustment	-	-	
Settlement /Transfer in	(0.96)	0.96	
Settlement /Transfer out	0.60	(0.60)	
Contribution by Plan Participants Employees	(50.34)	50.34	
Contribution by Employer	-	36.93	
Closing Balance	(1039.92)	1020.85	(19.07)

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 ₹ 0.34 crore (PY ₹ 12.46 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 2021 is ₹ 179.13 crore (P.Y. ₹ 200.57 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.

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 ₹ 11.05 crore (P.Y. ₹ 12.25 crore) as contribution towards the said scheme.

EXPLANATORY INFORMATION ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

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 2021		As at 31st March 2020	
	Gratuity (Funded)	Post-Retirement Medical Benefits (Non-Funded)	Gratuity (Funded)	Post-Retirement Medical Benefits (Non-Funded)
1) Components of Employer expenses				
Current Service Cost	8.32	2.21	8.97	2.37
Past Service cost	-	-	-	-
Net Interest Cost / (Income)	0.02	6.41	2.61	6.05
Net expense/(gain) recognized in the statement of Profit and Loss (refer note below)	**8.34**	**8.62**	**11.58**	**8.42**
Remeasurement of the net defined benefit liability				
Actuarial Gains or Losses due to changes in Financial Obligations	(0.26)	(0.85)	8.46	6.47
Actuarial Gains or Losses due to experience adjustments	(6.88)	4.07	(3.64)	8.02
Return on plan assets excluding amounts included in Net Interest Expense	(0.42)	-	0.77	-
Components of defined benefit cost/(Income) recognized in other comprehensive income	**(6.72)**	**10.52**	**4.05**	**14.49**
2) Changes in Benefit Obligations				
Present value of Obligation at year beginning	**293.59**	**94.15**	**306.96**	**77.75**
Service Cost	8.32	2.21	8.97	2.37
Interest Cost	20.09	6.41	22.93	6.05
Past Service cost				
Liability Transferred In/ Acquisitions	0.05		0.20	
Actuarial(gain)/Loss	(7.14)	10.52	4.82	14.49
Benefits paid	(50.76)	(7.00)	(50.29)	(6.50)
Present value of Obligation at year end	**264.14**	**106.29**	**293.59**	**94.15**
3) Changes in Plan Assets				
Fair value of Plan Assets , at year beginning	293.31		272.03	
Assets Transferred In/Acquisitions	0.05		0.20	
Expected return on Plan Assets	20.32		20.32	
Employer's contributions	24.51		50.29	
Benefits paid	(50.76)		(50.29)	
Actuarial gain/(Loss)				
Return on plan Asset excluding interest income.	(0.42)		0.77	
Fair value of Plan Asset at the year end	**286.76**		**293.31**	
Present Value of funded defined benefit obligation	264.14	106.29	293.59	94.15
Fair value of Plan Asset	**286.76**		**293.31**	
Net Liability arising from defined benefit obligation			-	-

EXPLANATORY INFORMATION ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

Particulars	As at 31st March 2021		As at 31st March 2020	
	Gratuity (Funded)	Post-Retirement Medical Benefits (Non-Funded)	Gratuity (Funded)	Post-Retirement Medical Benefits (Non-Funded)
Category of Plan Assets				
Insurance Fund	286.76		293.31	
Total	**286.76**		**293.31**	
Actuarial Assumptions				
Discount Rate(per annum)	6.86%	6.91%	6.84%	6.81%
Expected Rate of Return on Assets (per annum)	6.86%		6.84%	
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	(12.25)	(7.80)	(13.14)	(6.66)
One percentage point decrease in discount rate	13.92	9.19	14.85	7.81
One percentage point increase in salary increase	4.82		5.03	
One percentage point decrease in salary increase	(5.22)		(5.63)	
One percentage point increase in employee turnover rate	1.31		1.29	
One percentage point decrease in employee turnover rate	(1.47)		(1.41)	

Maturity Analysis of Projected Benefit Obligation (from the fund)				
1st Following Year	50.23	7.73	55.18	7.13
2nd Following Year	31.44	7.53	31.28	7.24
3rd Following Year	41.43	7.28	48.63	7.23
4th Following Year	29.72	7.15	40.76	7.28
5th Following Year	26.77	7.15	28.75	7.39
Sum of Years 6 to 10	93.26	36.41	103.38	36.51
Sum of Years 11 and above	145.83		147.02	

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.

EXPLANATORY INFORMATION ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

62. The position of Hedged Foreign currency exposures are as under:

₹ Crore

Particulars	Hedged Exposure	Cross Currency	As on 31.03.2021	As on 31.03.2020
Foreign Currency exchange contracts	Buyer's credit/Supplier's credit availed for import of raw materials and traded products	USD	196.31	74.97
	Long Term Borrowings	USD/EUR	83.06	50.85

Derivative Financial Instruments

The status of derivative financial instruments outstanding is as under:-

In Million

Hedging Instrument	Currency	Hedged Exposure	Currency	As on 31.03.2021	As on 31.03.2020
Forwards/ Call Spreads /Seagull options	USD / INR	Buyers Credit / Suppliers Credit/ Foreign Currency Long Term Loans	USD	27.53	10.17
	EUR/INR	External Commercial Borrowings	EUR	5.54	2.13
	EUR/USD	External Commercial Borrowings	EUR	3.41	4.25

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under:-

₹ Crore

Particulars	As on 31.03.2021	As on 31.03.2020
Foreign currency term loans	199.79	121.27
Buyer's credit/Suppliers credit for import of raw materials and others	103.32	238.83
Receivable from suppliers	13.38	6.53

63. 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 (₹ 27.93 crore) upon submission of bank guarantees of equivalent amount in favour of the Court

64. Exceptional items:

a) Exceptional item consist of :

₹ Crore

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Loss / (Gain) on Revaluation of Development Right Certificate received / receivable from MMRDA towards surrender of land in earlier years to MMRDA/MCGM.	(3.03)	64.84
Fair value gain on account of valuation of Development Right Certificate receivable from Municipal Corporation of Greater Mumbai towards surrender of land.	(1.68)	35.33
Net Exceptional Expense / (Income)	**(4.71)**	**100.17**

The gain on account of fair valuation of Transferable Development Rights (TDRs) received /accrued has been reported as exceptional item amounting to ₹ 4.71 crore previous year (P.Y ₹ 100.17) crore.

EXPLANATORY INFORMATION ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

65. Disclosure relating to Corporate Social Responsibility "CSR" Activities

Company during the year has incurred an expenditure of ₹ 3.58 crore (P.Y. ₹ 3.42 crore) towards the same which is reported under Note No. 37 "Other Expenses"& Note 37B "Miscellaneous expenses".

The functional classification of the same is as under:-

₹ Crore

Particulars	Year ended 31.03.2021		Year ended 31.03.2020	
	Construction / Acquisition of any assets (i)	On the purpose other than (i)	Construction / Acquisition of any assets (i)	On the purpose other than (i)
Water charges	–	1.27	–	0.83
Repairs and Maintenance	–	0.25	–	0.29
Miscellaneous expenses	–	2.06	–	2.30
Total	**–**	**3.58**	**–**	**3.42**

Details of Excess amount spent under CSR

₹ Crore

Balance as at 01.04.2020	Amount required to be spent during the year	Amount spent during the year	Balance as at 31.03.2021
-	3.58	4.22	0.64

The other disclosures are as under:-

₹ Crore

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Gross amount required to be spent by the Company during the year	3.58	3.23
Amount spent during the year (on purpose other than construction / acquisition of assets controlled by the Company)	3.58	3.42
Amount yet to be paid in cash	-	0.30

66. Income Tax

Reconciliation of tax expense and the accounting profit as per below:

₹ Crore

Sr. No.	Particulars	Year ended 31.03.2021	Year ended 31.03.2020
1	Accounting profit before tax from continuing operations	516.17	202.93
2	Profit/(loss) before tax from a discontinued operation	-	-
3	Long term capital gain on TDR	-	-
4	**Accounting profit before income tax (other than above)**	**516.17**	**202.93**
	At the effective income tax rate of (31st March 2021: 25.17% and 31st March 2020: 25.17%)	**129.91**	**51.07**
Effect of :-			
A	Expenses that are not deductible in determining Taxable Profit	1.63	1.59
B	Income that is exempt from taxation	-	(0.08)
C	Deferred Tax Asset (MAT Credit) reversal as no longer allowed	-	6.01
D	Effect of deferred tax of previous period	14.68	7.95
E	Effect due to change in tax rate	-	(74.57)
F	Other permanent differences	1.91	2.60
	Sub Total (A + B+ C)	**148.13**	**(5.44)**
G	**Adjustment in respect of current income tax of previous year**	**(5.07)**	**0.22**
	Income tax expense reported in the statement of profit or loss	**143.06**	**(5.22)**
	Effective income tax rate (in %)	***27.72***	***(2.57)***

EXPLANATORY INFORMATION ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

67. Deferred Tax

For the Year 2020-21

₹ Crore

Particulars	Opening Balance 01.04.2020	Recognized in P&L	Recognized in OCI	Closing Balance 31.03.2021
DEFERRED TAX LIABILITY				
Depreciation	286.17	14.08	-	300.25
Revaluation of FVTOCI Investments to Fair value	18.06	-	1.61	19.67
Other timing differences	0.77	0.95	-	1.72
TDR Accrued	8.39	-	-	8.39
TOTAL	**313.39**	**15.03**	**1.61**	**330.03**
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	(11.26)	-	58.03
Other timing differences	31.07	(0.48)	-	30.59
TOTAL	**116.45**	**(4.22)**	-	**112.23**
NET DEFERRED TAX LIABILITY	**196.94**	**19.25**	**1.61**	**217.80**

For the Year 2019-20

₹ Crore

Particulars	Opening Balance 01.04.2019	Recognized in P&L	Recognized in OCI	Closing Balance 31.03.2020
DEFERRED TAX LIABILITY				
Property Plant & Equipment and Intangible Assets	392.47	(106.30)		286.17
Revaluation of FVTOCI Investments to Fair value	24.29		(6.23)	18.06
Other timing differences	1.01	(0.24)		0.77
TDR Accrued	8.39	-		8.39
TOTAL	**426.16**	**(106.54)**	**(6.23)**	**313.39**
DEFERRED TAX ASSET				
Provision for doubtful debts/claims/advances	16.49	(4.54)	–	11.95
Provision for obsolescence of stores	9.65	(5.51)	–	4.14
Provision for diminution in value of investments	12.37	(12.37)	–	-
Expenditure allowable on payment basis	92.91	(23.62)	–	69.29
Other timing differences	14.41	16.66	–	31.07
TOTAL	**145.84**	**(29.38)**	**–**	**116.45**
NET DEFERRED TAX LIABILITY	**280.33**	**(77.16)**	**(6.23)**	**196.94**

68. 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

EXPLANATORY INFORMATION ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

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.

69. 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 weighted average of DCF, PE and NAV 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.

- **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	31.03.2021		31.03.2020	
	Significant observable inputs	Significant unobservable inputs	Significant observable inputs	Significant unobservable inputs
	Level 2	Level 3	Level 2	Level 3
Financial Assets				
Investment in Unquoted Equity Shares of Indian Potash Ltd.	-	78.68	-	72.26
Derivative Instruments not Designated as Hedges	3.81	-	2.67	-
TDRs recognized at fair market value	36.03	-	31.32	-
Financial Liability				
Derivative Instruments not Designated as Hedges	-	-	-	-
Assets for which Fair values are disclosed				
Investment Properties	928.46	-	842.58	-

70. Financial risk Management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support operations of its 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.

EXPLANATORY INFORMATION ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

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 polices 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 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 31.03.2021				
EUR Borrowings	264.76	1.25%	0.50%	(1.32)
			-0.50%	1.32
INR Borrowings	466.63	5.92%	0.50%	(2.33)
			-0.50%	2.33
Total	**731.39**			**(3.66)**
				3.66
As on 31.03.2020				
USD Borrowings	141.18	1.05%	0.50%	(0.71)
			-0.50%	0.71
INR Borrowings	574.94	7.24%	0.50%	(2.87)
			-0.50%	2.87
Total	**716.12**			**(3.58)**
				3.58

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

EXPLANATORY INFORMATION ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

- **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 exposes 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 31.03.2021					
	Demand	<3 Months	3-12 Months	1-5 years	>5 Years	Total
Borrowings	8.89	848.20	166.66	953.72	89.32	2066.79
Trade Payables	573.24	332.55	-	211.79	-	1117.58
Other Financial Liabilities	342.26	3.90	81.94	3.32	-	431.42
TOTAL	**924.39**	**1184.65**	**248.60**	**1168.83**	**89.32**	**3615.79**
	As at 31.03.2020					
Borrowings	82.00	3880.51	259.6	486.47	114.44	4823.02
Trade Payables	694.92	263.33	38.48	211.79	-	1208.52
Other Financial Liabilities	223.76	27.68	125.00	4.70	0.05	381.19
TOTAL	**1000.68**	**4171.52**	**423.08**	**702.96**	**114.49**	**6412.73**

- **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

EXPLANATORY INFORMATION ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

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.

₹ Crore

As on 31st March 2021										
Currency	Trade Payables	Bank Loans (Long term + Short Term)	Interest accrued but not due on borrowings	Financial Assets Receivables /Advances	Total Exposure to Foreign Currency	Exchange rate as on 31.3.2021	Total Exposure in INR	Change	Change per USD	Impact on Profit and Loss Account (+Profit / -Loss)
	In Million					₹/Foreign Currency	₹ in Crore	%	₹/Foreign Currency	₹ in Crore
USD	21.16	21.94	0.04	(1.82)	**41.32**	73.5047	303.72	5%	3.6752	(15.19)
								-5%	-3.6752	15.19
EUR		30.75	5.54		**30.82**	86.0990	265.38	5%	4.3050	(13.27)
								-5%	-4.3050	13.27
TOTAL					**72.10**		**569.10**			

** of the above, an amount of ₹ 279.37 crore is hedged by way of Financial Derivative Instruments*

₹ Crore

As on 31st March 2020										
Currency	Trade Payables	Bank Loans (Long term + Short Term)	Interest accrued but not due on borrowings	Financial Assets Receivables /Advances	Total Exposure to Foreign Currency	Exchange rate as on 31.3.2021	Total Exposure in INR	Change	Change per USD	Impact on Profit and Loss Account (+Profit / -Loss)
	In Million					₹/Foreign Currency	₹ in Crore	%	₹/Foreign Currency	₹ in Crore
USD	17.99	32.65	0.16	0.87	**49.94**	75.3859	376.45	5%	3.7693	(18.82)
								-5%	-3.7693	18.82
EUR		17.00	-	-	**17.00**	83.0496	141.18	5%	4.1525	(7.06)
								-5%	-4.1525	7.06
TOTAL					**66.94**		517.63			

** of the above, an amount of ₹ 125.82 crore is hedged by way of Financial Derivative Instruments*

71. 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

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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 its 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 2021 & 31st March 2020.

₹ Crore

Particulars	31.03.2021	31.03.2020
Borrowings (Current + Non-Current)	2066.79	4823.02
Trade Payables	1117.58	1208.52
Total Debt (A)	3184.37	6031.54
Total Capital (B)	3338.47	3186.27
Total Capital and Net Debt (C)	6522.84	9217.81
Gearing Ratio (A/C*100)	48.82	65.43

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 18)	600.91	**652.75**	**(1.71)**	**(4.68)**	**(204.23)**	1043.03
Other Financial Liabilities - Current Maturities of Long Term (refer Note 26)	145.24	**(151.63)**	**(0.51)**	**6.90**	**204.23**	204.23
Borrowings - Current (refer Note 18)	4067.61	**(3248.36)**	**(2.51)**	**2.78**	-	819.52
Acceptances / Suppliers credit (refer Note 25)	48.51	**(8.04)**	-	**(2.20)**	-	38.27
ROU Lease Liabilities (ref Note 26)	11.41	**(4.13)**	**4.52**	-	-	11.80

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Changes in Financial Liabilities arising from Financing Activities for FY 2019-20

₹ Crore

Particulars	As at 31.03.2019	Cash flows (net)	Other changes	Non-Cash Changes		As at 31.03.2020
				Foreign Exchange Movement	Current / Non-current classification	
Borrowings - Non Current (refer Note 18)	425.11	**309.00**	**(0.68)**	**12.72**	**(145.24)**	600.91
Other Financial Liabilities - Current Maturities of Long Term (refer Note 26)	151.12	**(139.08)**	**(0.23)**	**(11.81)**	**145.24**	145.24
Borrowings - Current (refer Note 18)	2879.18	**1,178.03**	**(8.50)**	**18.90**	**-**	4067.61
Acceptances / Suppliers credit (refer Note 25)	65.06	**(20.51)**	**-**	**3.96**	**-**	48.51
ROU Lease Liabilities (ref Note 26)	-	**(3.28)**	**14.69**	**-**	**-**	11.41

72. Disclosure as per IND AS 116

₹ Crore

Sr. No.	Particulars	As at 31.03.2021	As at 31.03.2020
	Details pertaining to Lease Arrangement considered as ROU		
1	Total Gross Lease liability	15.74	18.35
2	Total Discounted lease liability	11.80	11.41
3	Cash Outflow due to Lease Liability	4.13	3.28
4	Interest charged to PL	1.08	0.90
5	Depreciation charged to PL	3.51	2.74
6	Cancellations charged to PL	-	-
7	**Maturity Profile of Lease Liability**		
	On Demand		
	Less Than 3 Months	0.89	0.56
	3 to 12 Months	2.23	1.25
	1 to 5 years	5.32	4.70
	5 Years & Above	3.37	4.90
	Grand Total	**11.80**	**11.41**
	Details pertaining exemptions availed as Short Term Lease Arrangement and not considered above		
8	Total Short Term Lease Liability	3.87	3.66
9	During the year charged to PL	7.08	9.36
10	**Disclosure of undiscounted lease receivables wrt to assets given on Operating lease as a lessor**		
	On Demand		
	Less Than 3 Months	8.03	8.19
	3 to 12 Months	24.30	28.88
	1 to 5 years	73.98	105.39
	5 Years & Above	6.21	11.31
	Grand Total	**112.52**	**153.76**

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In respect of certain operating leases where the Company is a lessor, as per initial assessment straight lining of lease rentals was not adopted since the lease terms are cancellable at any time with either parties giving suitable notice thus no fixed lease term could be established. Despite such terms in the agreement, based on the substance of the agreement it is certainly expected that the lease will remain effective over the lease term as per agreement. Accordingly straight lining of rental income has been done over the lease term. This method is more representative compared to the earlier estimates done by the Company wherein rentals were structured to increase in line with general inflation. This is with accordance with IND AS 8 wherein change in estimate is required to be done to represent the carrying value of the asset as at the Balance sheet date.

Owing to the same, there is an impact in Profit & Loss by ₹ 3.18 crore and the corresponding effect being reported under lease receivables which would be unwound in future over the remaining lease period. Further the impact on account of change in estimate is not material.

73. The standalone financial statements were authorized for issue in accordance with a resolution passed by the Board of Directors on 27th May 2021.

74. 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.

75. Covid-19 Impact Analysis:

For the year ended 31st March, 2021 operations of the Company were marginally scaled down on account of issues arising out of lockdown due to Covid-19 pandemic. However results for the year ended 31st March, 2021 have not been impacted. Management has assessed the potential impact of Covid-19 based on the current circumstances and expects that there will be no significant impact on the continuity of operations of the Company, on useful life of the assets, on financial position etc. on a long term basis.

76. 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.

For and on behalf of the Board of Directors
RASHTRIYA CHEMICALS AND FERTILIZERS LTD.

(S. C. Mudgerikar)
Chairman & Managing Director
DIN : 03498837

(Umesh Dongre)
Director (Finance)
DIN : 08039073

(J. B. Sharma)
Company Secretary
Membership No: FCS5030

Dated : 27th May, 2021.
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

For GOKHALE & SATHE
Chartered Accountants
Firm Regn. No. 103264W

(Atul Kale)
Partner
Membership No: 109947

Dated : 27th May, 2021.
Place: Mumbai

EXPLANATORY INFORMATION ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

Annexure-1

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	**6445.79**	**799.60**	**1023.76**	**12.03**	**8281.18**
	SEGMENT RESULT					
i.	Segment Results	323.31	98.42	229.52	13.83	665.08
ii.	Interest Expense					179.57
iii.	Interest Income					30.66
iv.	**Profit before Tax**					**516.17**
v.	Tax - Current					128.88
vi.	Deferred Tax Liability / (Asset)					19.25
vii	Tax adjustments of earlier years (excess) / short					(5.07)
viii.	**Net Profit**					**373.11**
	OTHER INFORMATION					
i.	Segment Assets	4374.38	223.42	318.93	2709.45	7626.18
ii.	Segment Liabilities	1044.81	76.55	79.55	3086.80	4287.71
	Other Disclosures					
iii.	Capital Expenditure	201.63	-	-	8.74	210.37
iv.	Depreciation and Amortisation	158.50	-	11.32	4.94	174.76
v.	Impairment	0.20	-	-	-	0.20
vi.	Other Non Cash Expenses	0.23	-	-	3.24	3.47

EXPLANATORY INFORMATION ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

STANDALONE SEGMENTWISE REVENUE & RESULTS FOR THE YEAR ENDED 31ST MARCH 2020

₹ Crore

Sr. No	Particulars	Fertilizers	Trading	Industrial Chemicals	Unallocated	Total
	SEGMENT REVENUE					
i.	Sales (Incl. Subsidy wherever applicable)	8063.21	949.83	660.94	-	9673.98
ii.	Other operating Income	12.97	0.11	0.22	10.67	23.97
	Total Revenue	**8076.18**	**949.94**	**661.16**	**10.67**	**9697.95**
	SEGMENT RESULT					
i.	Segment Results	431.45	91.16	(11.10)	(112.17)	399.34
ii.	Interest Expense					237.82
iii.	Interest Income					41.41
iv.	**Profit before Tax**					**202.93**
v.	Tax - Current					71.72
vi.	Deferred Tax Liability / (Asset)					(77.16)
vii	Tax adjustments of earlier years (excess) / short					0.22
viii.	**Net Profit**					**208.15**
	OTHER INFORMATION					
i.	Segment Assets	7705.77	190.10	322.73	2072.78	10291.38
ii.	Segment Liabilities	1901.25	0.08	84.16	5119.62	7105.11
	Other Disclosures					
iii.	Capital Expenditure	459.61	-	4.68	3.27	467.56
iv.	Depreciation	132.61	-	31.64	4.27	168.52
v.	Impairment	2.86	-	-	-	2.86
vi.	Other Non Cash Expenses	8.03	-	-	(0.01)	8.02

* 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.

EXPLANATORY INFORMATION ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

RECONCILIATIONS TO AMOUNTS REFLECTED IN FINANCIAL STATEMENTS

₹ Crore

Sr. No	Particulars	AS AT 31.03.2021	AS AT 31.03.2020
I	**OPERATING REVENUE**		
	Segment Revenue		
	India	8268.81	9686.95
	Outside India	0.34	0.33
	Segment Reveue	**8269.15**	**9687.28**
	Unallocated - Management fees	12.03	10.67
	Total Operating Revenue	**8281.18**	**9697.95**
II	**RECONCILIATION OF PROFITS**		
	Segment Profit	651.25	511.51
	Add: Interest Income	30.66	41.41
		681.91	**552.92**
	less: Finance Costs	179.57	237.82
	Corporate Expenses (net)	(13.83)	112.17
	Profit Before Tax	**516.17**	**202.93**
III	**RECONCILIATION OF ASSETS**		
	Segment Assets	4916.73	8218.6
	Investments	650.19	263.09
	Corprate Assets + CWIP	28.16	24.42
	Non Current Tax Asset	79.28	109.74
	Derivatives (MTM Gain)	3.81	2.67
	Cash & Bank balances	1518.62	1.09
	Other assets *	429.39	1671.77
	Total Assets	**7626.18**	**10291.38**
IV	**RECONCILIATION OF LIABILITIES**		
	Segment Liabilities	1200.91	1985.49
	Borrowings long term	1043.04	600.91
	Current maturities of long term Loans	204.23	145.24
	Borrowings Short term	1274.29	4067.28
	Deferred Tax Liabilities	217.80	196.94
	Current Tax Liability	11.35	53.39
	Derivatives (MTM Loss)	-	0.03
	Other current financial liabilities	76.90	7.23
	Other non current financial liabilities	0.18	-
	Other Liabilities	259.01	48.60
		4287.71	**7105.11**

* Includes an amount of ₹ 247.02 Crore receivable from Government of India towards Import of Urea on Government Account (P.Y. ₹ 1598.65 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 Company") and its jointly controlled entities comprising of the Consolidated Balance Sheet as at March 31, 2021 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, 2021 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 Company as at March 31, 2021 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 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) **Note No 48 – Gas pooling applicable to Fertilizer (Urea) sector:**

In view of the lack of progress in the matter of levy of a differential price for use of domestic gas for non-urea operations, liability of ₹ 211.79 Crore recognised for the period commencing from June 1, 2015 to March 31, 2019 continues to be carried forward. The related claim by GAIL for differential levy is pending for resolution before government designated authorities and the balance amount of the claim of ₹ 1246.21 Crore (net after provision) is reflected as a contingent liability.

b) **Note No. 49 – 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 (₹ 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.

c) **Note No. 61 – Revision of Consolidated Financial Statements:**

We draw attention to Note 61 to the financial statements, which describes reason for revision of consolidated financial statements.

Our Report on the Consolidated Financial Statements dated May 27, 2021, approved by the Board of Directors of the Company, is revised based on the revision in consolidated financial statements on the directions of the Comptroller and Auditor General of India to consolidate the figures of Jointly Controlled entities based on the respective audited financial statements instead of the unaudited management certified financial statements.

This audit report supersedes the original audit report on consolidated financial statements dated May 27, 2021.

d) **Note No. 64 – 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 2021, 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 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	**Revenue recognition and measurement in respect to subsidy income.** 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. During the year, Subsidy adjusted on account of the escalations/de-escalations basis for the year amounts to ₹ 82.44 Crore refundable to FICC/DOF (PY ₹ 247.18 Crore receivable). 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. 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. 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. 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.	Our Procedure included: **Accounting policies and principles:** 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. **Tests of controls:** We have evaluated the design, implementation and operating effectiveness of key controls over recognition of subsidy income. **Tests of details:** We have verified the supporting documentation for determining that the subsidy was recognized in the correct accounting period and as per notified rates. 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. In case estimation of income is based on other parameters like IPP of Urea etc. verification of the same based on available information in public domain. Testing reasonability of assumptions based on past trends, consistency in application and changes in the same owing to change in Government policies **Performing substantive analytical procedures: -** Ascertainment and analysis of variations with respect of amounts estimated and actually entitled upon notification with respect to previous years. We also assessed as to whether the disclosures in respect of revenue were adequate.

Sr.No.	Key Audit matter	Response to Key Audit Matter
2.	**Estimation of Provision & Contingent Liabilities** In the recognition and measurement of provisions, there is uncertainty about the timing or amount of the future expenditure required to settle the liability. In respect of contingent liabilities, there are estimates and assumptions made to determine the amount to be disclosed.	**Internal enquiry:** 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.
	As a result, there is a high degree of judgement required for the recognition and measurement of provisions and disclosure of contingent liabilities. Company has reported Provision and Contingencies amounting to ₹ 1797.74 Crore (PY ₹ 1697.23 Crore) in the financial statement. There is a risk of material misstatement that the estimates are incorrect and that the provisions or contingent liabilities are materially misstated.	**Tests of details:** 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. **Enquiry and confirmation of lawyers:** In respect of matters which are under dispute, we have assessed opinion of Company's in-house Legal Department / external lawyers wherever necessary.
3.	**Information Technology Controls** 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.	We focused our audit on those IT systems and controls that are significant to the Company's financial reporting process. 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. In a limited number of cases we adjusted our planned audit approach as follows: - 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.

Other Information

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

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

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.

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

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

Auditor's responsibilities for the Audit of 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 whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Company 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

The Consolidated Ind AS Financial Statements include the Group's share of net profit of ₹ 2.19 Crore for the year ended March 31, 2021 as considered in the Consolidated Ind AS Financial Statements, in respect of jointly controlled entities i.e. Talcher Fertilizers Limited and Urvarak Videsh Limited

In respect of FACT RCF Building Products Limited, the Company's investment therein has been fully provided. Accordingly, the Company has not recognised share of its losses for the year ended March 31, 2021 in this Joint Venture.

The Ind AS financial statements of Urvarak Videsh Limited has been audited by other auditor and the Ind AS financial statements of Talcher Fertilizers Limited and FACT RCF Building Products Limited are unaudited and have been certified and furnished to us by the management. Our opinion on the Consolidated Ind AS Financial Statements, in so far as it related to the amounts and disclosures included in respect of these jointly controlled entities, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint controlled entities is based on such unaudited Ind AS financial statements certified by the management and report of other auditor.

In our opinion and according to the information and explanations given to us by the Management, these Ind AS financial statements are not material to the Company.

Report on Other Legal and Regulatory Requirements

1. 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 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 company and its joint ventures the operating effectiveness of such controls, refer to our separate report in "Annexure A".

   g) With respect to the other matters to be included in the Auditor's Report as per section 143 (3) (j):

      I. 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.

II. In accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Company and its jointly controlled entities – Refer Note 41 to the Consolidated Ind AS Financial Statements;

ii. The 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;

iii. There is no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For M M Nissim & Co LLP
Chartered Accountants
Firm Regn. No.107122W/W100672

CA. N. Kashinath
Partner
Membership No. 036490
UDIN: 21036490AAAAHI3648

For Gokhale & Sathe
Chartered Accountants
Firm Regn. No. 103264W

CA. Atul Kale
Partner
Membership No. 109947
UDIN: 21109947AAAASV1032

Place: Mumbai
Dated: 12th August, 2021

ANNEXURE "A" 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, 2021.)

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 2021, 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, 2021.

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 2021, 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.

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 one jointly controlled entities, namely Urvarak Videsh Limited, which is a company incorporated in India, is based solely on the report of the other auditor. The other joint controlled entities namely, FACT RCF Building Products Limited and Talcher Fertilizers Limited, which are companies incorporated in India, is based solely on the management certification.

For M M Nissim & Co LLP
Chartered Accountants
Firm Regn. No.107122W/W100672

CA. N. Kashinath
Partner
Membership No. 036490
UDIN: 21036490AAAAHI3648

For Gokhale & Sathe
Chartered Accountants
Firm Regn. No. 103264W

CA. Atul Kale
Partner
Membership No. 109947
UDIN: 21109947AAAASV1032

Place: Mumbai
Dated: 12th August, 2021

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, MUMBAI FOR THE YEAR ENDED 31 MARCH 2021

The preparation of Consolidated Financial Statements of Rashtriya Chemicals and Fertilizers Limited, Mumbai for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (the Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129(4) of the Act 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 2021 which supersedes their earlier Audit Report dated 27 May 2021.

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, Mumbai for the year ended 31 March 2021 under Section 143(6)(a) read with section 129(4) the Act. We conducted a Supplementary Audit of the Standalone Financial Statements of Rashtriya Chemicals and Fertilizers Limited, FACT-RCF Building Products Limited, Urvarak Videsh Limited and Talcher Fertilizers 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.

The consolidated financial statements of the company have been revised by the management, as indicated in Note No.61 of the financial statements, to give effect to some of my audit observations raised during supplementary audit.

In addition, I would like to highlight the following significant matters under section 143(6)(b) read with section 129(4) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the consolidated financial statements and the related audit report:

(A) Comments on Profitability
Statement of Profit and Loss
Income
Other Income (Note 30)
Interest Income from others: ₹ 9.94 crore

The Company imported urea on behalf of Government of India and raised invoices for advance payment which as per Memorandum of Understanding were required to be released by DoF within 10 working days. In case of delay in release of any payment by DoF within the stipulated time period, DoF was to consider and pay interest for the delayed period at actuals. The 'Other Income' includes an amount of ₹ 9.92 crore being the interest to be received from Department of Fertilizers (DoF) on account of delayed release of 98 per cent of invoice value by the DoF. The Company raised claims of ₹ 14.32 crore on DoF for interest on delayed payments using prevailing cash credit interest rate (ranging from 7.35 per cent to 8.30 per cent) as Company considered its actual cost which was incurred for funding of import urea. However, Company while accounting interest income in books applied different interest rates (ranging from 4.15 per cent to 6.77 per cent) based on weighted average short term borrowing interest rates and ₹ 9.92 crore was accounted under interest income against the claim of ₹ 14.32 crore made on DoF.

This has resulted in understatement of 'Other Income' and 'Trade Receivables' by ₹ 4.40 crore. Consequently 'Profit for the Year' is also understated by the same amount.

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

(Keerti Tewari)
Director General of Audit
(Agriculture, Food & Water Resources)

Place: New Delhi
Date: 17.09.2021

MANAGEMENT REPLIES TO THE COMMENTS OF COMPTROLLER & AUDITOR GENERAL OF INDIA

C & AG Comments	Management Replies
The company imported urea on behalf of Government of India and raised invoices for advance payment which as per Memorandum of Understanding were required to be released by DoF within 10 working days. In case of delay in release of any payment by DoF within the stipulated time period, DoF was to consider and pay interest for the delayed periods at actuals. The "Other Income' includes as amount of Rs 9.92 Crore being the interest to be received from Department of Fertilizers (DoF) on account of delayed release of 98 percent of invoice value by the DoF. The Company raised claims of Rs 14.32 crore on DoF for interest on delayed payments using prevailing cash credit interest rate (ranging from 7.35 percent to 8.30 percent) as Company considered its actual cost which was incurred for funding of import of Urea. However, Company while accounting interest income in books applied different interest rates (ranging from 4.15% to 6.77%) based on weighted average short term borrowings interest rates and Rs 9.92 crore was accounted under interest income against the claim of Rs 14.32 crore made on DoF. *This has resulted in understatement of "Other Income" and "Trade Receivables" by Rs 4.40 crore. Consequently "Profit for the Year" is also understated by the same amount*".	Company had recognized interest income on estimated basis in accordance with the terms of MoU for import of Urea which allowed for payment of interest on delayed payments at actuals. In line with the interest income accrued for FY 2019-20, Company continued to recognize interest on such delayed payments in FY 2020-21 (i.e.@ weighted average cost of borrowings) since a claim lodged considering interest rate on cash credit borrowings for FY 2019-20 tender was yet to be settled as on 31st March 2021 and thus a mere lodgment of a claim is not a trigger for change in estimates specially in the said instance. Further interest income has been recognized by applying conservative estimates. This is in accordance with the prevalent accounting standards which require the Company to make estimates and as per its Accounting policy any revisions to the accounting estimates are recognized prospectively when revised, in current and future periods. Thus there is no understatement of "Other Income" and "Trade Receivables" and" Consequently "Profit for the Year" by Rs 4.40 crore as observed by audit.

Sd/-
(Umesh Dongre)
Director (Finance)

Sd/-
(S. C. Mudgerikar)
Chairman & Managing Director

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2021

₹ Crore

Particulars	Note No.	AS AT 31.03.2021	AS AT 31.03.2020
ASSETS			
1. NON CURRENT ASSETS			
(a) Property, Plant and Equipment	1	2158.80	2121.30
(b) Capital Work in Progress	1.4	392.67	433.49
(c) Investment Property	2	5.91	6.10
(d) Intangible Assets	3	2.98	2.62
(e) Financial Assets			
(i) Investments	4	645.15	255.86
(ii) Trade Receivables	5	-	-
(iii) Loans	6	15.32	20.53
(iv) Others	7	-	-
(f) Other non-current assets	8	185.27	203.84
		3406.10	**3043.74**
2. CURRENT ASSETS			
(a) Inventories	9	787.55	949.94
(b) Financial Assets			
(i) Trade Receivables	10	1449.54	4551.23
(ii) Cash and Cash Equivalents	11	1471.23	1.31
(iii) Bank balances other than (ii) above	12	49.09	1.29
(iv) Loans	13	6.19	6.50
(v) Others	14	296.64	1655.20
(c) Other Current Assets	15	154.80	74.94
		4215.04	7240.41
TOTAL ASSETS		**7621.14**	**10284.15**
EQUITY AND LIABILITIES			
A. EQUITY			
(a) Equity Share Capital	16	551.69	551.69
(b) Other Equity	17	2781.74	2627.35
		3333.43	**3179.04**
B. LIABILITIES			
1. NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	18	1043.04	600.91
(ii) Trade Payables	19		
(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
(iii) Other Financial Liabilities	20	35.69	43.89
(b) Provisions	21	186.32	188.55
(c) Deferred Tax Liabilities (Net)	22	217.80	196.94
(d) Other non-current liabilities	23	34.17	39.11
		1728.81	**1281.19**

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2021

₹ Crore

Particulars	Note No.	AS AT 31.03.2021	AS AT 31.03.2020
2. CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	24	819.52	4067.61
(ii) Trade Payables	25		
(A) total outstanding dues of micro enterprises and small enterprises.		40.01	36.81
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		865.78	959.92
(iii) Other Financial Liabilities	26	599.96	482.54
(b) Other Current Liabilities	23	103.05	81.51
(c) Provisions	27	119.23	142.14
(d) Current Tax Liabilities (Net)	28	11.35	53.39
		2558.90	**5823.92**
TOTAL EQUITY AND LIABILITIES		**7621.14**	**10284.15**
Statement of Significant Accounting Policies	A		
Explanatory Information on Financial Statements	40 - 65		

For and on behalf of the Board of Directors
RASHTRIYA CHEMICALS AND FERTILIZERS LTD.

(S. C. Mudgerikar)
Chairman & Managing Director
DIN : 03498837

(Umesh Dongre)
Director (Finance)
DIN : 08039073

(J. B. Sharma)
Company Secretary
Membership No: FCS5030

Dated : 12th August, 2021
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

For GOKHALE & SATHE
Chartered Accountants
Firm Regn. No. 103264W

(Atul Kale)
Partner
Membership No: 109947

Dated : 12th August, 2021
Place: Mumbai

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

	Particulars	Note No.	Year Ended 31.03.2021	Year Ended 31.03.2020
I	Revenue from Operations	29	8281.18	9697.95
II	Other Income	30	132.65	129.17
III	**Total Income(I+II)**		**8413.83**	**9827.12**
IV	**Expenses:**			
	Cost of Materials Consumed	31	3022.67	3776.22
	Purchases of Stock in Trade	32	749.21	294.43
	Changes in Inventories of Finished Goods and Stock in Trade	33	(30.73)	603.25
	Employee benefits expense	34	563.83	617.26
	Finance costs	35	179.57	237.82
	Depreciation and amortization expense / Impairment	36	174.63	171.04
	Other Expenses	37	3243.19	3824.00
	Total Expenses		**7902.37**	**9524.02**
V	**Profit before exceptional items (III-IV)**		**511.46**	**303.10**
VI	**Share of Profit / (Loss) of Associates / JV's**		**2.19**	**(1.02)**
VII	**Profit before exceptional items (V-VI)**		**513.65**	**302.08**
VIII	Exceptional Items	38	(4.71)	100.17
IX	**Profit before tax (VII-VIII)**		**518.36**	**201.91**
X	**Tax Expense**			
	(1) Current tax		128.88	71.72
	(2) Deferred tax		19.25	(77.16)
	(3) Taxation adjustment of earlier years Excess(-)/Short(+)		(5.07)	0.22
XI	**Profit/ (loss) for the year (IX-X)**		**375.30**	**207.13**
XII	**Other Comprehensive Income**	39		
	(i) Items that will not be reclassified to profit or loss		2.62	(16.27)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.65)	10.90
	Other Comprehensive Income for the year (XII)		**1.97**	**(5.37)**
XIII	**Total Comprehensive Income for the year (XI+XII)**		**377.27**	**201.76**
XIV	Earnings per equity share			
	Basic and Diluted Earnings per share (₹)	54	6.80	3.75
	Statement of Significant Accounting Policies	A		
	Explanatory Information on Financial Statements	40 - 65		

For and on behalf of the Board of Directors
RASHTRIYA CHEMICALS AND FERTILIZERS LTD.

(S. C. Mudgerikar)
Chairman & Managing Director
DIN : 03498837

(Umesh Dongre)
Director (Finance)
DIN : 08039073

(J. B. Sharma)
Company Secretary
Membership No: FCS5030

Dated : 12th August, 2021
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

For GOKHALE & SATHE
Chartered Accountants
Firm Regn. No. 103264W

(Atul Kale)
Partner
Membership No: 109947

Dated : 12th August, 2021
Place: Mumbai

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2021

A. EQUITY SHARE CAPITAL

₹ Crore

Balance as at 01.04.2020	Changes in equity share capital during the year	Balance as at 31.03.2021	Balance as at 01.04.2019	Changes in equity share capital during the year	Balance as at 31.03.2020
551.69	-	551.69	551.69	-	551.69

B. OTHER EQUITY

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	**2573.32**	**-**	**54.03**	**2627.35**
Profit for the year	-	375.30	-	375.3
Other Comprehensive Income (Net of Tax)	-	(2.84)	4.81	1.97
Total Comprehensive Income for the year	**-**	**372.46**	**4.81**	**377.27**
Dividend paid Refer note no. 17A	-	(222.88)	-	(222.88)
Transfer to General Reserve	149.58	(149.58)	-	-
Balance as at 31.03.2021*	**2722.90**	**-**	**58.84**	**2781.74**

FOR THE YEAR ENDED 31ST MARCH 2020

₹ Crore

Particulars	Reserves and Surplus		Items of Other Comprehensive Income	Total
	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	
Balance as at 01.04.2019	**2431.27**	**-**	**45.53**	**2476.8**
Profit for the year	-	207.13	-	207.13
Other Comprehensive Income (Net of Tax)	-	(13.87)	8.50	(5.37)
Total Comprehensive Income for the year	**-**	**193.26**	**8.50**	**201.76**
Dividend paid (Including Dividend Distribution Tax) Refer note no. 17A	-	(51.21)	-	(51.21)
Transfer from General Reserve	142.05	(142.05)	-	-
Balance as at 31.03.2020*	**2573.32**	**-**	**54.03**	**2627.35**

* The closing balance in General Reserve is arrived after adjustment of Remeasurement of Defined Benefit Plans ammounting to ₹ 2.84 crore (P.Y. ₹ 13.87 crore) during the year net of current tax amounting to ₹ 0.96 crore (P.Y. ₹ 4.67 crore)

For and on behalf of the Board of Directors
RASHTRIYA CHEMICALS AND FERTILIZERS LTD.

(S. C. Mudgerikar)
Chairman & Managing Director
DIN : 03498837

(Umesh Dongre)
Director (Finance)
DIN : 08039073

(J. B. Sharma)
Company Secretary
Membership No: FCS5030

Dated : 12th August, 2021
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

For GOKHALE & SATHE
Chartered Accountants
Firm Regn. No. 103264W

(Atul Kale)
Partner
Membership No: 109947

Dated : 12th August, 2021
Place: Mumbai

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

Particulars	Year Ended 31.03.2021		Year Ended 31.03.2020	
A Cash Flow From Operating Activities				
Net Profit before tax		518.36		201.91
Adjustments for :				
Share of (Profit) / Loss from Joint Ventures	(2.19)		1.02	
Exceptional Items - (Income)/ Expenses	(4.71)		100.17	
Depreciation/Loss on Impairment of Assets	174.96		171.38	
Provision on Raw Materials of Impaired Assets	4.46		-	
Profit(-) / Loss on Sale of Assets	0.58		3.21	
Interest Income	(25.96)		(38.73)	
Dividend Income	(0.17)		(0.20)	
Interest and Finance Charges	179.57		237.82	
Provision for Bad/Doubtful Debts	1.16		4.73	
Provision for Obscelence Stores	2.31		3.29	
Provision Written Back	(9.02)		(6.24)	
Unrealised Foreign Exchange (Gain) /Loss	2.42		13.39	
		323.41		489.84
Operating Profit before Working Capital Changes		841.77		691.75
Adjustments for :				
Trade Receivables and Other Assets	4380.64		(1501.72)	
Inventories	159.78		531.32	
Trade Payables and Other Liabilities	(49.61)		(145.32)	
		4490.81		(1115.72)
Cash Generated from Operations		5332.58		(423.97)
Direct Taxes Paid (Net of Refunds)		(112.00)		(98.50)
Net Cash from Operating Activities (A)		**5220.58**		**(522.47)**
B Cash Flow from Investing Activities				
Additions to Fixed Assets (Net of Trade Credit)	(232.19)		(425.47)	
Sale of Fixed Assets	5.13		0.31	
Purchase of Investments -Joint Ventures	(375.97)		(143.16)	
Inter Corporate Advances / Repayments	5.29		(1.09)	
Interest Received	24.72		38.69	
Dividend Received	0.17		0.20	
Margin Money Deposits with Banks	(46.64)	(619.49)	(0.03)	(530.55)
Net Cash from Investing Activities (B)		**(619.49)**		**(530.55)**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

	Particulars	Year Ended 31.03.2021		Year Ended 31.03.2020	
C	**Cash Flow from Financing Activities**				
	Net Proceeds /Repayment of Working Capital Facilities and Short Term Loans	(3248.36)		1178.03	
	Proceeds from Term loans	852.75		309.00	
	Repayments of Term loans	(351.63)		(139.08)	
	Interest Paid	(157.11)		(241.52)	
	Dividend Paid (Including Dividend Distribution Tax in Previous Year)	(222.69)		(51.22)	
	Repayment of Lease liabilities	(4.13)	(3131.17)	(3.28)	1051.93
	Net Cash from Financing Activities (C)		**(3131.17)**		**1051.93**
	Net Increase/Decrease(-) in Cash and				
	Cash Equivalent (A+B+C)		1469.92		(1.09)
	Cash and Cash Equivalents as at 1st April (Opening Balance)		1.31		2.40
	Cash and Cash Equivalents as at 31st March (Closing Balance)		1471.23		1.31
	Components of Cash and Cash Equivalents				
	Cash on hand		-		0.01
	Balance With Scheduled Banks				
	in Current Accounts		6.23		1.30
	in Term Deposits with Less Than 3 Months Maturity		1465.00		-
			1471.23		**1.31**

Note:

1. The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard Ind AS (7) on Cash Flow Statement and presents cash flows by operating, investing and financing activities.
2. Figures in the Bracket are outflows / deductions.
3. Figures of the previous year have been regrouped / rearranged wherever necessary to make it comparable to the current year presentation
4. 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 LTD.

(S. C. Mudgerikar)
Chairman & Managing Director
DIN : 03498837

(Umesh Dongre)
Director (Finance)
DIN : 08039073

(J. B. Sharma)
Company Secretary
Membership No: FCS5030

Dated : 12th August, 2021
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

For GOKHALE & SATHE
Chartered Accountants
Firm Regn. No. 103264W

(Atul Kale)
Partner
Membership No: 109947

Dated : 12th August, 2021
Place: Mumbai

A. Statement of Significant Accounting Policies forming Part of Consolidated Financial Statements for the year ended 31st March 2021

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.

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 received upon surrender of rights on open land which are measured at fair value. Refer to policy at item no "Q"))

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 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 2021.

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 Incorpo-ration	Proportion of Ownership Interest as on 31.03.2021	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

e. **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, 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 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**

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

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 **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 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. Further as per Management estimates, there is a reasonable certainty as to its settlement by 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 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 by the Government of India under Nutrient Based Subsidy Scheme from time to time.

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.

Remaining 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, which is generally when shareholders approve the dividend.

Included in Lease

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.

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 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.

a. Depreciation

Depreciation is calculated on a Straight-line basis over the estimated useful lives of the assets on the depreciable amount when such assets are ready for their intended use.

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.

Depreciation on PPE is estimated by the management based on technical evaluation which are equal to the useful life prescribed under Schedule II to the Companies Act, 2013, other than the cases as mentioned in table below from where the useful lives are different from those prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

A major portion of the plant and equipment of the Company has been considered as continuous process plant.

Sl.no.	Assets	Useful Lives
1	Plant and Equipment	1 to 25
2	Office Equipments	1 to 10
3	Furniture and Fixtures	1 to 10
4	Electrical Equipment's	1 to 25

Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation on additions/deletions to Gross Block is calculated on pro-rata basis from the date of such additions upto the date of such deletions as per useful lives of such assets on Straight Line Basis.

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 INDAS 116. 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.

As at date of transition i.e. 01.04.2019, Company has opted for Modified Retrospective Option for accounting of its leases (except for leases with balance term of less than twelve months (short term) and low-value assets), wherein present value of remaining lease payments for existing operating leases have been calculated using incremental borrowing rate

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 polices 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.

The Net realizable value of imported Urea is the selling price net of dealers' margin and other entitled compensation as contracted with the Government net of variable selling and distribution cost.

The net realizable value of off-spec imported Urea is taken at 40% 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 and derivatives at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income FVTOCI

b. 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.

c. 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.

d. Equity investments

All equity investments in scope of Ind-AS 109 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.

e. 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.

f. 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.

g. **Impairment of financial assets**

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

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 AS 115.

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.

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

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

Based on the same, it recognizes impairment allowance based on lifetime ECL at each reporting date, right from its initial recognition.

Further for the purpose of measuring lifetime ECL allowance for trade receivables the Company has used a practical expedient as permitted under Ind AS 109.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.

h. 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:-

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.

i. 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 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 in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

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.

Transferable development Rights having commercial substance, received upon surrender of rights on open land is initially measured at fair value. Their subsequent measurement would be at lower of their carrying amount and fair value less costs to sell, since they are expected to be disposed.

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. As per corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

IV) Exemptions applied

Ind AS 101 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 pronouncement. There are no recent pronouncement/amendment with respect to IND AS accounting standards requiring any additional disclosures.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 1 – PROPERTY, PLANT & EQUIPMENT

AS AT 31.03.2021

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	AS.AT 31.03.2020
a.	Land (Freehold)	10.74	-	-	10.74	-	-	-	-	-	-	-	10.74	10.74
	Land (Leasehold) ROU	10.39	-	-	10.39	0.80	0.80	-	1.60	-	-	-	8.79	9.59
b.	Buildings	242.05	17.78	0.16	259.67	34.96	9.70	0.01	44.65	0.71	(0.01)	0.70	214.32	206.38
	Buildings ROU	2.48	0.47	0.24	2.71	0.55	0.77	0.24	1.08	-	-	-	1.63	1.93
c.	Plant & Machinery	2403.58	175.18	7.56	2571.20	603.31	142.20	2.06	743.45	10.26	0.21	10.47	1817.28	1790.01
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
	Vehicles ROU	3.51	2.96	0.01	6.46	1.35	1.95	0.01	3.29	-	-	-	3.17	2.16
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	**2858.30**	**216.65**	**8.11**	**3066.84**	**726.03**	**173.25**	**2.41**	**896.87**	**10.97**	**0.20**	**11.17**	**2158.80**	**2121.30**

₹ Crore

AS AT 31.03.2020

Sr. No.	Description	DEEMED COST / COST				DEPRECIATION				IMPAIRMENT LOSS			NET BOOK VALUE	
		AS.AT 01.04.2019	Of Additions/ Adjustments *	Of Deductions/ Adjustments	AS.AT 31.03.2020	UPTO 01.04.2019	Provided during the year	On items Sold/ Discarded/ Adjusted	UPTO 31.03.2020	UPTO 01.04.2019	Provided during the year	UPTO 31.03.2020	AS.AT 31.03.2020	AS.AT 31.03.2019
a.	Land (Freehold)	10.74	-	-	10.74	-	-	-	-	-	-	-	10.74	10.74
	Land (Leasehold) ROU	-	10.39	-	10.39	-	0.80	-	0.80	-	-	-	9.59	-
b.	Buildings	163.13	78.99	0.07	242.05	25.42	9.55	0.01	34.96	0.71	-	0.71	206.38	137.00
	Buildings ROU	-	2.68	0.20	2.48	-	0.59	0.04	0.55	-	-	-	1.93	-
c.	Plant & Machinery	2161.42	246.32	4.16	2403.58	466.98	137.28	0.95	603.31	7.40	2.86	10.26	1790.01	1687.04
d.	Furniture & Fixtures	11.63	0.39	0.05	11.97	5.55	1.34	0.03	6.86	-	-	-	5.11	6.08
e.	Vehicles	3.36	0.68	0.06	3.98	1.98	0.37	0.06	2.29	-	-	-	1.69	1.38
	Vehicles ROU	-	3.51	-	3.51	-	1.35	-	1.35	-	-	-	2.16	-
f.	Office Equipments	25.11	0.64	0.08	25.67	14.58	3.21	0.05	17.74	-	-	-	7.93	10.53
g.	Others													
i)	Roads & Culverts	12.18	2.06	-	14.24	5.37	1.94	-	7.31	-	-	-	6.93	6.81
ii)	Railway sidings	15.29	-	-	15.29	5.12	0.96	-	6.08	-	-	-	9.21	10.17
iii)	Water System, Sewerage & Drainage	20.20	0.74	-	20.94	4.27	1.27	-	5.54	-	-	-	15.40	15.93
iv)	Miscellaneous Equipments	87.61	5.91	0.06	93.46	30.58	8.68	0.02	39.24	-	-	-	54.22	57.03
	TOTAL	**2510.67**	**352.31**	**4.68**	**2858.30**	**559.85**	**167.34**	**1.16**	**726.03**	**8.11**	**2.86**	**10.97**	**2121.30**	**1942.71**

₹ Crore

1.1

* Additions/Adjusments in PPE include the following	Item of Asset	AS AT 31.03.2021	AS AT 31.03.2020
Exchange Differences	Plant & Machinery / CWIP	-	0.46
Borrowing Costs		7.08	-
TOTAL		**7.08**	**0.46**

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 18

₹ Crore

1.4

Capital work in progress	AS AT 31.03.2021	AS AT 31.03.2020
	392.67	433.49

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

NOTE NO. 2 – NON-CURRENT ASSETS - INVESTMENT PROPERTY

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 31.03.2020	UPTO 01.04.2019	Provided during the year	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**

AS AT 31.03.2020 ₹ Crore

Description	DEEMED COST / COST				DEPRECIATION				IMPAIRMENT LOSS			NET BOOK VALUE	
	AS.AT 01.04.2019	Of Additions/ Adjustments	Of Deductions/ Adjustments	AS.AT 31.03.2020	UPTO 01.04.2019	Provided during the year	On items Sold/ Discarded/ Adjusted	UPTO 31.03.2020	UPTO 01.04.2019	Provided during the year	UPTO 31.03.2020	AS.AT 31.03.2020	AS.AT 31.03.2019
Land (Freehold)	0.01	-	-	0.01	-	-	-	-	-	-	-	0.01	0.01
Buildings	7.04	-	-	7.04	0.76	0.19	-	0.95	-	-	-	6.09	6.28
TOTAL	**7.05**	**-**	**-**	**7.05**	**0.76**	**0.19**	**-**	**0.95**	**-**	**-**	**-**	**6.10**	**6.29**

2.1 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.

2.2

₹ Crore

Information regarding income and expediture of Investment Property	AS AT 31.03.2021	AS AT 31.03.2020
Rental income derived from investment properties	34.96	33.97
Less: Direct operating expenses (including repairs and maintenance) generating rental income	1.17	1.36
Less: Direct operating expenses (including repairs and maintenance) that did not generate rental income	0.04	0.17
Profit arising from investment properties before depreciation and indirect expenses	**33.75**	**32.44**
Less: Depreciation	0.19	0.19
Profit arising from investment properties before indirect expenses	**33.56**	**32.25**

2.3 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 maintainance of investment property is given.

2.4 As at 31 March 2021, the fair values of the properties is ₹ 928.46 crore (₹ 842.58 crore as on 31.03.2020). These valuations are based on valuations performed by M/s Anmol Sekhri Consultant Pvt. Ltd, 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.

2.5 Fair value disclosures for investment properties is detailed below

₹ Crore

Reconciliation of Fairvalue	AS AT 31.03.2021	AS AT 31.03.2020
LAND		
Opening balance	242.08	232.84
Fair Value	251.33	242.08
Fair value difference	9.25	9.24
Purchases / Transfers	-	-
Closing balance	**251.33**	**242.08**
BUILDING		
Opening balance	600.50	607.71
Fair Value	689.24	639.72
Fair value difference	88.74	32.01
Purchases / Transfers	(12.11)	(39.22)
Closing balance	**677.13**	**600.50**
TOTAL		
Opening balance	842.58	840.55
Fair Value	940.57	881.80
Fair value difference	97.99	41.25
Purchases / Transfers	(12.11)	(39.22)
Closing balance	**928.46**	**842.58**

NOTE No. 3 – NON-CURRENT ASSETS - INTANGIBLE ASSETS

AS AT 31.03.2021

₹ Crore

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	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
Computer Software	15.11	1.68	-	16.79	12.49	1.32	-	13.81	-	-	-	2.98	2.62
TOTAL	**15.11**	**1.68**	**-**	**16.79**	**12.49**	**1.32**	**-**	**13.81**	**-**	**-**	**-**	**2.98**	**2.62**

AS AT 31.03.2020

₹ Crore

Description	DEEMED COST / COST				AMORTISATION				IMPAIRMENT LOSS			NET BOOK VALUE	
	AS.AT 01.04.2019	Of Additions/ Adjustments	Of Deductions/ Adjustments	AS.AT 31.03.2020	UPTO 01.04.2019	Provided during the year	On items Sold/ Discarded/ Adjusted	UPTO 31.03.2020	UPTO 01.04.2019	Provided during the year	UPTO 31.03.2020	AS.AT 31.03.2020	AS.AT 31.03.2019
Computer Software	12.49	2.62	-	15.11	11.50	0.99	-	12.49	-	-	-	2.62	0.99
TOTAL	**12.49**	**2.62**	**-**	**15.11**	**11.50**	**0.99**	**-**	**12.49**	**-**	**-**	**-**	**2.62**	**0.99**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 4	"NON-CURRENT ASSETS" "FINANCIAL ASSETS – INVESTMENTS"	AS AT 31.03.2021	AS AT 31.03.2020
A. Investments in Equity Instruments:			
Unquoted (Fully paid up)			
a	**Joint Ventures**		
	i Urvarak Videsh Ltd.	0.02	0.02
	(1,80,002 equity shares (P.Y.1,80,002) of ₹10 each)		
	ii Talcher Fertilizers Limited	530.42	152.26
	(Formerly known as Rashtriya Coal Gas Fertilizers Limited)		
	(53,54,80,424 equity shares (P.Y. 15,95,04,807 equity shares) of ₹10 each)		
	(Under lock in period for 5 year from date of commercial operation)		
		530.44	152.28
b	**Investment Designated at Fair Value Through OCI**		
	Indian Potash Limited*	78.68	72.26
	(6,73,200 equity shares (P.Y. 6,73,200 equity shares) of ₹10 each)		
B. Other Investments (Unquoted) Designated at Fair Value Through P&L			
	Transfer Development Rights	36.03	31.32
	(Refer Note No. 58)		
	TOTAL	**645.15**	**255.86**

*Reconciliation of fair value measurement of the investment in unquoted equity shares of Indian Potash Limited (IPL)

₹ Crore

		AS AT 31.03.2021	AS AT 31.03.2020
	Opening balance	72.26	69.99
	Total Gains and losses recognised in OCI	6.42	2.27
	Closing Balance	**78.68**	**72.26**
	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	-	-
b.	Urvarak Videsh Ltd.	0.18	0.18
	(1,80,000 equity shares (P.Y.1,80,000) 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 2021

₹ Crore

NOTE NO. 5	"NON-CURRENT ASSETS" "FINANCIAL ASSETS – TRADE RECEIVABLES"	AS AT 31.03.2021	AS AT 31.03.2020
Trade Receivables			
Credit Impaired		1.71	1.56
Less: Provision for Doubtful Debts		(1.71)	(1.56)
	TOTAL	-	-

₹ Crore

NOTE NO. 6	"NON-CURRENT ASSETS" "FINANCIAL ASSETS – LOANS"	AS AT 31.03.2021	AS AT 31.03.2020
i	Secured Considered Good : Loans- Employees	0.02	0.13
ii.	Unsecured Considered Good : Loan- Other CPSE (Refer Note No. 53.2)	15.30	20.40
iii.	Significant Increase in Credit Risk	-	-
iv.	Credit Impaired	-	-
	TOTAL	**15.32**	**20.53**

₹ Crore

NOTE NO. 7	"NON-CURRENT ASSETS" "FINANCIAL ASSETS – OTHERS"	AS AT 31.03.2021	AS AT 31.03.2020
(i)	**Advances to Related Parties**		
	Considered Doubtful (Refer Note No. 53.1)	36.50	36.50
	Less: Provision	(36.50)	(36.50)
		-	-
(ii)	Advance Against Equity Pending Allotment (Refer Note No. 53.1)	2.36	2.36
	Less: Provision Towards Diminution in Value	(2.36)	(2.36)
		-	-
(iii)	Others		
	Receivables Towards Rent / Services Provided		
	Unsecured - Considered Doubtful	1.77	4.40
	Less: Provision for Doubtful Receivables	(1.77)	(4.40)
		-	-
	TOTAL	-	-

₹ Crore

NOTE NO. 8	"NON-CURRENT ASSETS" "FINANCIAL ASSETS – CURRENT ASSET"	AS AT 31.03.2021	AS AT 31.03.2020
(i)	**Capital Advances**		
Unsecured -Considered Good		43.16	10.31
(ii)	**Advances other than capital advances**		
a.	**Loans (Material Given on Refundable Basis) to Related Parties**		
	Considered Doubtful	1.37	1.37
	Less: Provision	(1.37)	(1.37)
		-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 8	"NON-CURRENT ASSETS" "FINANCIAL ASSETS – CURRENT ASSET"	AS AT 31.03.2021	AS AT 31.03.2020
b.	**Other Advances**		
	Unsecured -Considered Good		
	i. VAT Receivable		
	Unsecured -Considered Good	39.53	60.80
	Unsecured -Considered Doubtful	-	1.30
	Less: Provision	-	(1.30)
		39.53	60.80
	ii. Considered Doubtful	3.20	3.37
	Less: Provision for doubtful advances	(3.20)	(3.37)
		-	-
	iii. Advance Income Tax (Net of Provision)	79.28	109.74
	iv Deposits with Customs, Port Trust etc.		
	Unsecured -Considered Good (Refer Note No. 41.1.3)	23.04	22.59
	Unsecured -Considered Doubtful	2.06	2.27
	Less: Provision	(2.06)	(2.27)
		23.04	22.59
	v. Prepaid expenses	0.19	0.27
		142.04	193.40
(iii)	**Others**		
	Employee Benefit Asset	0.07	0.13
	TOTAL	**185.27**	**203.84**

₹ Crore

NOTE NO. 9	"CURRENT ASSETS" "INVENTORIES"	AS AT 31.03.2021	AS AT 31.03.2020
i.	Raw materials	132.30	240.38
	Raw Materials-in-Transit	-	85.51
	Raw Materials (Total)	132.30	325.89
	Less: Impaired Stock	(4.46)	-
	Raw Materials (Total)	127.84	325.89
ii.	Finished Goods	148.81	233.16
	Finished Goods-in-transit	56.94	50.67
	Finished Goods (Total)	205.75	283.83
iii.	Stock in Trade/Bought out Products	114.93	3.33
	Stock in Trade/Bought out Products-in-transit	-	-
	Stock in Trade/Bought out Products (Total)	114.93	3.33
iv.	Intermediary Products	28.58	28.90
v.	By products	3.25	5.77
vi.	Stores & Spares, packing materials and Petroleum products	330.44	327.36
	Less: Provision for Obsolescence etc./Loss under Investigation	(23.29)	(25.14)
		307.15	302.22

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 9 "CURRENT ASSETS" "INVENTORIES"	AS AT 31.03.2021	AS AT 31.03.2020
vii. Certified Emission Reduction Credits (CER) / Renewable Energy Certificates (REC)	0.05	–
(No. of CER Units C.Y. 9,73,738 , P.Y. 9,73,738)		
(No. of REC Units C.Y. 13 , P.Y. NIL)		
TOTAL	**787.55**	**949.94**
Inventory Includes:		
Stores and Spares		
a) Under inspection	4.24	1.87
b) Platinum & Rhodium stolen in earlier year and under investigation which is not available for verification	0.21	0.21
c) With fabricators	33.80	20.12
Cost of Inventories Recognised as expense	3184.59	3866.29
Writedown of Inventories charge to P&L (difference between cost & NRV)	0.70	10.03
Reversal of writedowns	-	-

₹ Crore

NOTE NO. 10 "CURRENT ASSETS" "FINANCIAL ASSETS – TRADE RECEIVABLES"	AS AT 31.03.2021	AS AT 31.03.2020
Subsidy Receivable (Unsecured - considered good)*	1106.17	4248.14
Sundry Debtors		
Secured - Considered good	122.31	108.87
Unsecured - Considered good	221.15	197.35
Significant Increase in Credit Risk	0.64	0.84
	344.10	307.06
Less : Provision for expected credit loss **	(0.73)	(3.97)
Total - Sundry Debtors	343.37	303.09
TOTAL	**1449.54**	**4551.23**

*Includes an amount of ₹ NIL (P.Y. ₹ 910.66 crore) under special banking arrangement secured by way of specific subsidy claims to be settled by DoF/FICC)

** 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	0.14	0.24
00 - 90 days	2.37	3.06
91 - 180 days	20.77	19.31
181 - 365 days	66.90	58.35
> 365 days (fully secured)	-	-
Age of Receivables (₹ Cr)		
Not due - Receivable from GoI (Not tested for ECL)	35.47	12.38
Not due - Other Debtors	300.60	250.18
00 - 90 days	6.84	35.96
91 - 180 days	0.28	6.67
181 - 365 days	0.14	1.69
> 365 days (fully secured)	0.77	0.17
	344.10	**307.05**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

Movement in ECL allowance (₹Cr)		
Balance at Beginning of the year	3.97	1.77
Movement	(3.24)	2.20
Balance at End of the year	0.73	3.97

Out of the Total Trade Receivables, Trade Receivables amounting to ₹ 122.31 Crore as on 31.03.2021 (PY ₹ 108.87 Crore) are secured against collaterals in form of Deposits / Bank Guarantees received and held by the company

₹ Crore

NOTE NO. 11 "CURRENT ASSETS" "FINANCIAL ASSETS – CASH AND CASH EQUIVALENTS"	AS AT 31.03.2021	AS AT 31.03.2020
Cash and Cash Equivalents		
i. Balances with Bank	6.23	1.30
ii. Cash on hand	-	0.01
iii. Deposits with Original Maturity less than 3months	1465.00	-
TOTAL	**1471.23**	**1.31**

The above cash and cash equivalent have not been pledged

₹ Crore

NOTE NO. 12 "CURRENT ASSETS" "FINANCIAL ASSETS – OTHER BANK BALANCES"	AS AT 31.03.2021	AS AT 31.03.2020
i. Margin money deposit / Bond Money received from Employees	47.06	0.42
ii. In unpaid Dividend Account *	2.03	0.87
TOTAL	**49.09**	**1.29**

* Earmarked balances with banks / No amounts are due & payable to Investor Education & Protection Fund

₹ Crore

NOTE NO. 13 "CURRENT ASSETS" "FINANCIAL ASSETS – LOANS"	AS AT 31.03.2021	AS AT 31.03.2020
i. Secured Considered Good		
Loans- Employees	0.19	0.31
ii. Unsecured Considered Good (Refer Note No. 53.2)		
Loan- Other CPSE	6.00	6.19
iii. Significant Increase in Credit Risk	-	-
iv. Credit Impaired	-	-
TOTAL	**6.19**	**6.50**

₹ Crore

NOTE NO. 14 "CURRENT ASSETS" "FINANCIAL ASSETS – OTHERS"	AS AT 31.03.2021	AS AT 31.03.2020
i. Derivatives	3.81	2.67
ii. Interest Receivable	1.44	0.20
iii. Receivables towards Rent / Services provided **	291.39	1652.33
TOTAL	**296.64**	**1655.20**

* Expected Credit Loss-NIL

** Includes an amount of ₹ 247.02 Crore Receivable from Government of India towards Import of Urea on Government Account (P.Y. ₹ 1598.65 crore)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 15	"CURRENT ASSETS" "OTHER CURRENT ASSETS"	AS AT 31.03.2021	AS AT 31.03.2020
i.	**Advances other than capital advances**		
	Security Deposits		
	Unsecured -Considered Good	0.29	0.08
ii.	**Other Advances**		
	Unsecured -Considered Good		
	i. Contractors	79.44	32.77
	ii. Employees	0.14	0.29
	iii. GST Receivable (Asset)	55.52	38.77
	iv. Prepaid expenses	18.87	2.47
	Total Other Advances	153.97	74.30
iii.	**Non Current Assets held for Disposal**	0.48	0.48
	(Refer Note No. 52)		
iv.	**Employee Benefit Asset**	0.06	0.08
	TOTAL	**154.80**	**74.94**

₹ Crore

NOTE NO. 16	"EQUITY" "EQUITY SHARE CAPITAL"	AS AT 31.03.2021	AS AT 31.03.2020
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

	31.03.2021		31.03.2020	
	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

	31.03.2021		31.03.2020	
	No.	% age of shareholding	No.	% age of shareholding
i. President of India	413769483	75.00	413769483	75.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 17 "EQUITY" "OTHER EQUITY"	Note No.	AS AT 31.03.2021	AS AT 31.03.2020
i. Other Reserves			
General Reserve			
Opening Balance		2573.32	2431.27
Add: Transferred (to) / from Retained Earnings		149.58	142.05
Closing Balance		2722.90	2573.32
Equity Instruments through Other Comprehensive Income Reserve			
Opening Balance		54.03	45.53
Add: Other Comprehensive Income for the year (Net of Tax)		4.81	8.50
Closing Balance		58.84	54.03
ii. Retained Earnings			
Opening Balance / Adjustments		-	-
Profit for the year		375.30	207.13
Add: Remeasurement of Defined Benefit Plans (Net of Tax) - Actuarial Valuation		(2.84)	(13.87)
Less: Dividends paid (C.Y. ₹ 0.77 per share, P.Y. ₹ 0.60 per share)	17 A	(222.88)	(42.48)
Less: Dividend Distribution Tax	17 A	-	(8.73)
Less: Transfer (to) / from General Reserve		(149.58)	(142.05)
Closing Balance		-	-
TOTAL		**2781.74**	**2627.35**

For FY 2020-21, The Board of Directors have recommended a final dividend of ₹ 1.78 per equity share (P.Y. ₹ 2.84 per equity share) which is subject to approval by shareholders of the Company. This is in addition to the interim dividend of ₹ 1.20 per equity share (P.Y. NIL) paid by the Company.

₹ Crore

NOTE NO. 17A "DIVIDEND"	AS AT 31.03.2021	AS AT 31.03.2020
Dividends on Equity Shares paid during the year		
Final Dividend for the FY 2019-20 [₹ 2.84 (P.Y. ₹ 0.77) per equity share of ₹ 10 each]	156.68	42.48
Dividend Distribution Tax	-	8.73
Interim Dividend for the FY 2020-21 [₹ 1.20 (P.Y. NIL) per equity share of ₹ 10 each]	66.20	-
TOTAL	**222.88**	**51.21**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 18 "NON-CURRENT LIABILITIES" "FINANCIAL LIABILITIES - BORROWINGS"	AS AT 31.03.2021		AS AT 31.03.2020	
	Non Current	Current	Non Current	Current
SECURED				
Non Convertible Debentures (NCDs)				
6.59% Listed Secured Non Convertible Debentures (RCF Series I -2020)	499.62	-	-	-
Listed Secured Non Convertible Debentures(NCDs) (RCF Series I -2020) in Nos. 5000 have been issued at an interest rate of 6.59% pa 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.				
	499.62	-	-	-
Term Loan from Banks				
1 **Rupee Loan from Banks**				
a. **Kotak Mahindra Bank Limited**	143.18	6.82	-	-
A secured loan of ₹ 150 crore availed from Kotak Mahindra Bank on 5th November 2020 is availed at a rate of interest linked to Repo Rate plus fixed spread of 1.99% per annum. The loan is secured by moveable plant and machinery of the Company to the extent of 1.25 times of the amount borrowed from bank. The security for this loan is yet to be created and perfected. Repayment of the said loan would fall due for ₹ 6.82 crore in F.Y. 2021-22, ₹ 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 and ₹ 6.83 crore in F.Y. 2027-28.				
b. **Kotak Mahindra Bank Limited**	58.83	58.82	117.65	58.82
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. Repayment of the said loan would fall due for ₹ 58.82 crore in FY 2021-22, ₹ 58.83 crore in FY 2022-23.				
c. **Exim Bank**	34.41	27.53	61.94	27.53
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. Repayment of the said loan would fall due for ₹ 27.53 crore in FY 2021-22, ₹ 27.53 crore in FY 2022-23 and ₹ 6.88 crore in F.Y 2023-24.				

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 18 "NON-CURRENT LIABILITIES" "FINANCIAL LIABILITIES - BORROWINGS"	AS AT 31.03.2021		AS AT 31.03.2020	
	Non Current	Current	Non Current	Current
d. **State Bank of India**	85.20	51.84	297.56	11.44
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. This loan has been prepaid to the extent of Rs. 200 crore in this year. Repayment of the balance loan amount would fall due for ₹ 51.84 crore in F.Y 2021-22, ₹ 51.84 crore in F.Y. 2022-23 and ₹ 33.36 crore in F.Y. 2023-24.				
	321.62	145.01	477.15	97.79
2 **Foreign Currency Loan / External Commercial Borrowings (ECB)**				
a. **Yes Bank Limited**	6.03	12.07	18.56	12.38
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 ₹ 12.07 crore in F.Y. 2021-2022 and ₹ 6.03 crore in F.Y. 2022-23.				
b. **State Bank of India**	72.73	36.36	105.20	35.07
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 ₹ 36.59 crore in F.Y. 2021-22, ₹ 36.59 crore in F.Y. 2022-23 and ₹ 36.59 crore in F.Y. 2023-24.				
c. **State Bank of India**	143.04	10.79	-	-
ECB of EURO 18.00 Million availed by the Company from State Bank of India, New York Branch against a sanctioned amount of EUR 25.00 Million, under RBI Loan Registration no. 202011111at a rate of interest of 6 months EURIBOR plus spread of 1.40% per annum. The loan is secured by moveable plant and machienry of the Company to the extent of 1.25 times of the amount borrowed from bank. The security for this loan is yet to be created and perfected. Repayment of the said loan would fall due for ₹ 11.07 crore in F.Y. 2021-22, ₹ 22.14 crore in F.Y. 2022-23, ₹ 22.14 crore in F.Y. 2023-24, ₹ 22.14 crore in F.Y. 2024-25, ₹ 22.14 crore in F.Y. 2025-26, ₹ 22.14 crore in 2026-27, ₹ 22.14 crore in F.Y. 2027-28 crore and ₹ 11.07 crore in F.Y. 2028-29.				
	221.80	59.22	123.76	47.45
Amount disclosed under the head "OTHER CURRENT LIABILITIES" (Refer Note No. 26)		(204.23)		(145.24)
TOTAL	**1043.04**	**-**	**600.91**	**-**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 18 "NON-CURRENT LIABILITIES" "FINANCIAL LIABILITIES - BORROWINGS"	AS AT 31.03.2021	AS AT 31.03.2020
Details of Borrowings and Transaction Costs		
A. External Commercial Borrowings		
Total External Commercial Borrowings	217.09	105.88
Less: Transaction Costs	1.32	0.68
Carrying value of External Commercial Borrowings	**215.77**	**105.20**
B. Non-Covertible Debentures		
6.59% Listed Secured Non Convertible Debentures (RCF Series I -2020)	500.00	-
Less: Transaction Costs	0.38	-
Carrying value of Non-Covertible Debentures	**499.62**	**-**

₹ Crore

NOTE NO. 19 "NON-CURRENT LIABILITIES" "FINANCIAL LIABILITIES – TRADE PAYABLES"	AS AT 31.03.2021	AS AT 31.03.2020
Trade Payables		
(A) Outstanding dues of micro enterprises and small enterprises	–	–
(B) Outstanding dues of creditors other than micro enterprises and small enterprises	211.79	211.79
(Refer Note No. 48)		
TOTAL	**211.79**	**211.79**

₹ Crore

NOTE NO. 20 "NON-CURRENT LIABILITIES" "FINANCIAL LIABILITIES – OTHERS"	AS AT 31.03.2021	AS AT 31.03.2020
i. Security Deposit from Vendors	26.52	34.44
ii. Deposit from Employees	-	0.01
iii. Other Liabilities (ROU Lease Liability)	9.17	9.44
TOTAL	**35.69**	**43.89**

₹ Crore

NOTE NO. 21 "NON-CURRENT LIABILITIES" "PROVISIONS"	AS AT 31.03.2021	AS AT 31.03.2020
Provision for Employee Benefits		
i. Leave Salary Encashment	87.53	101.25
ii. Post Retirement Medical Benefits	98.57	87.03
iii. Long Service Award	0.22	0.27
TOTAL	**186.32**	**188.55**

₹ Crore

NOTE NO. 22 "NON-CURRENT LIABILITIES" "DEFERRED TAX LIABILITIES (NET)"	AS AT 31.03.2021	AS AT 31.03.2020
a. Deferred Tax Liability:		
i. Depreciation	300.25	286.17
ii. Fair value of Investments	19.67	18.06
iii. Revenue from TDR	8.39	8.39
iv. Other timing differences	1.69	0.77
TOTAL	**330.00**	**313.39**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 22	"NON-CURRENT LIABILITIES" "DEFERRED TAX LIABILITIES (NET)"	AS AT 31.03.2021	AS AT 31.03.2020
b.	**Deferred Tax Asset:**		
i.	Provision for doubtful debts/claims/advances	11.23	11.95
ii.	Provision for obsolescence of stores	3.46	4.14
iii.	Provision for diminution in value of investments	8.91	0.00
iv.	Expenditure allowable on payment basis	58.02	69.29
v.	Other timing differences	30.58	31.07
	TOTAL	112.20	116.45
	NET DEFERRED TAX LIABILITY	**217.80**	**196.94**

₹ Crore

NOTE NO. 23	"OTHER LIABILITIES"		AS AT 31.03.2021	AS AT 31.03.2020
I	**NON CURRENT**			
	Others			
i.	Advance rent Received	23 A	2.28	4.44
ii.	Government Grants	23 B	0.78	0.98
iii.	Deferred Deposit		31.11	33.69
	TOTAL OTHER NON CURRENT LIABILITIES (I)		**34.17**	**39.11**
II	**CURRENT**			
(a)	**Revenue received in advance**			
	Income received in advance from Customers	23 C	57.46	48.40
(b)	**Other Advances**			
	Retention money		12.50	12.50
(c)	**Other Liabilities:**			
i.	Advance Rent Received	23 A	2.15	2.55
ii.	Government Grants	23 B	0.18	0.30
iii.	Deferred Deposit		3.90	4.59
iv.	Statutory Dues:			
a.	Withholding taxes		14.00	13.08
b.	GST Payable		12.84	-
v.	Others		0.02	0.09
			33.09	**20.61**
	TOTAL OTHER CURRENT LIABILITIES (II)		**103.05**	**81.51**

₹ Crore

NOTE NO. 23A	"ADVANCE RENT RECEIVED"	AS AT 31.03.2021	AS AT 31.03.2020
At at 1st April		6.99	9.54
Received / (Repaid) during the year		-	-
Released to the statement of profit and loss		2.56	2.55
As at 31st March		**4.43**	**6.99**
Current		2.15	2.55
Non-current		2.28	4.44

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 23B "GOVERNMENT GRANTS"	AS AT 31.03.2021	AS AT 31.03.2020
At at 1st April	1.28	1.60
Received / (Repaid) during the year	-	-
Released to the statement of profit and loss	0.32	0.32
As at 31st March	0.96	1.28
Current	0.18	0.30
Non-current	0.78	0.98

₹ Crore

NOTE NO. 23C "INCOME RECEIVED IN ADVANCE FROM CUSTOMERS (CONTRACT LIABILITIES)"	AS AT 31.03.2021	AS AT 31.03.2020
At at 1st April	48.40	39.98
Received / (Repaid) during the year	57.46	48.40
Released to the statement of profit and loss	48.40	39.98
As at 31st March	57.46	48.40
Current	57.46	48.40
Non-current	-	-

₹ Crore

NOTE NO. 24 "CURRENT LIABILITIES" "FINANCIAL LIABILITIES – BORROWINGS"	AS AT 31.03.2021	AS AT 31.03.2020
(a) Loans Repayable on Demand		
I. Secured		
a. From Banks*		
i. Cash Credit	8.89	81.24
ii. Working Capital Demand Loan	350.00	1230.66
(includes Rupee Loans amounting to ₹ NIL (P.Y. ₹ 910.66 crore) from Punjab National Bank under Special Banking Arrangement against the subsidy receivables on Urea and P&K Fertilizers from Govt of India. which was secured by hypothecation of subsidy receivables of equivalent amount. This loan was fully repaid in current year.		
Total Secured	**358.89**	**1311.90**
II. Unsecured:		
a. From Banks		
i. Foreign currency loans from banks-Buyers Credit **	143.14	215.21
ii. Rupee loans	-	1349.00
	143.14	1564.21
b. Other Loans		
Commercial Paper *** (net of unamortised interest ₹ 2.51 crore, PY ₹ 8.50 crore)	317.49	1191.50
Total Unsecured	**460.63**	**2755.71**
TOTAL	**819.52**	**4067.61**

*Cash Credit from banks carrying interest of 7.35%-7.75% per annum (PY 7.75%-8.55% per annum) and Working Capital Demand Loan / Short Term Rupee Loans carrying interest of 4.00%-7.00% per annum (PY 7.00%-8.00% 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 0.35% -2.25% per annum (PY 2.00% to 3.00% per annum). These loans are repayable within 180 days.

***Unsecured Commercial Papers carry interest of around 3.70%-6.00% per annum (PY 5.48%-7.55% per annum). The oustanding commercial paper is repayable in May 2021.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 25	"CURRENT LIABILITIES" "FINANCIAL LIABILITIES – TRADE PAYABLES"	AS AT 31.03.2021	AS AT 31.03.2020
Trade Payables (including Acceptances)*			
(A)	Outstanding dues of micro enterprises and small enterprises	40.01	36.81
(B)	Outstanding dues of creditors other than micro enterprises and small enterprises	865.78	959.92
	TOTAL	**905.79**	**996.73**

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 ₹ 38.27 crores (P.Y. ₹ 48.51 crores)

₹ Crore

NOTE NO. 26	"CURRENT LIABILITIES" "FINANCIAL LIABILITIES – OTHER FINANCIAL LIABILITIES"	AS AT 31.03.2021	AS AT 31.03.2020
i.	Current Maturities of Long Term Debt (Refer Note No. 18)	204.23	145.24
ii.	Interest Accrued But Not Due on Borrowings	26.20	3.74
iii.	Unclaimed Dividend *	1.06	0.87
iv.	Payables on Capital Account	51.36	76.61
v.	Standing Deposit from Customers	73.16	45.55
vi.	Trade Deposit from Customers	78.56	73.88
vii.	Earnest Money Deposit & Security Deposit from Vendors	90.41	78.62
viii.	Other Payables - Tie Ups	7.77	7.84
ix.	Ex-gratia & Employee Benefits	64.58	48.22
x.	ROU Lease Liability	2.63	1.97
	TOTAL	**599.96**	**482.54**

* No amounts are due & payable to Investor Education & Protection Fund

₹ Crore

NOTE NO. 27	"CURRENT LIABILITIES" "PROVISIONS"	AS AT 31.03.2021	AS AT 31.03.2020
Provision for Employee Benefits			
i.	Leave Salary Encashment	91.60	99.32
ii.	Post Retirement Medical Benefits	7.73	7.13
iii.	Ex-gratia / Gratuity Payable	16.25	16.53
iv.	Payable to Provident Fund	3.59	19.07
v.	Long Service Award	0.06	0.09
	TOTAL	**119.23**	**142.14**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 28	"CURRENT LIABILITIES" "CURRENT TAX LIABILITIES NET"	AS AT 31.03.2021	AS AT 31.03.2020
Provision for Taxation less Advance tax		11.35	53.39
	TOTAL	**11.35**	**53.39**

₹ Crore

NOTE NO. 29	"REVENUE FROM OPERATIONS"		Year Ended 31.03.2021	Year Ended 31.03.2020
1. Sales				
A. Manufactured Products		29A		
Fertilizers			2218.66	2369.57
Industrial Products			1023.50	660.94
			3242.16	**3030.51**
B. Bought-out Products		29A		
Fertilizers			536.47	642.74
	Net Sales		**3778.63**	**3673.25**
2. Other Operating Revenues				
Subsidy on Urea & Complex Fertilizers *(Refer Note No. 47)		29B	4457.33	6000.73
Sale of Scrap			1.94	1.87
Management Fees -For Services rendered			12.04	10.67
Margin on Tie- ups			31.24	11.43
	TOTAL		**4502.55**	**6024.70**
Revenue from Operations			**8281.18**	**9697.95**

*Subsidy includes ₹ 85.43 crore (P.Y. ₹ 320.33 crore) in respect of earlier years, determined during the year

₹ Crore

NOTE NO. 29A	"SALES - PRODUCT WISE BREAK-UP"	Year Ended 31.03.2021	Year Ended 31.03.2020
1 Manufactured			
A. Fertilizers			
Suphala 15 : 15 : 15		1000.60	1119.48
Urea / Neem coated Urea		1165.14	1216.55
Others		52.92	33.54
		2218.66	2369.57
B. Industrial Products			
Ammonia		225.44	123.41
Dilute Nitric Acid		90.01	53.95
Concentrated Nitric Acid		94.77	49.70
Ammonium Bi-carbonate		58.93	42.99
Methylamines		95.62	72.47
Ammonium Nitrate Melt		361.60	249.73
Others		97.13	68.69
		1023.50	660.94
2 Bought-out Products			
Imported Di Ammonium Phosphate		199.37	350.61

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 29A	"SALES - PRODUCT WISE BREAK-UP"	Year Ended 31.03.2021	Year Ended 31.03.2020
Imported Muriate of Potash		79.19	155.46
Imported NPK 10:26:26		62.30	122.48
Imported NPK 20:20:0		178.27	-
Others		17.34	14.19
		536.47	642.74
	TOTAL	**3778.63**	**3673.25**

₹ Crore

NOTE NO. 29B	"SUBSIDY ON UREA & COMPLEX FERTILIZERS"	Year Ended 31.03.2021	Year Ended 31.03.2020
1. Manufactured Fertilizers			
Price		3805.91	5250.17
Freight		388.31	443.46
		4194.22	5693.63
2. Bought-out Fertilizers			
Price		226.57	265.44
Freight		36.54	41.66
		263.11	307.10
	TOTAL	**4457.33**	**6000.73**

₹ Crore

NOTE NO. 30	"OTHER INCOME"	Year Ended 31.03.2021	Year Ended 31.03.2020
1. Interest Income on Financial Assets carried at Amortised Cost			
a. On Loans to Employees		0.05	0.08
b. On Deposits with Bank and Others		13.20	3.42
c. From Customers		2.77	3.71
d. From Others [includes ₹ 9.92 crore (P.Y. ₹ 30.94 crore) crore dues from DOF]		9.94	31.52
	TOTAL	25.96	38.73
2. Interest Income on Taxes		0.92	2.68
a. On Income Tax Refund		3.78	-
b. On Sales Tax Refund		4.70	2.68
	TOTAL	**30.66**	**41.41**
3. Dividend Income			
a. Dividend from Equity Investment measured at fair value through OCI		0.17	0.10
b. Dividend from Mutual Fund Investment measured at FVTPL		-	0.10
4. Net Gain arising on Financial Assets measured at FVTPL		0.17	0.20
a. Gain / (Loss) on Sale of Mutual Fund Investments		0.90	-
b. Gain / (Loss) on Derivatives		(0.63)	-
		0.27	
5. Other Income			-
a. Profit on Sale of Fixed Assets (Net)		-	0.10
b. Bad Debts Recovered		0.08	0.11
c. Foreign Exchange Gain		23.25	0.52

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 30	"OTHER INCOME"	Year Ended 31.03.2021	Year Ended 31.03.2020
d. Rental Income Including Other Recoveries		44.69	39.74
e. Lease Compensation of Railway Siding		0.21	0.21
f. Government Grants (Refer Note No. 23B)		0.32	0.32
g. Amortisation of Deferred Deposits		5.50	6.13
h. Miscellaneous Income		27.58	40.45
		101.63	87.58
Less: Transfer to Research and Development Expenses (Refer Note No. 37C)		(0.08)	(0.02)
	TOTAL	132.65	129.17

₹ Crore

NOTE NO. 31	"COST OF MATERIALS CONSUMED"		Year Ended 31.03.2021	Year Ended 31.03.2020
Raw Materials		31A	2899.64	3671.08
Packing Materials			104.89	105.15
Consumption of Stock from Trial Run Production			13.68	-
Add: Raw Materials of Impaired Plants			4.46	-
Less : Transferred to Research & Development (Refer Note No. 37C)			-	(0.01)
	TOTAL		3022.67	3776.22

₹ Crore

NOTE NO. 31A	"ITEMWISE BREAKUP OF MATERIALS CONSUMED"	Year Ended 31.03.2021	Year Ended 31.03.2020
RAW MATERIALS			
Rock Phosphate		65.76	74.08
Di-Ammonium Phosphate		5.09	7.49
Mono-Ammonium Phosphate		249.15	306.58
Muriate of Potash		271.77	316.03
Natural Gas		2237.22	2873.76
Others		70.65	93.14
	SUB TOTAL	2899.64	3671.08
Less : Transferred to Research and Development (Refer Note No. 37C)		-	(0.01)
	TOTAL	2899.64	3671.07

₹ Crore

NOTE NO. 32	"PURCHASES OF STOCK IN TRADE"	Year Ended 31.03.2021	Year Ended 31.03.2020
Imported Di Ammonium Phosphate		240.77	166.09
Imported Muriate of Potash		169.13	10.00
Imported S : 20:20:0		243.23	-
NPK 10:26:26		75.85	137.90
Others		25.97	18.64
	SUB TOTAL	754.95	332.63
Less: Transferred to Plant for internal consumption			
Imported DAP / MOP		(5.74)	(38.20)
	TOTAL	749.21	294.43

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 33	"CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN TRADE"		Year Ended 31.03.2021	Year Ended 31.03.2020
Opening Stock				
Finished Goods		33A	283.83	387.72
Intermediary Products			28.90	35.41
By-Products			5.77	4.42
Stock in Trade		33A	3.33	497.53
Certified Emission Reduction Credits (CER) / Renewable Energy Certificates (REC)			-	-
	SUB-TOTAL		321.83	925.08
Closing Stock				
Finished Goods		33B	205.75	283.83
Intermediary Products			28.58	28.90
By-Products			3.25	5.77
Stock in Trade		33B	114.93	3.33
Certified Emission Reduction Credits (CER) / Renewable Energy Certificates (REC)			0.05	0.00
	SUB-TOTAL		352.56	321.83
	TOTAL		**(30.73)**	**603.25**

₹ Crore

NOTE NO. 33A	"OPENING STOCK - PRODUCT WISE BREAK-UP"	Year Ended 31.03.2021	Year Ended 31.03.2020
Finished Goods			
1. Manufactured			
A. Fertilizers			
Urea (Trombay)		46.26	22.63
Urea (Thal)		130.17	172.13
Complex Fertilizers		87.24	170.14
Others		15.92	16.40
B. Industrial Products			
Methanol		0.12	1.44
Concentrated Nitric Acid		0.24	0.20
Ammonium Bi-carbonate		0.00	0.27
Sodium Nitrate		0.22	0.51
Sodium Nitrite		0.02	0.57
Methylamines		1.03	0.93
Ammonium Nitrate Melt		0.02	0.02
Dimethyl Formamide		1.17	-
Dimethyl Acetamide		0.08	1.71
Argon Gas / Liquid		0.39	0.69
Formic Acid		0.95	0.07
Others		-	0.01
2. Bought-out Products		**283.83**	**387.72**
Fertilizers			
Imported Di Ammonium Phosphate		1.55	276.90
Imported Muriate of Potash		0.77	212.17
Imported NPK 20:20:0		0.09	8.46
Others		0.92	-
		3.33	497.53
	TOTAL	**287.16**	**885.25**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 33B "CLOSING STOCK - PRODUCT WISE BREAK-UP"	Year Ended 31.03.2021	Year Ended 31.03.2020
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. 34 "EMPLOYEE BENEFITS EXPENSE"	Year Ended 31.03.2021	Year Ended 31.03.2020
Salaries, Wages and Bonus	505.02	520.90
Contribution to Provident Fund and Other funds	27.85	69.51
Contribution to Gratuity Fund	7.06	8.41
Workmen and Staff Welfare Expenses	56.84	52.40
	596.77	651.22
Less: Transferred to Research and Development (Refer Note No. 37C)	(1.65)	(1.97)
Share recoverable from Thal Ammonia Extension and Others	(31.29)	(31.99)
	(32.94)	(33.96)
TOTAL	**563.83**	**617.26**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 35	"FINANCE COSTS"		Year Ended 31.03.2021	Year Ended 31.03.2020
1	**Interest on Financial Liabilities carried at Amortised Cost**			
a.	Interest on Term Loans from Banks		35.85	29.30
b.	Interest on Non-Convertible Debentures		21.58	-
c.	Interest on Working Capital from Banks		92.84	168.07
d.	Interest on Other Loans and Deposits		16.15	4.80
e.	Interest on Deferred Deposits		4.71	5.36
f.	Other Borrowing Costs		1.05	1.55
g.	Exchange Differences Regarded as an Adjustment to Borrowing Costs		5.48	26.65
h.	Interest Expense on Lease Liabilities		1.07	0.90
		TOTAL	**178.73**	**236.63**
2	**Other Finance Costs**		0.84	1.19
		TOTAL	**179.57**	**237.82**

₹ Crore

NOTE NO. 36	"DEPRECIATION AND AMORTISATION EXPENSES / IMPAIRMENT"	Year Ended 31.03.2021	Year Ended 31.03.2020
i.	Depreciation on Property Plant and Equipment	173.25	167.34
ii.	Impairment reversal on Property Plant and Equipment	0.20	2.86
iii.	Depreciation on Investment Property	0.19	0.19
iv.	Amortisation on Intangible Assets	1.32	0.99
	Total Depreciation / Amortisation Impairment provided during the year	174.96	171.38
	Less : Under Research and Development (Refer Note No. 37 C)	(0.33)	(0.34)
	As reported under Statement of Profit & Loss:	**174.63**	**171.04**

₹ Crore

NOTE NO. 37 "OTHER EXPENSES"		Year Ended 31.03.2021	Year Ended 31.03.2020
Stores and Spares		39.00	34.20
Power and fuel		2122.25	2758.87
Water Charges		135.07	62.18
Repairs and Maintenance	37A	151.97	133.11
Freight and Handling Charges		650.23	689.43
Rent		8.89	16.70
Rates and Taxes		11.64	16.00
Insurance		44.22	27.50
Miscellaneous Expenses	37B	80.10	86.07
Less: Transferred to Research & Development Expenses (Refer Note No. 37C)		(0.18)	(0.06)
TOTAL		**3243.19**	**3824.00**

EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 37A	"REPAIRS AND MAINTENANCE"	Year Ended 31.03.2021	Year Ended 31.03.2020
Plant and Machinery		118.06	93.74
Buildings		21.87	21.16
Other Assets		12.20	18.52
		152.13	133.42
Less: Transferred to Research & Development Expenses (Refer Note No. 37C)		(0.16)	(0.31)
	TOTAL	**151.97**	**133.11**

₹ Crore

NOTE NO. 37B	"MISCELLANEOUS EXPENSES"	Year Ended 31.03.2021	Year Ended 31.03.2020
Security Expenses-Factory and Others		46.28	49.10
Electricity Charges-Township and Offices		5.77	7.94
Advertisement		0.71	0.76
Bank Charges		1.87	1.43
Promotion and Publicity		3.46	5.20
Hire Charges for Vehicles		3.29	3.82
Travelling Expenses		1.13	4.20
Entertainment Expenses		0.00	0.05
Research and Development Expenses	37C	2.48	5.06
Loss on Fixed Assets Sold /Discarded		0.58	3.31
Losses/ Damages and Other Amounts Written Off		0.27	0.76
Corporate Social Responsibility Expenses		3.58	3.42
Provision for Doubtful Debts/ Claims/ Advances		1.16	4.73
Provision for Obsolescence of Stores		2.31	3.29
Bad Debts Written Off		1.69	-
Provision of Earlier Years no Longer Required		(9.02)	(6.24)
Liabilities for Expenses no Longer Required		(7.02)	(10.79)
Recovery of Share of Common Expenses		(16.78)	(32.64)
Other Expenses **		38.34	42.67
	TOTAL	**80.10**	**86.07**

** Includes Directors' Sitting Fees C.Y. ₹ 19,60,000, P.Y. ₹ 18,95,000

₹ Crore

NOTE NO. 37C	"RESEARCH & DEVELOPMENT EXPENSES"	Year Ended 31.03.2021	Year Ended 31.03.2020
Salaries and Staff Welfare Expenses		1.65	1.97
Repairs and Maintenance		0.16	0.31
Depreciation		0.33	0.34
Direct Research Expenditure		0.24	2.39
Other Expenses		0.02	0.04
Handling charges		0.16	0.02
Materials Consumed		-	0.01
	SUB TOTAL	2.56	5.08
Less: Transferred from Other Income		(0.08)	(0.02)
	TOTAL	**2.48**	**5.06**

EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 38 "EXCEPTIONAL ITEMS"	Year Ended 31.03.2021	Year Ended 31.03.2020
Fair valuation (Gain) / Loss - Transferable Development Right	(4.71)	100.17
TOTAL	**(4.71)**	**100.17**

(Refer Note No. 58)

₹ Crore

NOTE NO. 39 "OTHER COMPREHENSIVE INCOME"	Year Ended 31.03.2021	Year Ended 31.03.2020
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(3.80)	(18.54)
Fair Value Equity instruments (IPL Shares)	6.42	2.27
	2.62	(16.27)
Less: Income tax / Deferred tax relating to above items	(0.65)	10.90
TOTAL	**1.97**	**(5.37)**

₹ Crore

NOTE NO. 40 "DISCLOSURE OF FINANCIAL ASSETS AND LIABILITIES AS PER IND AS 107"	AS AT 31.03.2021	AS AT 31.03.2020
I) FINANCIAL ASSETS		
a. BREAKUP OF FINANCIAL ASSETS AT FAIR VALUE THORUGH OCI		
Investments - fully paid shares	78.68	72.26
TOTAL	**78.68**	**72.26**
b. BREAKUP OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT & LOSS		
Derivatives	3.81	2.67
Transferable Development Rights	36.03	31.32
TOTAL	**39.84**	**33.99**
c. BREAKUP OF FINANCIAL ASSETS CARRIED AT AMORTISED COST		
Loans	21.51	27.03
Others Financial Assets	292.83	1652.53
Trade Receivables	1449.54	4551.23
Cash and Cash Equivalents	1471.23	1.31
Other Bank Balances	49.09	1.29
	3284.20	**6233.39**
d. BREAKUP OF FINANCIAL ASSETS CARRIED AT COST		
Investments - Joint ventures	530.44	152.28
TOTAL	**530.44**	**152.28**
TOTAL FINANCIAL ASSETS	**3933.16**	**6491.92**

EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH 2021

₹ Crore

NOTE NO. 40	"DISCLOSURE OF FINANCIAL ASSETS AND LIABILITIES AS PER IND AS 107"	AS AT 31.03.2021	AS AT 31.03.2020
II) FINANCIAL LIABILITIES			
a. BREAKUP OF FINANCIAL LIABILITIES CARRIED AT AMORTISED COST			
Borrowings		1862.56	4668.52
Trade Payables		1117.58	1208.52
Deposit from Employees		-	0.01
Current Maturities of Long Term Debt		204.23	145.24
Interest Accrued but Not Due on Borrowings		26.20	3.74
Unclaimed Dividend		1.06	0.87
Creditors on Capital Account		51.36	76.61
Standing Deposit from Customers		73.16	45.55
Trade Deposit from Customers		78.56	73.88
Earnest Money Deposit & Security Deposit from Vendors		116.93	113.06
Ex-gratia & Employee Benefits		64.58	48.22
Other Payables - Tie Ups		7.77	7.84
ROU Lease Liability		11.80	11.41
	TOTAL	3615.79	6403.47
	TOTAL FINANCIAL LIABILITIES	**3615.79**	**6403.47**

The above referred carrying values of Financial Assets and Liabilities approximate its fair value as at the balance sheet date

EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH 2021

41. Contingent Liabilities not provided for:

41.1 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 31.03.2021	As at 31.03.2020
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.	64.30	64.30
	b	Levy of Market priced gas differential for use of APM/Domestic Gas for Non-fertilizer Non-Urea operations (Refer Note no. 48)	1246.12	1231.05
	c	For non-submission for FICC certified gas utilization data	39.39	39.39
		Sub total	**1349.81**	**1334.74**
2		**Claims on the Company not acknowledged as debts by Contractors / Suppliers/ Arbitrators etc.**	143.11	81.83
3		**Demands raised by various authorities that may arise in respect of matters in appeal**		
		Excise Duty (D) (Refer note no 41.1.1)	70.33	67.49
		Excise Duty (S)	18.52	20.10
		Sales Tax	7.33	6.45
		Income Tax	39.19	20.08
		Service Tax (D)	13.92	7.24
		Service Tax (S)	2.40	5.59
		Custom Duty (D)	80.93	80.93
		Custom Duty (secured by Bank Guarantee))(Refer note no 41.1.2)	25.62	25.62
4		Water charges claimed by Municipal Corporation of Greater Mumbai (Refer note no 41.1.3)	38.24	38.79
5		Claims preferred by local authorities	8.34	8.37
		GRAND TOTAL	**1797.74**	**1697.23**

(D) – Demands raised / (S) – Show cause notice issued.

41.1.1 Includes an amount of ₹ 24.82 crore (P.Y. ₹ 24.82 crore) 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 crore (P.Y. ₹ 21.28 crore) 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.

41.1.2 Company's appeal filed before the bench of CESTAT, was heard during FY 2019-20 and a favorable order is expected and no provision is required. Further, the bank guarantee offered as security amounting to ₹ 29.07 crore is not renewed as advised by the solicitors.

41.1.3 Demand of ₹ 33.48 crore raised by Municipal Corporation of Greater Mumbai (BMC) towards additional sewerage charges levied from 05.04.1987 were 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 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. Upon disposal of matter by the High Court, Company approached the 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.

EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH 2021

41.1.4 With reference to additional demand received as per orders of Sub Divisional Officer (SDO) Mumbai Suburban District and as revised by Tahsildar, towards Non Agriculture (NA) Tax and 100% Increase in Land Revenue (ILR), Company has recognized a liability of ₹ 22.00 crore in earlier years, against which ₹21.48 crore has been paid. As per the notices received, Company may also be subjected to pay additional NA tax and ILR for any future revision in the same. Company has been advised by its solicitors to appeal against the said demand as the same is not tenable.

41.1.5 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 ₹ 0.65 crore (P.Y ₹ 0.76 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.

41.2 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. However, with respect to matter relating to payment of overtime wages, a stay order has been obtained by the Company from High Court, with submission of a Bank guarantee amounting to ₹ 12.00 Crore. The matter is yet to be heard.

41.3 In respect of clause 41.1 to 41.2 above, it is not practicable for the Company to estimate the closure of these issues and the consequential timing of cash flows, if any.

42. Capital Commitments (Net of Advances):

₹ Crore

Particulars	As at 31.03.2021	As at 31.03.2020
Capital Expenditure Commitments	92.92	56.34
Commitment Towards Investments in JV (Talcher Fertilizers Ltd)	648.71	1024.69

43. Disclosures relating to Finance Lease:

Relating to 416 Wagons leased to Indian Railways "Under Own your Wagons Scheme"

₹ Crore

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Minimum Lease Payments		
Not Later than one year	-	-
Later than one year but not later than 5 years	-	-
Later than 5 years	-	-
Total	**-**	**-**
Amount representing finance income earned during the year	-	0.01
Adjusted Against Lease Receivable during year	-	0.34
Total	**-**	**0.35**
Present Value of MLP		
Not Later than one year	-	-
Later than one year but not later than 5 years	-	-
Later than 5 years	-	-
Total	**-**	**-**
Unearned Finance Income	**-**	**-**
Expected Credit Loss on above	**NIL**	**NIL**

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.

EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH 2021

44. Formalities relating to transfer of certain immovable and other properties 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 30,44,530 Sq. meters (P.Y. 30,44,530 Sq. meters), property cards for 3,78,321 Sq. meters (P.Y. 3,78,321 Sq. meters) are yet to be transferred in the name of the Company. The Company is in the process of transferring the title deeds.

45. 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. 32,27,543 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.

46. Balance of subsidy receivables and tax refund from Government authorities are subject to confirmation. Some of the balances of trade Payables, current liabilities and loans and advances are subject to confirmation / reconciliation and consequential adjustments if any. In the opinion of the management, such adjustments would not be material.

47. 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 ₹ 82.44 crore refundable to FICC/DOF (PY ₹ 247.18 crore receivable).

With the advent 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 31.03.2021, on quantity of 6.08 LMT of Urea and P&K fertilizers subsidy amounting ₹. 716.21 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 only on actual sale by the retailers through POS machines. (P.Y quantity 4.63 LMT and subsidy ₹ 667.94 crore)

48. Consequent to Gas pooling being made applicable to Fertilizer (Urea) sector w.e.f. June 1, 2015, it is expected that a differential pricing of gas may be made applicable for non-urea usage. Company has represented to DoF for maintaining supply of domestic gas for P&K fertilizers and chemicals. Ministry of Petroleum & Natural Gas (MoPNG) vide its order No. L-13013/3/2012-GP-I, dated: December 16, 2015 has directed GAIL (India) Limited to levy a higher gas price (i.e. the highest rate of RLNG used for production of urea) for gas consumed in non-urea operations. As the matter relating to the same is pending before the IMC for decision, the Company has represented that any decision on the same be taken only upon the issue being settled by the IMC of GoI. However, pending finalization of price payable as per the said letter, Company is recognizing liability based on the difference between domestic gas price and pool / market price of gas for its non-urea operations. The difference is provided considering domestic gas first for urea operations on cumulative basis for the year and the balance if any, for non-urea operations. Accordingly, there is no impact for the year ended March 31, 2021. The Company has recognized a liability of ₹ 211.79 Crore for the period commencing from June 1, 2015 to March 31, 2021 (₹ 211.79 Crore upto March 31, 2020) on this account.

The Company has entered into a contract for procurement of market priced gas for non-urea operations at Trombay unit, effective from May 16, 2016.

Pursuant to the said order, GAIL has sought a differential levy amounting to ₹ 1457.92 Crores for the period commencing from July 1, 2006 till June 30, 2019 and has initiated arbitration proceedings towards non-payment of the same. The Company has represented this matter to Department of Fertilizers for dispute resolution as the matter relating to the same is pending before the IMC of GoI. The said matter has been referred to Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD).

EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH 2021

49. 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 (Rs.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 equipments 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 equipments 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.

50. As per Ind AS 19, 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 an amount of ₹ 19.07 crore in FY 2019-20 crores as contribution to Trust owing to such deficit in previous financial year. Owing to appreciation in fair value of plan asset the deficit stands reduced to ₹ 3.59 crore as at 31.03.2021 resulting in a reversal of provision of ₹ 15.48 Crore during FY 2020-21.

51. Based on the nature of business activities undertaken by the Company and requirement of IND AS 108, 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 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.

52. Non-Current Asset Held for Sale:

₹ Crore

Particulars	**As at 31.03.2021**	**As at 31.03.2020**
Plant & Machinery & other assets	0.48	0.48
Total	**0.48**	**0.48**

Company intends to dispose of items classified under Asset held for sale in next 12 months. Efforts are underway to dispose of the items to other Fertilizer Companies/User of such assets.

EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH 2021

53. Disclosures under IND AS 24 on Related Party Transactions are given below:

53.1 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	
			31.03.2021	31.03.2020
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) #	535480424 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 31.03.2021	Year ended 31.03.2020
1	Contribution towards share capital-TFL	375.98	143.16
2	Share of Expenses receivable from TFL	2.69	2.74

The advances given to FRBL has fully provided for as doubtful

c) Balance Outstanding:

₹ Crore

Sr. No.	Particulars	As at 31.03.2021	As at 31.03.2020
		Joint Ventures	Joint Ventures
1	Advances Given-FRBL*	40.23	40.23
2	Share of Expenses receivable from TFL	9.88	7.19

*The same has been fully provided.

Company has given guarantee of ₹ 2.20crore, 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.

54.2 Transactions with other entities- where Directors are interested:

a) Name of the entity & transactions

Fertilizers and Chemicals Travancore Ltd (FACT) – Owing to

i) Shri K. U. Thankachen Director (Marketing) was given additional charge of Director (Marketing) of the said entity upto 31.05. 2020.

₹ Crore

Sr. No	Nature of Transaction	2020-21	2019-20
1	Interest Earned on Inter Corporate loan during the year.	0.32	2.17

EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH 2021

b) Disclosure as required by Regulation 34(3) and 53(f) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

₹ Crore

Sr No.	Particulars	Current Year		Previous Year	
	Entity in which Directors are interested	Amount as on 31.03.2021	Maximum amount outstanding during the year ended 31.03.2021	Amount as on 31.03.2020	Maximum amount outstanding during the year ended 31.03.2020
1	Loans and Advances including interest to FACT	21.30	26.59	26.59	26.59

c) Disclosure as per Section 186 of the Companies Act 2013

₹ Crore

Sr No.	Name of Party	Amount as on 31.03.2021	Amount as on 31.03.2020
1	FACT Ltd (Joint Venture Partner in FRBL)	21.30	26.59

The share of FACT Ltd. towards onetime settlement entered in to with Dena Bank amounting to ₹25.50 Crore has been paid by the Company and is reported as Inter Corporate loan given. The said loan carries an interest in accordance with section 186 (7) of Companies Act 2013.

54.3 Key Management Personnel

a) Whole Time Directors & Company Secretary

(i) Shri S. C. Mudgerikar , Chairman & Managing Director
(ii) Shri Sudhir Panadare, Director (Technical)
(iii) Shri Umesh Dongre, Director (Finance) and CFO
(iv) Shri K. U. Thankachen, Director(Marketing)
(v) Shri Jai Bhagwan Sharma, Company Secretary

b) Independent Director

(i) Prof. Anil Kumar Singh
(ii) Dr Shambhu Kumar
(iii) Smt Shashi Bala Bharti w.e.f 25.06.2020

c) Government Nominee Directors

(i) Ms Alka Tiwari
(ii) Ms Aparna Sachin Sharma w.e.f 01.09.2020

Details relating to parties referred above:

Remuneration:

₹ Crore

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Shri S. C. Mudgerikar	0.56	0.25
Shri Umesh V. Dhatrak	-	0.90
Shri Sudhir Panadare	0.69	0.51
Shri Umesh Dongre	0.57	0.48
Shri K. U. Thankachen	0.58	0.47
Shri Jai Bhagwan Sharma	0.32	0.26
TOTAL	**2.72**	**2.87**

EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH 2021

The above amount includes salaries and allowances, contribution to Provident fund, pension etc. and actual payments towards leave encashment, if any.

The remuneration to key management personnel 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.

There have been no outstanding loans and advances from the above referred parties as at year end.

Sitting Fees in case of Independent Directors

₹ Crore

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Shri Harin Pathak	-	0.01
Shri G. M Inamdar	-	0.02
Shri Suryanarayana Simhadri	-	0.06
Prof. Anil Kumar Singh	0.09	0.05
Dr. Shambhu Kumar	0.07	0.05
Ms. Shashi Bala Singh	0.03	-
TOTAL	**0.20**	**0.19**

53.4 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.

Certain transactions which are individually and collectively significant carried out with other 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	2020-21	2019-20
Sale of Product/Services during the year			
Bharat Petroleum Corporation Limited	Renting of Immovable Property	25.23	21.63
Bharat Petroleum Corporation Limited	Sale of Industrial chemicals	10.30	10.62
Indian Oil Corporation Ltd	Sale of Industrial chemicals	121.59	43.81
The Singareni Collieries Co. Ltd.	Sale of Industrial chemicals	26.75	17.05
Hindustan Insecticides Limited	Sale of fertilizers	-	20.31
Purchase of Product/Services during the year			
GAIL (India) Ltd	Procurement of Gas / Transportation Charges/ Pool difference payment	3885.14	5069.52
Mangalore Refinery & Petrochemicals Ltd	Procurement of Sulphur	8.81	-
Indian Oil Corporation Ltd	Procurement of Gas	-	81.78
Bharat Heavy Electricals Limited	Procurement of Capital Goods	7.49	18.13
Accounts Receivable			
Indian Oil Corporation Ltd	Trade & other receivable	29.19	11.78
Hindustan Insecticides Limited	Trade & other receivable	-	1.71
Bharat Petroleum Corporation Limited	Trade & other receivable	4.14	-

EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH 2021

₹ Crore

Name of Entity	Nature of Transaction	2020-21	2019-20
Accounts Payable			
GAIL (India) Ltd	Trade & other payables	521.99	557.05
Mangalore Refinery & Petrochemicals	Trade & other payables	1.41	-
Bharat Heavy Electricals Limited	Trade & other payables	10.39	6.58
Bharat Petroleum Corporation Limited	Trade & other payables	76.46	82.12

The above referred transactions have been carried out on arm's length basis with the said entities.

53.5 Transaction with Trusts

₹ Crore

Name of Entity	Nature of Transaction	2020-21	2019-20
Contribution to Trust			
RCF Ltd Employees Provident Fund Trust	Contribution	25.23	21.63
RCF Ltd Employees Gratuity Fund	Contribution	1.62	15.63
Reimbursement of Gratuity payment made on behalf of Trust			
RCF Ltd Employees Gratuity Fund	Reimbursement	28.14	50.29
Balance payable(receivable) as on 31st March of financial year			
RCF Ltd Employees Provident Fund Trust	Contribution	6.19	6.76
RCF Ltd Employees Gratuity Fund	Contribution/ Net of reimbursement due	(22.62)	(0.28)

54. Earnings per Share –Basic and Diluted

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Net profit after tax as per Statement of Profit and loss (₹ crore) (A)	375.30	207.13
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)	6.80	3.75
Diluted earnings per Share (in Rupees) (Face Value of ₹ 10/- per share) (A)/(B)	6.80	3.75
EPS from continuing operations	6.80	3.75

55. "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	31.03.2020
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

EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH 2021

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 31.03.2021 (Audited)	As at 31.03.2020 (Audited)
1	Non-Current Assets	3.51	3.99
2	Cash and Cash Equivalent	0.32	0.01
3	Current Assets other than Cash and Cash Equivalent	13.27	15.03
4	Non-Current Liabilities	51.94	46.58
5	Current Liabilities	94.23	95.53
6	Equity	(129.07)	(123.08)
7	Proportion of the company's ownership	50%	50%
8	Carrying amount of the investment*	-	-
9	Capital Commitments	-	-
10	Commitment to subscribe to additional equity	-	-
11	Contingent Liabilities	-	5.56

₹ Crore

Sr No.	Particulars	As at 31.03.2021 (Audited)	As at 31.03.2020 (Audited)
1	Income	16.48	16.84
2	Cost of materials consumed	-	1.85
3	Changes in inventories	0.03	2.27
4	Depreciation and amortization expense	-	65.24
5	Finance costs	5.39	4.83
6	Employee benefits expenses	0.74	3.27
7	Other Expenses	16.32	10.87
8	Profit/Loss from continuing operations before exceptional item	(5.99)	(71.49)
9	Exceptional Item	-	-
10	Profit/Loss Before Tax	(5.99)	(71.49)
11	Total comprehensive income for the year	(5.99)	(71.49)
12	Company's Share of profit / (loss) for the year	(3.00)	(35.75)

*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 ₹ 3.00 crore for the year (P.Y. ₹ 35.75 crore) and ₹ 64.55 crore cumulatively upto the year ended 31.03.2021 (P.Y ₹ 61.55 crore).

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 31.03.2021 (Audited)	As at 31.03.2020 (Audited)
1	Non-Current Assets { ₹ 1 (P.Y ₹ 1)}	-	-
2	Cash and Cash Equivalent	0.01	0.03
3	Current Assets other than Cash and Cash Equivalent	0.08	0.07
4	Non-Current Liabilities	-	-

EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH 2021

₹ Crore

Sr No.	Particulars	As at 31.03.2021 (Audited)	As at 31.03.2020 (Audited)
5	Current Liabilities	0.02	0.03
6	Equity	0.06	0.07
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 31.03.2021 (Audited)	Year Ended 31.03.2020 (Audited)
1	Income { ₹ 44,776 (P.Y ₹ 57100)}	-	0.01
2	Cost of materials consumed		
3	Depreciation and amortization expense	-	-
4	Finance costs	-	-
5	Employee benefits expenses	-	-
6	Other Expenses	0.01	0.02
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	-	(0.01)

*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 31.03.2021 (Audited)	As at 31.03.2020 (Audited)
1	Non-Current Assets	1,267.00	301.15
2	Cash and Cash Equivalent	931.38	233.71
3	Current Assets other than Cash and Cash Equivalent	32.76	17.50
4	Non-Current Liabilities	-	-
5	Current Liabilities	639.85	95.57
6	Equity	1,591.29	456.79
7	Proportion of the Company's ownership	33.33%	33.33%
8	Carrying amount of the investment	530.42	152.26

₹ Crore

Sr No.	Particulars	As at 31.03.2021 (Audited)	As at 31.03.2020 (Audited)
1	Income	13.77	5.78
2	Cost of materials consumed	-	-

EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH 2021

₹ Crore

Sr No.	Particulars	As at 31.03.2021 (Audited)	As at 31.03.2020 (Audited)
3	Depreciation and amortization expense	0.11	0.15
4	Finance costs	-	-
5	Employee benefits expenses	-	-
6	Other Expenses	5.81	8.67
7	Profit Before Tax	7.85	(3.04)
8	Tax Expenses	1.28	(0.02)
9	Profit/(Loss) from continuing operations	6.57	(3.02)
10	Total comprehensive income for the year	6.57	(3.02)
11	Company's Share of profit / (loss) for the year	2.19	(1.01)

56. Disclosure of additional information pertaining to the Parent Company and Joint Ventures as on 31st March, 2021

₹ Crore

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	84.09	2802.99	99.42	373.11	100.00	1.97	99.42	375.08
Joint Venture (as per Equity Method)								
Indian								
FACT –RCF Building Products Ltd.	-	-	-	-	-	-	-	-
Urvarak Videsh Limited	-	0.02	-	-	-	-	-	-
Talcher Fertilizers Limited	15.91	530.42	0.58	2.19	-	-	0.58	2.19
Total	**100.00**	**3333.43**	**100.00**	**375.30**	**100.00**	**1.97**	**100.00**	**377.27**

57. 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 (₹ 27.93 crore) upon submission of bank guarantees of equivalent amount in favour of the Court.

58. Exceptional items:

a) Exceptional item consist of :

₹ Crore

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Loss / (Gain) on Revaluation of Development Right Certificate received / receivable from MMRDA towards surrender of land in earlier year.	(3.03)	64.84
Fair value gain on account of valuation of Development Right Certificate receivable from Municipal Corporation of Greater Mumbai towards surrender of land.	(1.68)	35.33
Net Exceptional Expense / (Income)	**(4.71)**	**100.17**

EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH 2021

The gain on account of fair valuation of Transferable Development Rights (TDRs) received /accrued has been reported as exceptional item amounting to ₹ 4.71 crore previous year (₹ 100.17) crore.

59. Disclosure as per IND AS 116

₹ Crore

Sr. No.	Particulars	31.03.2021	31.03.2020
	Details pertaining to Lease Arrangement considered as ROU		
1	Total Gross Lease liability	15.74	18.35
2	Total Discounted lease liability	11.80	11.41
3	Cash Outflow due to Lease Liability	4.13	3.28
4	Interest charged to PL	1.08	0.90
5	Depreciation charged to PL	3.51	2.74
6	Cancellations charged to PL	-	-
7	**Maturity Profile of Lease Liability**		
	On Demand		
	Less Than 3 Months	0.89	0.56
	3 to 12 Months	2.23	1.25
	1 to 5 years	5.32	4.70
	5 Years & Above	3.37	4.90
	Grand Total	**11.80**	**11.41**
	Details pertaining exemptions availed as Short Term Lease Arrangement and not considered above		
8	Total Short Term Lease Liability	3.87	3.66
9	During the year charged to PL	7.08	9.36
10	Disclosure of undiscounted lease receivables wrt to assets given on Operating lease as a lessor		
	On Demand		
	Less Than 3 Months	8.03	8.19
	3 to 12 Months	24.30	28.88
	1 to 5 years	73.98	105.39
	5 Years & Above	6.21	11.31
	Grand Total	**112.52**	**153.76**

In respect of certain operating leases where the Company is a lessor, as per initial assessment straight lining of lease rentals was not adopted since the lease terms are cancellable at any time with either parties giving suitable notice thus no fixed lease term could be established. Despite such terms in the agreement, based on the substance of the agreement it is certainly expected that the lease will remain effective over the lease term as per agreement. Accordingly straight lining of rental income has been done over the lease term. This method is more representative compared to the earlier estimates done by the Company wherein rentals were structured to increase in line with general inflation. This is with accordance with IND AS 8 wherein change in estimate is required to be done to represent the carrying value of the asset as at the Balance sheet date.

Owing to the same, there is an impact in Profit and Loss by ₹3.18 crore and the corresponding effect being reported under lease receivables which would be unwound in future over the remaining lease period. Further the impact on account of change in estimate is not material.

60. Consolidated Employee benefit disclosures, lease disclosures, impairment disclosures and deferred tax liability (net), are not materially different from those disclosed in the standalone financial statements of the Company.

61. Consolidated financial statements were prepared based on Management Certified Financial Statements of joint ventures as they are not material to the Company and the same was approved by Board of Directors on 27.05.2021. As per directions received from Comptroller & Auditor General of India vide letter no DGA (AF & WR)/Mumbai/

EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH 2021

IV-222/RCFL/2020-21/dated 04.08.2021, 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. On receipt of audited Financial Statements of above-mentioned joint ventures, Consolidated Financial Statements of the Company stands duly revised without any adjustment for further subsequent events occurring after adoption of financial statements on 27.05.2021.

The summary of Impact of the Consolidated Financial Statements based on the audited Financial Statements of the respective Joint ventures is as under: -

₹ Crore

Sr. No	Particulars	Considering Un-audited	Considering Audited
1	Share of Profit/Loss of Associates/ Joint ventures	2.19	2.19
2	Other Equity	2781.74	2781.74

Other disclosures relating to summarized financial information of Company's investment FACT –RCF Builidng Products Ltd. and Talcher Fertlizers Ltd. stand revised, which is explained in detail in Note no. 55 above.

62. The Consolidated Financial Statement were authorized for issue in accordance with a resolution passed by the Board of Directors on 12th August 2021.

63. 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.

64. **Covid-19 Impact Analysis:**

For the year ended 31st March, 2021 operations of the Company were marginally scaled down on account of issues arising out of lockdown due to Covid-19 pandemic. However results for the year ended 31st March, 2021 have not been impacted. Management has assessed the potential impact of Covid-19 based on the current circumstances and expects that there will be no significant impact on the continuity of operations of the Company, on useful life of the assets, on financial position etc. on a long term basis.

65. 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.

For and on behalf of the Board of Directors
RASHTRIYA CHEMICALS AND FERTILIZERS LTD.

(S. C. Mudgerikar)
Chairman & Managing Director
DIN : 03498837

(Umesh Dongre)
Director (Finance)
DIN : 08039073

(J. B. Sharma)
Company Secretary
Membership No: FCS5030

Dated : 12th August, 2021
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

For GOKHALE & SATHE
Chartered Accountants
Firm Regn. No. 103264W

(Atul Kale)
Partner
Membership No: 109947

Dated : 12th August, 2021
Place: Mumbai

EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH 2021

Annexure-1

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	323.31	98.42	229.52	13.83	665.08
ii.	Share of profit / (loss) of Joint Ventures	2.19	-	-	-	2.19
iii.	Interest Expense					179.57
iv.	Interest Income					30.66
v.	**Profit before Tax**					**518.36**
vi.	Tax - Current					128.88
vii	Deferred Tax Liability / (Asset)					19.25
viii.	Tax adjustments of earlier years (excess) / short					(5.07)
ix.	**Net Profit**					**375.30**
	OTHER INFORMATION					
i.	Segment Assets	4369.34	223.42	318.93	2709.45	7621.14
ii.	Segment Liabilities	1044.81	76.55	79.55	3086.80	4287.71
	Other Disclosures					
iii.	Investments in Joint Ventures	530.44	-	-	-	530.44
iv.	Capital Expenditure	201.63	-	-	8.74	210.37
v.	Depreciation	158.50	-	11.32	4.94	174.76
vi.	Impairment	0.20	-	-	-	0.20
vii.	Other Non Cash Expenses	0.23	-	-	3.24	3.47

EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH 2021

CONSOLIDATED SEGMENTWISE REVENUE & RESULTS FOR THE PERIOD ENDED 31ST MARCH 2020

₹ Crore

Sr. No	Particulars	Fertilizers	Trading	Industrial Chemicals	Unallocated	Total
	SEGMENT REVENUE					
i.	Sales (Incl. Subsidy wherever applicable)	8063.21	949.83	660.94	-	9673.98
ii.	Other operating Income	12.97	0.11	0.22	10.67	23.97
	Total Revenue	**8076.18**	**949.94**	**661.16**	**10.67**	**9697.95**
	SEGMENT RESULT					
i.	Segment Results	431.45	91.16	(11.10)	(112.17)	399.34
ii.	Share of profit / (loss) of Joint Ventures	(1.02)		-		(1.02)
iii.	Interest Expense					237.82
iv.	Interest Income					41.41
v.	**Profit before Tax**					**201.91**
vi.	Tax - Current					71.72
vii	Deferred Tax Liability / (Asset)					(77.16)
viii.	Tax adjustments of earlier years (excess) / short					0.22
ix.	**Net Profit**					**207.13**
	OTHER INFORMATION					
i.	Segment Assets	7698.54	190.10	322.73	2072.78	10284.15
ii.	Segment Liabilities	1901.25	0.08	84.16	5119.62	7105.11
	Other Disclosures					
iii.	Investments in Joint Ventures	152.28	-	-	-	152.28
iv.	Capital Expenditure	459.61	-	4.68	3.27	467.56
v.	Depreciation	132.61	-	31.64	4.27	168.52
vi.	Impairment	2.86	-	-	-	2.86
vii.	Other Non Cash Expenses	8.03	-	-	(0.01)	8.02

* 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.

EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH 2021

RECONCILIATIONS TO AMOUNTS REFLECTED IN FINANCIAL STATEMENTS

₹ Crore

Sr. No	Particulars	AS AT 31.03.2021	AS AT 31.03.2020
I	**OPERATING REVENUE**		
	Segment Revenue		
	India	8268.81	9686.95
	Outside India	0.34	0.33
	Segment Reveue	**8269.15**	**9687.28**
	Unallocated - Management fees	12.03	10.67
	Total Operating Revenue	**8281.18**	**9697.95**
II	**RECONCILIATION OF PROFITS**		
	Segment Profit	653.44	510.49
	Interest Income	30.66	41.41
		684.1	**551.9**
	less: Finance Costs	179.57	237.82
	Corporate Expenses (net)	(13.83)	112.17
	Profit Before Tax	**518.36**	**201.91**
III	**RECONCILIATION OF ASSETS**		
	Segment Assets	4911.69	8211.37
	Investments	650.19	263.09
	Corprate Assets + CWIP	28.16	24.42
	Non Current Tax Asset	79.28	109.74
	Derivatives (MTM Gain)	3.81	2.67
	Cash & Bank balances	1518.62	1.09
	Other assets *	429.39	1671.77
	Total Assets	**7621.14**	**10284.15**
IV	**RECONCILIATION OF LIABILITIES**		
	Segment Liabilities	1200.91	1985.49
	Borrowings long term	1043.04	600.91
	Current maturities of long term Loans	204.23	145.24
	Borrowings Short term	1274.29	4067.28
	Deferred Tax Liabilities	217.8	196.94
	Current Tax Liability	11.35	53.39
	Derivatives (MTM Loss)	-	0.03
	Other current financial liabilities	76.9	7.23
	Other non current financial liabilities	0.18	-
	Other Liabilities	259.01	48.6
		4287.71	**7105.11**

* Includes an amount of ₹ 247.02 Crore receivable from Government of India towards Import of Urea on Government Account (P.Y. ₹1598.65 Crore)

FORM AOC-1

Annexure-A

SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARY / ASSOCIATES / JOINT VENTURES AS PER COMPANIES ACT , 2015

Part A: Subsidiaries

Name of Subsidiary Company	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provisio 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, 2015 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 fot 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-2021	3,28,70,000	32.87	50.00%	(64.54)		-	(3.00)	Note A	**
2. Urvarak Videsh Limited	31-Mar-2021	1,80,002	0.18	33.33%	0.02	*	-	-	Note A	
3. Thalcher Fertilizers Limited	31-Mar-2021	53,54,80,424	535.48	33.33%	530.42		2.19	-	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 ₹ (24,395)

** As per IND AS 28, 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 LTD.

(S. C. Mudgerikar)
Chairman & Managing Director
DIN : 03498837

(Umesh Dongre)
Director (Finance)
DIN : 08039073

(J. B. Sharma)
Company Secretary
Membership No: FCS5030

Dated : 12th August, 2021
Place: Mumbai

Notes

Notes

Signing of Agreement between RCF and Board of Heavy Water for providing support and service to the Technology Demonstration Plant.

Inauguration of COVID Vaccination Center at RCF Hospital Chembur in collaboration with BMC

आर सी एफ

साथ बढ़ें समृध्दि की ओर

Rashtriya Chemicals and Fertilizers Limited

(A Government of India Undertaking)

CIN : L24110MH1978GOI020185

ISO 9001, ISO 14001, ISO 50001, ISO 45001 ISO 27001 Compliant

Regd. off: **'Priyadarshini', Eastern Express Highway, Sion, Mumbai - 400 022.**

Website : **www.rcfltd.com**

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