

राष्ट्रीय केमिकल्स एण्ड
फर्टिलाइजर्स लिमिटेड

(भारत सरकार का उपक्रम)

साथ बढ़ें समृद्धि की ओर



Rashtriya Chemicals and
Fertilizers Limited

(A Government of India Undertaking)

Let us grow together

जय भगवान शर्मा
कंपनी सचिव

JAI BHAGWAN SHARMA
COMPANY SECRETARY

"Priyadarshini",
ईस्टर्न एक्सप्रेस हाइवे,
सायन, मुंबई - 400 022.

"Priyadarshini",
Eastern Express Highway,
Sion, Mumbai - 400 022.

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CIN: L24110MH1978GOI020185

RCF/CS/Stock Exchanges /2020

9th October, 2020

The Corporate Relations Department BSE Limited Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001.	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: 524230/ 959872	Script Code: RCF EQ ISIN: INE027A07012

Sirs/Madam,

Sub: Outcome of the Board Meeting in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

This is to inform that Board at its meeting held on today i.e. 9th October, 2020 has approved the Revised Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2020 based on consolidation of Audited Financial Statements of joint venture companies.

Accordingly, pursuant to Regulations 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose the following:

- Revised Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2020;
- Auditor's Report in respect of the Revised Audited Consolidated Financial Statements for the financial year ended 31st March, 2020; and

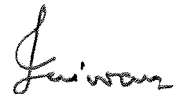
Further, Board of Directors also noted the appointment of the following Statutory Auditors for the Company for the financial year 2020-21:

- M/s M M Nissim & Co., Chartered Accountants, Mumbai
- M/s Gokhale & Sathe, Chartered Accountants, Mumbai

The meeting of Board of Directors commenced at 12.00 noon and concluded at 6.15 p.m.

This is for your kind information and record.

Yours faithfully,
For Rashtriya Chemicals and Fertilizers Limited


(J. B. Sharma)
Company Secretary

Encl: a./a.

INDEPENDENT AUDITOR'S REPORT (REVISED)

TO THE MEMBERS OF RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED.

Report on 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, 2020, 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, 2020, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the Consolidated Ind AS Financial Statement").

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated state of affairs of the Company as at March 31, 2020, 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 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 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 consolidated IND AS financial statements.

Emphasis of Matters

- a) **Note No. 47 – Subsidy Income:** DoF vide its Notification dated 30th March, 2020 has removed the ambiguity with respect to eligible compensation on revision in fixed costs effective from 2nd April, 2014 under Modified NPS III. Accordingly, Company has recognised subsidy income based on the assessment of its eligibility and provided for certain anticipated recoveries by DoF towards final adjustments on NPK fertilizers and receivables, recognised earlier on estimated basis, being doubtful of settlement. The net impact of the same works out to ₹ 342.92 crore receivable from FICC/DoF.



b) **Note No. 48 - Use of domestic gas for manufacture of nutrient "N" :**

The matter relating to the issue of unintended benefits accruing to units using domestic gas for manufacture of nutrient "N" has been referred and is pending before an Inter-Ministerial Committee (IMC) of Government of India (GoI). It is expected that a decision on the matter would be taken soon by the IMC. Initially subsidy amounting to ₹198.94 crore was withheld by DoF, which has been released in full upon submission of its claims along with bank guarantee for equivalent amount by the Company.

c) **Note No. 49 - Gas pooling applicable to Fertilizer (Urea) sector :**

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, 2020. The Company has recognised a liability of ₹ 211.79 crore for the period commencing from June 1, 2015 to March 31, 2020 (₹ 211.79 crore upto March 31, 2019) on this account.

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 ₹ 1442.84 crore for the period commencing from July 1, 2006 till March 31, 2017 and has initiated arbitration proceeding towards non-payment of the same. 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 currently referred to Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD) on May 22, 2018

d) **Note No. 50 - Gas Turbine Generator (GTG) plants at Thal unit :**

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).

In the best interests of the Company, based on the acceptance of Notice to Proceed as proposed by the LSTK contractor, the equipment have been sent for repair to the foreign Original Equipment Manufacturer (OEM) which are to be received back as at the Balance Sheet date. As per the Notice to proceed, the final settlement of the repair costs can either be decided mutually and in the event not agreed upon, the settlement of disputes clause as per contract can be invoked.



As the equipment are covered under warranties, the Company is of the view that no additional costs would devolve on the Company. Further the Company has initiated arbitration proceedings towards the LSTK contractor citing loss of profits owing to higher energy costs, higher maintenance costs etc.

In the meanwhile, the Company has procured a Gas generator and commissioned a Turbine Generator in August 2019 to mitigate future losses.

e) Note No. 51 - Contribution to Employee Provident Fund Trust :

Pending finalisation of accounts of the Company's Employees Provident Fund Trust, the investments held by the Trust amounting to ₹ 92.64 crore have become doubtful as at 31st March 2020 owing to defaults with respect to payment of principal and interest warranting provision towards the same. The same will have to be made good by the Company, as principal employer, in the event there are no adequate assets of the Trust to meet its liabilities as per EPFO Act..

However 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 has recognized an amount of ₹ 19.07 crore as contribution to Trust owing to such deficit.

f) Note No 54.2 - Inter Corporate Deposit (ICD) advanced to Fertilizers and Chemicals Travancore Ltd :

The amount of ₹ 25.50 crore being the share of contribution of Fertilizers and Chemicals Travancore Ltd (FACT) - a 50% JV partner in FACT-RCF Building Products Ltd (FRBL) paid by RCF towards one-time settlement entered into between FRBL and their bankers resulting in discharge of Corporate Guarantee given by Company to FRBL bankers has been reported under Inter Corporate Deposit (ICD). This ICD along with interest outstanding for the half year ending 31st March 2020 amounting to ₹ 1.09 crore has not been provided for, considering improvement in FACT's financial position and the Company is confident of settlement of the ICD given. FACT is a Government owned Entity and outstanding interest has been settled by them in May 2020. Further the Company has entered into an agreement with FACT for the ICD given, wherein FACT shall repay the same in five annual equal instalments commencing from December 2020.

g) Note No. 59 - Loss on fair valuation of Transferable Development Rights (TDR) :

The loss on account of fair valuation of Transferable Development Rights (TDRs) received /accrued has been reported as exceptional item amounting to ₹ 100.17 crore. Hitherto, as at 31.03.2019 the Company expecting TDRs to be sold in the coming financial year had classified the same under Non-Current Assets Held for sale. Considering the current depression in the real estate segment which has been further aggravated owing to COVID-19 pandemic, the sale of the same is not highly probable. Accordingly as per IND AS 105, the TDRs cannot be classified as Non-Current Asset Held for sale and has been transferred at fair value of ₹ 31.23 crore and reported as investments at 31.03.2020.



h) Note No. 62 – Revision of Consolidated Financial Statements:

We draw attention to Note 62 to the financial statements, which describes reason for revision of consolidated financial statements.

Our Report on the Consolidated Financial Statements dated May 29, 2020, 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 29, 2020.

i) Note No. 65 - Effects of COVID-19 :

We draw attention to Note 65 to the financial statements, which describes the impact of the outbreak of coronavirus (COVID-19) on the business operations of the company. In view of highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as the evolve.

Further our attendance at the physical inventory verification done by the management at the year end, wherever taken, was impracticable under the current lockdown restrictions imposed by the government and we have therefore relied on related alternative procedures to obtain comfort over the existence and condition of the inventory at year end.

Our opinion is not modified in respect of 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 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. Transferrable Development Rights (TDR) – Accounting and Valuation.
3. Estimation of Provision & Contingent Liabilities.
4. Information Technology General Control.

Sr. No.	Key Audit matter	Response to Key Audit Matter
1.	<p>Revenue recognition and measurement in respect to subsidy income. Recognition of subsidy is generally made on the basis of in principle recognition/approval/settlement of claims from Government of India/Fertilizer Industry Co-ordination Committee while finalizing the financial statements.</p> <p>During the year, Company has recognized an amount of ₹ 95.74 crore refundable to FICC/DOF towards adjustment to subsidy income on estimated basis. Further, considering the notification issued by DoF dated 30th March 2020, removing the ambiguity in respect of eligible compensation of fixed costs effective from 2nd April, 2014 under Modified NPS III, Company has recognized net subsidy income of ₹ 342.92 crore based on the assessment of its eligibility and also provided for certain anticipated recoveries by DoF towards final adjustments of subsidy on NPK fertilizers and other subsidy receivables.</p> <p>MRP of urea being fixed by Government of India, the company is entitled for subsidy wherein certain inputs costs are a pass through and compensation for production beyond a level of production known as Reassessed capacity is restricted to lower of Import Parity Price (IPP) of Urea plus other incidental charges which the government incurs on imported urea, or its own concession price, as determined under extant policies for Urea. Further subsidy income is net of adjustments of recoveries towards sale/transfer for surplus ammonia or non-conversion of entire ammonia into urea.</p> <p>Since there is a time lag between actual expenditure incurred and notification of concession rates for the year, Management exercises significant judgement</p>	<p>Our Procedure included:</p> <p>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.</p> <p>Tests of controls: We have evaluated the design, implementation and operating effectiveness of key controls over recognition of subsidy income.</p> <p>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.</p> <p>In absence of notified rates, we have verified calculation of estimated rates based on information available with the Company for such costs which are a pass through.</p> <p>In case estimation of income is based on other parameters like IPP of Urea etc. verification of the same based on available information in public domain.</p> <p>Testing reasonability of assumptions based on past trends, consistency in application and changes in the same owing to change in Government policies</p>



Sr. No.	Key Audit matter	Response to Key Audit Matter
	<p>in arriving at the income entitled on account of same for the year.</p> <p>Therefore, there is a risk of revenue being misstated on account of errors in estimation of concession/IPP rates yet to be notified, due to absence of notification available and change in methodology/ calculation, if any for arriving at price concession.</p>	<p>Performing substantive analytical procedures: - Ascertainment and analysis of variations with respect of amounts estimated and actually entitled upon notification with respect to previous years.</p> <p>We also assessed as to whether the disclosures in respect of revenue were adequate.</p>
2.	<p>Transferrable Development Rights (TDR) – Accounting and Valuation</p> <p>The loss on account of fair valuation of Transferable Development Rights (TDRs) received /accrued has been reported as exceptional item amounting to ₹ 100.17 crore. Hitherto, as at 31.03.2019 the Company expecting TDRs to be sold in the coming financial year had classified the same as Non-Current Assets Held for sale. Considering the current depression in the real estate segment which has been further aggravated owing to COVID-19 pandemic, the sale of the same is not highly probable. Accordingly, as per IND AS 105, the TDRs cannot be classified as Non-Current Asset Held for sale and has been reclassified as investment at fair value of ₹ 31.23 crore for the year ended 31.03.2020.</p> <p>Further an amount of ₹ 75.17 crore along with interest thereon has not been accounted as per an arbitration award on the said matter as per Note 59 to Consolidated Ind AS financial Statement.</p> <p>Management judgement has been exercised in accounting and valuation of the same which is based on the representation and explanation given by the management along with confirmation from a lawyer in respect of matter in dispute and valuation report of an independent valuer.</p> <p>In the absence of any empirical evidence relating to value of TDR's realized by the Company in the past and determination of probability of receipt of TDRs considering present scenario where TDRs is in dispute, these judgements may result in error in estimation which may impact future financial statements.</p>	<p>Internal enquiry: We enquired of the senior management, and inspected the minutes of the board, and various committees of the board in regard with receipt of TDRs wherever TDRs is in dispute and efforts made by the company for sale of TDR.</p> <p>Accounting policies: Further, we focused on whether the valuation of TDR has been in accordance as per accounting guidance issued by ICAI and the classification and reporting of the same as per applicable accounting standards.</p> <p>Enquiry and confirmation of lawyers: In respect of matters which are under dispute as far as TDR is concerned, we have assessed and received confirmation / opinion of Company's in-house Legal Department where ever necessary.</p> <p>Tests of controls We have evaluated the design, implementation and operating effectiveness of key controls that the management has established for Accounting, classification and valuation of TDR's.</p> <p>Tests of details: We have relied on report as prepared by independent valuer's and have reviewed the assumptions made by the valuer in it for its acceptability.</p> <p>We also assessed as to whether the disclosures in respect of TDR's were adequate.</p>

Sr. No.	Key Audit matter	Response to Key Audit Matter
3	<p>Estimation of Provision & Contingent Liabilities</p> <p>In the recognition and measurement of provisions, there is uncertainty about the timing or amount of the future expenditure required to settle the liability. In respect of contingent liabilities, there are estimates and assumptions made to determine the amount to be disclosed.</p> <p>As a result, there is a high degree of judgement required for the recognition and measurement of provisions and disclosure of contingent liabilities.</p> <p>Company has reported Provision and Contingencies amounting to ₹ 1697.23 crore in the financial statement.</p> <p>There is a risk of material misstatement that the estimates are incorrect and that the provisions or contingent liabilities are materially misstated.</p>	<p>Internal enquiry:</p> <p>We enquired of the senior management, and inspected the minutes of the board, and various committees of the board where relevant, for claims arising and challenged whether provisions are required.</p> <p>Tests of details:</p> <p>In respect of significant claims, we checked the amount of claim, nature of issues involved, management submissions and corroborated the same with external evidence, where available.</p> <p>Enquiry and confirmation of lawyers:</p> <p>In respect of matters which are under dispute, we have assessed opinion of Company's in-house Legal Department / external lawyers where ever necessary.</p>
4	<p>Information Technology Controls</p> <p>A significant part of the company's financial reporting process is heavily reliant on IT systems with automated processes and controls over the capture, storage and extraction of information. A fundamental component of these processes and controls is ensuring appropriate user access and change management protocols exist and being adhered to. These protocols are important because they ensure that access and changes to IT systems and related data are made and authorised in an appropriate manner. As our audit sought to place a high level of reliance on IT systems and application controls related to financial reporting, high proportion of the overall audit effort was in Information Technology (IT) Systems and Controls. We focused our audit on those IT systems and controls that are significant to the Company's financial reporting process.</p>	<p>We focused our audit on those IT systems and controls that are significant to the Company's financial reporting process.</p> <p>We assessed the design and tested the operating effectiveness of the Company's IT controls, including those over user access and change management as well as data reliability.</p> <p>In a limited number of cases we adjusted our planned audit approach as follows:</p> <ul style="list-style-type: none"> - we extended our testing to identify whether there had been unauthorized or inappropriate access or changes made to critical IT systems and related data; - where automated procedures were supported by systems with identified deficiencies, we extended our procedures to identify and test alternative controls; and - where required, we performed a greater level of testing to validate the integrity and reliability of associated data and reporting.



Other Matters

The consolidated Ind AS financial statements include the Group's share of net loss of ₹ 1.01 crore and 0.01 crore for the year ended March 31, 2020, as considered in the consolidated Ind AS financial statements, in respect of jointly controlled entities i.e. Talcher Fertilizers Limited and Urvarak Videsh Limited respectively, whose financial statements have not been audited by us.

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, 2020 in this Joint Venture.

These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entities and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid jointly controlled entities, is based solely on the reports of the other auditors.

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.

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 the 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 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 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (5) of the Act, we give in "**Annexure A**" 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.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the 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
 - 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) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".



- 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 Company has disclosed the impact of pending litigations on its financial position in its Consolidated Ind AS financial statements – Refer Note 41 to the 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 CHHAJED & DOSHI
Chartered Accountants
Firm Registration No. 101794W



Kiran K. Daftary
Partner
Membership. No. 010279
UDIN: 20010279AAAABI6528

Place: Mumbai
Dated: October 9, 2020



For FORD RHODES PARKS & CO. LLP
Chartered Accountants
Firm Registration No. 102860W/W100089



Astha Kariya
Partner
Membership. No. 122491
UDIN: 20122491AAAACS7113



ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT (REVISED)

Referred to in Para 1 'Report on Other Legal and 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 31st March, 2020.

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 no, 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.**

As per information and explanations given to us, most important functional areas of 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 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

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 consolidated to finance. Such transactions and balances are adequately supported by relevant documents maintained / calculations maintained in Excel work books. 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 to 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 based data extracted.

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.

Based on audit procedure performed by us and as per the information and explanation given to us, there is no 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 received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.

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

1. State the area of land under encroachment and briefly explain the steps taken by the Company to remove encroachments.

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:

- i. 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.
- ii. 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 obtaining 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.



2. (i) Whether subsidy received/recoverable from Government of India has been properly accounted for as per claims admitted ?

Based on the audit procedures performed by us and as per the information and explanations given to us, subsidy received/recoverable from 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 consolidated Ind AS financial statements for the year 2019-20.

(ii) Whether subsidy received during the year has been reconciled with subsidy disbursed by the Government of India?

Subsidy received during the year amounting to ₹ 5952.00 crore is in agreement with the amount disbursed by the Government of India.

3. Whether the Transferable Development Rights (TDR) from Maharashtra Government properly valued and accounted for

As per explanation and information given to us, Transferable Development rights have been properly valued and accounted for, summary of the same is as follows:

Particulars	2019-20			2018-19			Change
	Land	TDR	TDR Value	Land	TDR	TDR Value	
	Sq. Mt.	Sq. Mt.	₹ Crore	Sq. Mt.	Sq. Mt.	₹ Crore	₹ Crore
<u>TDR Received:</u>							
MMRDA	8,265	16,530	12.62	8,265	16,530	55.50	-42.89
<u>TDR Accrued:</u>							
MMRDA	40,585	11,799	9.00	40,585	11,799	30.96	-21.95
MCGM (Refer Note 1)	6,320	13,273	9.70	7,000	15,400	45.03	-35.33
TDR Dispute	22,173	-	-	22,173	-	-	-
Total	77,343	41,602	31.32	78,023	43,729	131.49	-100.17

Note :

1. During the year 2019-20, the land handed over to MCGM was measured by CTSO and the measurement arrived at is 6320.30 Sq. Mtr as against 7000 Sq. Mtr accounted by the Company in 2018-19. Company has accounted 7000 Sq. Mtr based on provisional letter issued by Chief Engineer, Development Plan, MCGM. Further MCGM has approved grant of TDR of 13273.63 sq. Mtrs which includes bonus @10% as against 20% considered in 2018-19.



CHHAJED & DOSHI
Chartered Accountants
101, Hubtown Solaris,
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312/313, Sai Commercial Building,
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Mumbai-400088

2. As per Note no. 58 to the Consolidated Ind AS Financial Statement," the Company had received an arbitration award in its favor of compensation claimed in respect of transfer of land to Mumbai Metropolitan Regional Development Authority (MMRDA) on May 23, 2018. As per the Award, the Company is eligible for additional compensation either in the form of Cash or TDRs amounting to ₹75.17 crore along with interest @9% thereon from March 31, 2015 till the date of realization of award. As the award is being appealed against MMRDA, pending final outcome of the same, the Company has not recognised any income accruing on account of the same.

For CHHAJED & DOSHI
Chartered Accountants
Firm Registration No. 101794W



Kiran K. Daftary
Partner
Membership. No. 010279
UDIN: 20010279AAAABI6528

Place: Mumbai
Dated: October 9, 2020



For FORD RHODES PARKS & CO. LLP
Chartered Accountants
Firm Registration No. 102860W/W100089



Astha Kariya
Partner
Membership. No. 122491
UDIN: 20122491AAAACS7113



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ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT (REVISED)

Referred to in Para 3 (f) 'Report on Other Legal and 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, 2020.

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 Consolidated Ind AS financial Statement of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls with respect to financial statements of **RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED** ("the Company") and its jointly controlled entities which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with respect to financial statements 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 (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 respect to 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 respect to 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 respect to financial Statement and their operating effectiveness.

Our audit of internal financial controls with respect to financial Statement included obtaining an understanding of internal financial controls with respect to 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 financial statements, whether due to fraud or error.



CHHAJED & DOSHI
Chartered Accountants
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Mumbai-400088

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 respect to financial statement.

Meaning of Internal Financial Controls with respect to Financial Statement

A Company's internal financial control with respect to financial statement is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with respect to financial statement includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with respect to Financial Statement

Because of the inherent limitations of internal financial controls with respect to financial statement, 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 respect to financial Statement to future periods are subject to the risk that the internal financial control with respect to financial statement 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 and its jointly controlled entities, which are incorporated in India, have in all material respects an adequate internal financial control with respect to financial statement system and such internal financial controls with respect to financial statement were operating effectively as at March 31, 2020, based on the internal control with respect to financial statement criteria established by the Company and its jointly controlled entities, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



CHHAJED & DOSHI
Chartered Accountants
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Mumbai-400088

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act, on the adequacy and operating effectiveness of the internal financial controls with respect to financial statement, in so far as it relates to the three jointly controlled entities, namely Urvarak Videsh Limited, FACT RCF Building Products Limited and Talcher Fertilizers Limited, which are companies incorporated in India, is based solely on the reports of the other auditors.

For CHHAJED & DOSHI
Chartered Accountants
Firm Registration No. 101794W



Kiran K. Daftary
Partner
Membership. No. 010279
UDIN: 20010279AAAABI6528

Place: Mumbai
Dated: October 9, 2020



For FORD RHODES PARKS & CO. LLP
Chartered Accountants
Firm Registration No. 102860W/W100089



Astha Kariya
Partner
Membership. No. 122491
UDIN: 20122491AAAACS7113



Particulars	Note No.	AS AT 31.03.2020	AS AT 31.03.2019
ASSETS			
1. NON CURRENT ASSETS			
(a) Property, Plant and Equipment	1	2121.30	1942.71
(b) Capital Work in Progress	1.4	433.49	275.69
(c) Investment Property	2	6.10	6.29
(d) Intangible Assets	3	2.62	0.99
(e) Financial Assets			
(i) Investments	4	255.77	80.13
(ii) Trade Receivables	5	-	-
(iii) Loans	6	20.53	0.27
(iv) Others	7	-	-
(f) Other non-current assets	8	203.70	297.26
		<u>3043.51</u>	<u>2603.34</u>
2. CURRENT ASSETS			
(a) Inventories	9	949.94	1478.78
(b) Financial Assets			
(i) Trade Receivables	10	4551.23	4552.54
(ii) Cash and Cash Equivalents	11	2.07	3.59
(iii) Bank balances other than (ii) above	12	1.29	1.27
(iv) Loans	13	6.50	26.01
(v) Others	14	1655.20	43.88
(c) Other Current Assets	15	83.53	204.87
		<u>7249.76</u>	<u>6310.94</u>
		<u>10293.27</u>	<u>8914.28</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
A. EQUITY			
(a) Equity Share Capital	16	551.69	551.69
(b) Other Equity	17	2627.35	2476.80
		<u>3179.04</u>	<u>3028.49</u>
B. LIABILITIES			
1. NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	18	600.91	425.11
(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	43.89	43.72
(b) Provisions	21	188.55	181.46
(c) Deferred Tax Liabilities(Net)	22	196.94	280.33
(d) Other non-current liabilities	23	39.11	38.28
		<u>1281.19</u>	<u>1180.69</u>
2. CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	24	4076.87	2885.47
(ii) Trade Payables	25	-	-
(A) total outstanding dues of micro enterprises and small enterprises.		36.81	24.67
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		959.92	1129.13
(iii) Other Financial Liabilities	26	482.54	451.18
(b) Other Current Liabilities	23	81.51	72.82
(c) Provisions	27	142.14	141.83
(d) Current Tax Liabilities (Net)	28	53.25	-
		<u>5833.04</u>	<u>4705.10</u>
		<u>10293.27</u>	<u>8914.28</u>
TOTAL EQUITY AND LIABILITIES			
Statement of Significant Accounting Policies	A		
Explanatory Information on Financial Statements	40 - 66		

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

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

(Umesh Dongre)
Director (Finance)
DIN : 08039073

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

Dated : 09th October, 2020
Place: Mumbai



As per our report of even date attached

For Chhajer & Doshi
Chartered Accountants
Firm Regn. No. 101794W

For Ford Rhodes Parks & Co. LLP
Chartered Accountants
Firm Regn. No. 102860W / W100089

(Kiran K. Daftary)
Partner
Membership No. 010279

(Astha Kariya)
Partner
Membership No. 122491

Dated : 09th October, 2020.
Place: Mumbai

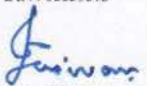


PARTICULARS	Note No.	Year Ended	Year Ended
		31.03.2020	31.03.2019
I Revenue from Operations	29	9697.95	8885.47
II Other Income	30	128.65	81.99
III Total Income(I+II)		9826.60	8967.46
IV Expenses:			
Cost of Materials Consumed	31	3776.22	3880.01
Purchases of Stock in Trade	32	294.43	798.15
Changes in Inventories of Finished Goods and Stock in Trade	33	603.25	(605.27)
Employee benefits expense	34	617.26	591.41
Finance costs	35	237.82	155.85
Depreciation and amortization expense / Impairment	36	171.04	155.69
Other Expenses	37	3823.48	3779.81
Total Expenses		9523.50	8755.65
V Profit before exceptional items (III-IV)		303.10	211.81
VI Share of Profit / (Loss) of Associates / JV's		(1.02)	(6.25)
VII Profit before exceptional items (V-VI)		302.08	205.56
VIII Exceptional Items	38	100.17	(23.44)
IX Profit before tax (VII-VIII)		201.91	229.00
X Tax Expense			
(1) Current tax		71.72	57.12
(2) Deferred tax		(77.16)	56.16
(3) Taxation adjustment of earlier years Excess(-)/Short(+)		0.22	(17.20)
XI Profit/ (loss) for the year (IX-X)		207.13	132.92
XII Other Comprehensive Income	39		
(i) Items that will not be reclassified to profit or loss		(16.27)	8.82
(ii) Income tax relating to items that will not be reclassified to profit or loss		10.90	(3.07)
Other Comprehensive Income for the year (XII)		(5.37)	5.75
XIII Total Comprehensive Income for the year (XI+XII)		201.76	138.67
XIV Earnings per equity share			
Basic and Diluted Earnings per share (₹)	55	3.75	2.41
Statement of Significant Accounting Policies	A		
Explanatory Information on Financial Statements	40 - 66		

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


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


(Umesh Dongre)
Director (Finance)
DIN : 08039073


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

Dated : 09th October, 2020.
Place: Mumbai



As per our report of even date attached

For Chhajed & Doshi
Chartered Accountants
Firm Regn. No. 101794W



(Kiran K. Daftary)
Partner
Membership No: 010279

Dated : 09th October, 2020.
Place: Mumbai



For Ford Rhodes Parks & Co. LLP
Chartered Accountants
Firm Regn. No. 38860W / W100089



(Astha Kariya)
Partner
Membership No: 122491



RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020

A. EQUITY SHARE CAPITAL

Balance as at 01.04.2019	Changes in equity share capital during the year	Balance as at 31.03.2020	Balance as at 01.04.2018	Changes in equity share capital during the year	Balance as at 31.03.2019
551.69	-	551.69	551.69	-	551.69

₹ Crore

B. OTHER EQUITY
FOR THE YEAR ENDED 31ST MARCH 2020

	Reserves and Surplus		Items of Other	Total
	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive	
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. 17	-	(51.21)	-	(51.21)
Transfer to General Reserve	142.05	(142.05)	-	-
Balance as at 31.03.2020*	2573.32	-	54.03	2627.35

₹ Crore

FOR THE YEAR ENDED 31ST MARCH 2019

	Reserves and Surplus		Items of Other	Total
	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive	
Balance as at 01.04.2018	2340.72	-	37.32	2378.04
Profit for the year	-	132.92	-	132.92
Other Comprehensive Income (Net of Tax)	-	(2.46)	8.21	5.75
Total Comprehensive Income for the year	-	130.46	8.21	138.67
Dividend paid (Including Dividend Distribution Tax) Refer note no. 17	-	(39.91)	-	(39.91)
Transfer from General Reserve	90.55	(90.55)	-	-
Balance as at 31.03.2019*	2431.27	-	45.53	2476.80

₹ Crore

* The closing balance in General Reserve is arrived after adjustment of Remeasurement of Defined Benefit Plans amounting to ₹ 13.87 crore (P.Y. ₹ 2.46 crore) during the year net of current tax amounting to ₹ 4.67 crore (P.Y. ₹ 1.33 crore)

For and on behalf of the Board of Directors

RASHTRIYA CHEMICALS AND FERTILIZERS LTD.

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

(Umesh Dongre)
Director (Finance)
DIN : 08039073

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

Dated : 09th October, 2020.
Place: Mumbai

As per our report of even date attached

For Chhajed & Doshi
Chartered Accountants
Firm Regn. No. 101794W

(Kiran K. Daftary)
Partner
Membership No: 010279

Dated : 09th October, 2020.
Place: Mumbai

For Ford Rhodes Parks & Co. LLP
Chartered Accountants
Firm Regn. No. 102860W / W100089

(Astha Kariya)
Partner
Membership No: 122491



RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED
 CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

Particulars	₹ Crore	
	Year Ended 31.03.2020	Year Ended 31.03.2019
A Cash Flow From Operating Activities		
Net Profit before tax	201.91	229.00
Adjustments for:		
Dopreciation/Loss on impairment of Assets	171.38	156.03
Profit(-) / Loss on sale of Assets	3.21	(1.89)
Changes in value of investments	1.02	6.25
Interest Income	(41.41)	(17.77)
Dividend Income	(0.20)	(0.32)
Interest and Finance Charges	237.82	155.85
Provision for Bad/Doubtful debts	4.73	24.58
Unrealised Foreign Exchange (Gain)/Loss	13.39	(6.28)
	389.94	316.45
Operating Profit before Working Capital Changes	591.85	545.45
Adjustments for:		
Trade Receivables and Other Assets	(1494.44)	(1636.23)
Inventories	528.84	(737.13)
Trade Payables and Other Liabilities	(145.32)	289.98
	(1110.92)	(2083.38)
Cash Generated from Operations:	(519.07)	(1537.93)
Direct Taxes Paid	(10.60)	(98.50)
Net Cash from Operating Activities ----- A	(529.67)	(1636.43)
B Cash Flow from Investing Activities		
Additions to Fixed Assets (Net of trade credit)	(425.47)	(302.77)
Sale of Fixed Assets	0.31	4.75
Purchase of Investments -Joint Ventures and Subsidiary	(143.16)	(11.33)
Intercompany Deposits	-	(19.50)
Interest Received	41.37	17.76
Dividend Received	0.20	0.32
Government Grants Received	-	0.49
	(526.75)	(310.28)
Net Cash from Investing Activities ----- B	(526.75)	(310.28)
C Cash Flow from Financing Activities		
Net Proceeds /Repayment of Working capital facilities and short term loans	1181.00	1956.88
Proceeds from Term loans	309.00	267.00
Repayments of Term loans	(139.08)	(87.19)
Interest paid	(241.52)	(151.89)
Dividend paid (including Dividend Distribution tax)	(51.22)	(39.74)
Lease liability paid	(3.28)	-
	1054.90	1945.06
Net Cash from Financing Activities ----- C	1054.90	1945.06
Net Increase/Decrease(-) in Cash and Cash Equivalent (A+B+C)	(1.52)	(1.65)
Cash and Cash Equivalents as at 1st April (Opening Balance)	3.59	5.24
Cash and Cash Equivalents as at 31st March (Closing Balance)	2.07	3.59
Components of Cash and Cash Equivalents		
Cash on hand	0.01	0.01
Balance With Scheduled Banks in Current and Cash Credit Accounts	2.06	3.58
	2.07	3.59

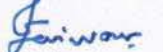
Note:

- 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
- Figures in the Bracket are outflows / deductions.
- Figures of the previous year have been regrouped / rearranged wherever necessary to make it comparable to the current year presentation
- The cash credit facilities availed from bank are part of financing activity which do not form part of cash and cash equivalents for Cash Flow Statement purpose.

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


 (S. C. Mogerikar)
 Chairman and Managing Director
 DIN : 03498837


 (Umesh Dongre)
 Director (Finance)
 DIN : 08039073


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

Dated : 09th October, 2020.
 Place: Mumbai



As per our report of even date attached

For Chhajed & Doshi
 Chartered Accountants
 Firm Regn. No. 101794W



(Kiran K. Daftary)
 Partner
 Membership No: 010279

Dated : 09th October, 2020.
 Place: Mumbai



For Ford Rhodes Parks & Co. LLP
 Chartered Accountants
 Firm Regn. No. 102860W/W100089


 (Astha Kariya)
 Partner
 Membership No: 122491



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			Networth attributable to Shareholding as per the latest audited Balance Sheet (₹ in crore)	Profit / Loss for the year		Description of how there is significant influence	Reason why the associate / joint venture is not consolidated
		No.	Amount of investment in Associate / Joint Venture (₹ in crore)	Extent of Holding %		Considered in Consolidation (₹ in crore)	Not Considered in Consolidation (₹ in crore)		
1. FACT –RCF Building Products Ltd.	31-03-2020	3,28,70,000	32.87	50.00%	(61.54)	-	(35.75)	Note A	--
2. Urvarak Videsh Limited	31-03-2020	1,80,002	0.18	33.33%	0.02	(0.01)	-	Note A	
3. Talcher Fertilizers Limited	31-03-2020	15,95,04,807	159.51	33.33%	152.26	(1.01)	-	Note A	

Note

A: There is significant influence due to percentage(%) of Share Capital.

** 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

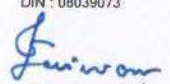
Para 39 of the standard states that after the entity's interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the entity has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

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


(S. C. Mudgalkar)
Chairman and Managing Director
DIN : 03498837



(Umashankar Dongre)
Director (Finance)
DIN : 08039073



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

Dated : 09th October, 2020.

Place: Mumbai

