

**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 • वेबसाइट / Website : www.rcfltd.com

**RCF/CS/Stock Exchanges /2023**

**November 24, 2023**

The Corporate Relations Department <b>BSE Limited</b> Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001.	The Listing Department <b>National Stock Exchange of India Limited</b> Exchange Plaza, 5th Floor, Plot No.C/1, G Block, Bandra Kurla Complex, Bandra(East), Mumbai- 400 051.
<b>Script Code: 524230 / 959872 / 973742</b>	<b>Script Code: RCF EQ ISIN: INE027A07012 / INE027A08010</b>

Dear Sir/ Madam,

**Sub: Submission of Annual Report for the year 2022-23**

The Forty-Fifth Annual General Meeting (AGM) of the Company is scheduled to be held through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”) on **Wednesday, December 20, 2023 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 2022-23 along with AGM Notice and BRSR sent to the shareholders.

Yours faithfully,  
**For Rashtriya Chemicals and Fertilizers Limited**

**J.B. Sharma**  
Executive Director  
Legal and Company Secretary

Encl: a./a.



साथ बढ़ें समृद्धि की ओर

# 45<sup>th</sup> Annual Report 2022-23

**Rashtriya Chemicals and Fertilizers Limited**

A Government of India Undertaking





RCF handed over the Cheque of final dividend for the financial Year 2021-22 and interim dividend for the financial Year 2022-23 to Dr. Mansukh Mandaviya, Hon'ble Union Minister Health & Family Welfare and Chemicals & Fertilizers



Launch of RCF's new product Suspension Fertilizer "Vipula" in the presence of Shri Bhagwant Khuba, Hon'ble Minister of State for Renewable Energy and Chemicals & Fertilizers



# BOARD OF DIRECTORS

## WHOLE TIME DIRECTORS



**Shri S. C. Mudgerikar**  
Chairman & Managing Director



**Ms Nazhat J. Shaikh**  
Director (Finance)



**Shri Milind M. Deo**  
Director (Technical)  
(upto 30.09.2023)

## GOVERNMENT NOMINEE DIRECTORS



**Shri Sanjay Rastogi, IAS**  
Addl. Secretary & Financial  
Advisor, Dept. of Fertilizers,  
New Delhi (from 21.02.2023)



**Ms Aneeta C. Meshram, IAS**  
Additional Secretary, Dept. of Fertilizers,  
New Delhi

## INDEPENDENT DIRECTORS



**Shri Gopinathan Nair Anilkumar**



**Shri Chandra Bhushan Pandey**  
(upto 06.11.2023)



**Smt. Shashi Bala Bharti**  
(upto 24.06.2023)

## COMPANY SECRETARY



**Shri J. B. Sharma**





## CHAIRMAN'S MESSAGE



### Dear Shareholders,

I am happy to share that Government of India has granted the NAVRATNA Status to Rashtriya Chemicals and Fertilizers Limited on August 29, 2023. RCF is the first PSU in fertilizer sector to be elevated to NAVRATNA Category. This recognition is a testament to RCF team's (Past & present) dedication and commitment to the chemicals & fertilizers Sector. With the coveted NAVRATNA Status, RCF further commits itself towards playing a more decisive and significant role in our country's growth and prosperity. I wish you all the best and congratulate all stakeholders of the Company for their unwavering support and sincere efforts in achieving the NAVRATNA Status.

It gives me immense pleasure to present the 45<sup>th</sup> Annual Report on the performance of your Company for the year 2022-23.

India remains to be one of the fastest growing economies in the world in 2022-23. The growth figures are, in part, attributed to the performance of agriculture and allied activities surpassing the growth levels of pandemic years. The buoyant performance of the Indian agriculture sector could be ascribed to the sustained and timely measures taken by the Central and State Governments to ensure that there was no interruption in any of the agriculture related activities. This ensured food security not just for India but also for other countries impacted by the pandemic and geopolitical conditions. In recent years, the country has emerged as one of the major exporters of agricultural

products with rising share in overall exports since 2019-20

### Overview of the Economy

India's GDP growth accelerated to 6.1% in the January to March 2023 quarter, lifting the economy's uptick in 2022-23 to 7.2% from the 7% estimated earlier, according to the provisional national income data released by the National Statistical Office (NSO).

The outlook for Indian macroeconomic and corporate performance remains positive, with stronger GDP growth and a notable moderation in inflation. This puts us in a favourable position compared to many struggling global economies facing low economic growth and high inflation.

This year, weak El Nino conditions emerged in May. However, normal rainfall at 96% of the long-term average is forecasted by the Indian Meteorological Department.

The perceived risk of a global economic slowdown also poses challenges for India. India is witnessing weakening of operating performance in export-oriented sectors like textiles and gems & jewellery. However, the negative impact at an overall economic level is likely to be mitigated by declining import volumes, primarily due to lower oil prices that have decreased by 37% over the last 12 months.

The ongoing Russia- Ukraine conflict presents the most challenging variable. While 2022-23 saw sharp rise in commodity prices due to disruptions in energy supply chains, a new order seems to have settled in 2023-24, supported by mild winters in Europe and slowing Western economies. However, the risk lies in any unexpected escalation, which could have severe economic and strategic disruptions.

India's GDP 2023-24 growth is projected at 6.5% for 2023-24, driven by domestic consumption, government capex, and to some extent, private capex.

### Overview of the Fertilizer Industry

Overall fertilizers production has increased by 11.23% during financial year 2022-23 as against financial year 2021-22 due to increase in production of Urea, NPK, DAP & SSP. Imports have increased by 3.03% due to the increase in DAP & NPK imports.

Production of urea has increased by 13.63% during the financial year 2022-23 as against 2021-22 due to favourable weather and market conditions. Urea is largely sourced domestically & with revival of urea plants, imports have decreased by 17.03% during the year 2022-23.

Domestic DAP production increased by 2.96% during financial year 2022-23 as against financial year 2021-22. Imports also have risen by 20.52% in financial year 2022-23 as against financial year 2021-22.



MOP imports have decreased substantially by 24.15% during financial year 2022-23 as against financial year 2021-22. India meets its Potassium chloride (commonly referred to as Muriate of Potash or MOP) requirements majorly through imports from Canada, Russia, CIS+ Belarus, Israel, Germany, Jordan and Lithuania.

Production of NPK fertilizers in the country have decreased by 11.91% during the financial year 2022-23 as against financial year 2021-22. NPK imports have decreased substantially by 135.21% during financial year 2022-23 as against financial year 2021-22.

The production of SSP which is an indigenous phosphatic multi-nutrient fertilizer increased by 5.48 % during financial year 2022-23 as against financial year 2021-22. SSP is a cheaper alternative to DAP.

Overall sales of fertilizers have decreased by 0.16% during financial year 2022-23 as against financial year 2021-22. Sales of MOP , NPK & SSP have decreased by 33.83%, 12.25% & 11.69% respectively during financial year 2022-23 as against financial year 2021-22. The sales of Urea & DAP have increased by 4.52% & 13.58% respectively during the financial year 2022-23 against the financial year 2021-22.

The Budget 2023-24 has the vision of future-ready agriculture sector. Healthy agriculture sector will help in economic growth making the country a developed nation as envisaged by our Hon'ble Prime Minister. The budget allocation for fertilizer subsidy is ₹ 1,75,103 crores for FY24. Budget for urea subsidy is ₹ 1,31,100 crores which is lower by ₹22,998 crores than the revised BE for 2022-23. Similarly, the subsidy for P&K fertilizers has also been reduced by ₹ 27,122 crores. The reason behind this reduction compared to RE 2022-23 is significant downward trend in international prices of fertilizer related commodities & reduction in gas prices. However, adequacy of allocation will depend on actual international prices of energy, fertilizers and raw materials during the year.

### Corporate Overview of the Company

During the year, your Company achieved highest ever Revenue from Operations of ₹ 21451.54 crore as against ₹12812.17 crore in previous year (PY). Highest ever Profit Before Tax (PBT) during the year, stood at ₹ 1273.98 crore as against ₹ 943.91 Crore due to improved energy efficiencies at Thal Unit, better margins of Industrial Chemicals and complex fertilizers. Highest ever Profit After Tax (PAT) stood at ₹ 967.15 crore as against ₹ 704.36 Crore.

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. 25.26 lakh MT quantity of Urea through issue of

Global Tenders during the year 2022-23.

Your Company achieved revenue of ₹3406.03 Crore during the year from its Industrial Chemicals segment which is highest ever since inception. 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. Sales of Ammonium Nitrate Melt, Dimethyl Acetamide, Sulphuric Acid, STP Water, Argon, Refrigerant Ammonia, Nitrogen, Phosphoric Acid 27% & Chalk was increased during the year.

### During the year, your Company has achieved:

- ✓ Highest ever sale of 33.14 LMT of fertilizers, which is an increase of 8 % over last year. This is highest sale after 2015-16.
- ✓ Sold 4.47 LMT of imported products, which is an increase of 94% over last year.
- ✓ Highest ever sale of 6.10 LMT of Indigenous 15:15:15.
- ✓ Highest ever sale of 2.98 LMT of Imported DAP.
- ✓ Highest ever sale of 1.20 LMT of Imported 20:20:0:13.
- ✓ First time the company has sold PDM and PROM under tie-up and sold 8,764 MTs & 2,982 MTs respectively.
- ✓ Highest ever sale of 151 KL of Biola which is highest sold quantity in last 10 years. Last year's sale was 134 KL
- ✓ Highest ever sale of AN melt of 1,75,694 MT.
- ✓ Highest ever sale of Refrigerant Ammonia of 1,046 MT.
- ✓ Highest ever sale of Phosphoric Acid 5,175 MT.

### Dividend

Although your Company has lined up a number of capex programmes which will entail substantial expenditure, considering the consistent profits being made by the Company and based on the Company's performance, your Directors are pleased to recommend a final Dividend of ₹ 3.70 per equity share of ₹10/- each for the financial year 2022-23. Your Board had earlier approved payment of interim dividend of ₹1.60 per equity share of ₹10/- each for the financial year 2022-23, at its meeting held on November 29, 2022 and same was paid on December 27, 2022. The total dividend for the financial year 2022-23 amounts to ₹ 5.30 per equity share (Previous year ₹3.85 per equity share), and would involve a total cash outflow of ₹ 292.39 Crore consisting ₹88.27 crore as interim dividend and ₹204.12 crore as final dividend (₹137.92 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 Abhiyan', following initiatives are taken by your Company:

- **Increased Complex Fertilizer (NPK 15:15:15) Production:**

Your Company has enhanced the production of Suphala NPK (15:15:15) by installation of additional spherodizer and associated system. During FY 2022-23, highest ever production (6.382 Lakh MT) of Suphala (15:15:15) was achieved.

- **Optimizing production of Industrial Chemicals:**

Your Company is manufacturing various Industrial Chemical products having high brand values. Plants manufacturing industrial chemical products like Ammonium Nitrate, Ammonium Bicarbonate, Nitric Acid, Concentrated Nitric acid and Sulphuric acid are operated at optimum level to meet the market demand.

- **Setting up New AN Melt Plant:**

In order, to meet the growing power need of the country, enhancement in domestic production of AN melt is very important. Therefore, your Company is setting-up new AN Melt plant of 425 MTPD at RCF Trombay unit with latest and energy efficient technology. The additional production from this AN melt project shall be substituting the existing imports, leading to improved availability of Coal to the power plants and hence in turn shall ensure power security to the common people.

- **Setting up Liquid Nano Urea plant:**

Your Company is setting-up liquid Nano Urea plant of 75 KL per day at RCF Trombay unit using indigenous technology, developed by M/s IFFCO. Nano Urea is expected to be more efficient as compared to conventional Urea.

- **Setting up new NPK Fertilizer plant at Thal:**

In order to increase domestic supply of DAP/NPK fertilizer, your Company is exploring possibility of setting up NPK Fertilizer of 1200 MTPD (in terms of DAP) plant at Thal subject to economic viability

## Projects

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

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

The details of such projects are available in the Directors' Report. Your Company is also looking for opportunities for

long term off take agreements for procurement of fertilizers to ensure sustained growth. I am confident that with your continuous support, encouragement and faith in us and support from the Government, your Company would march ahead successfully.

I am delighted to present the Annual Report for the financial year 2022-23 and hope to see you on December 20, 2023 at the 45<sup>th</sup> Annual General Meeting of the Company.

## Going forward

The industry on its part, has continuously strived to ensure timely availability of fertilizers through domestic production and imports even at times with negative margins. The falling prices of fertilizers ironically have posed another challenge to the industry due to inventory of high cost raw materials and finished products. P&K sector is almost entirely dependent on import of raw materials due to lack of natural resources of phosphate and potash.

Under-recovery under all heads of fixed cost in urea pricing policy has also been a cause of anxiety for the industry. Government is now seriously considering reforms in the urea pricing and subsidy policy. Industry is fully engaged to help bring the desirable changes in the interest of supply security of fertilizers and sustainable agriculture.

Fate of fertilizer industry is ultimately related to agriculture sector of the country and the performance of the agriculture sector has been very promising so far. It is essential that in addition to ensuring food security of this vast nation, agriculture sector becomes sustainable and more remunerative to our farmers. Fertilizer industry will continue to play its role and help in greening the Indian agriculture

## Acknowledgement

Before I conclude, I would like to place on record my sincere appreciation for 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 14, 2022

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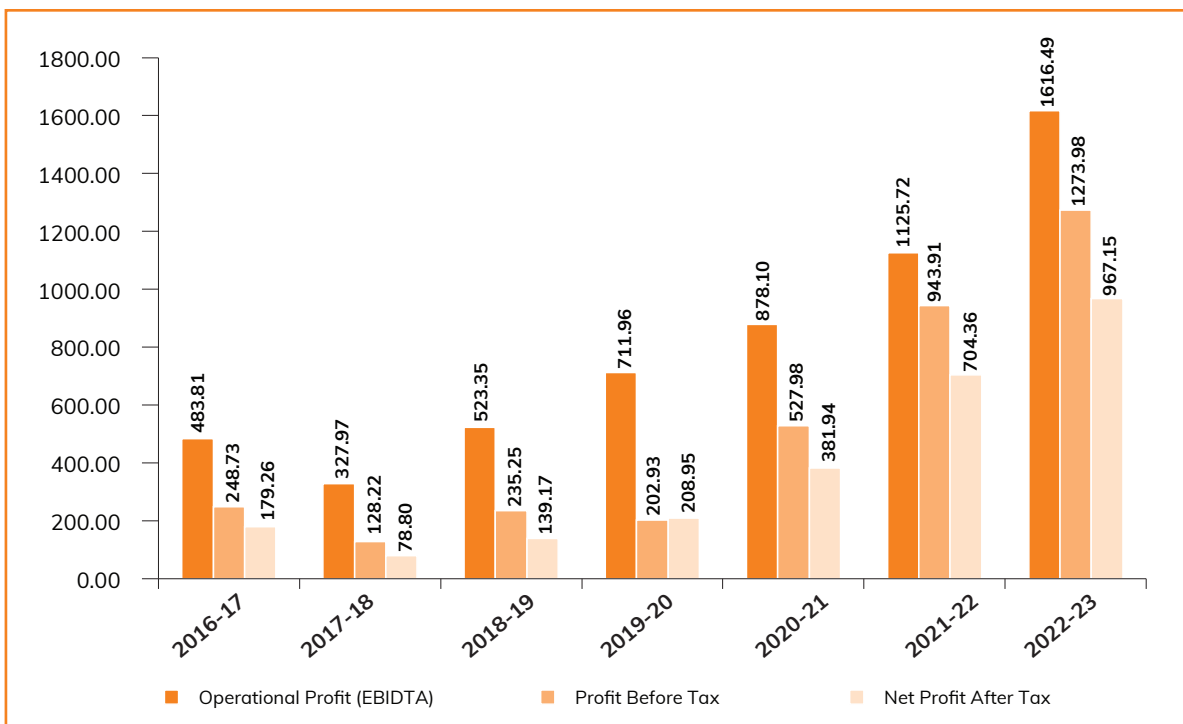


# FINANCIAL HIGHLIGHTS AT A GLANCE

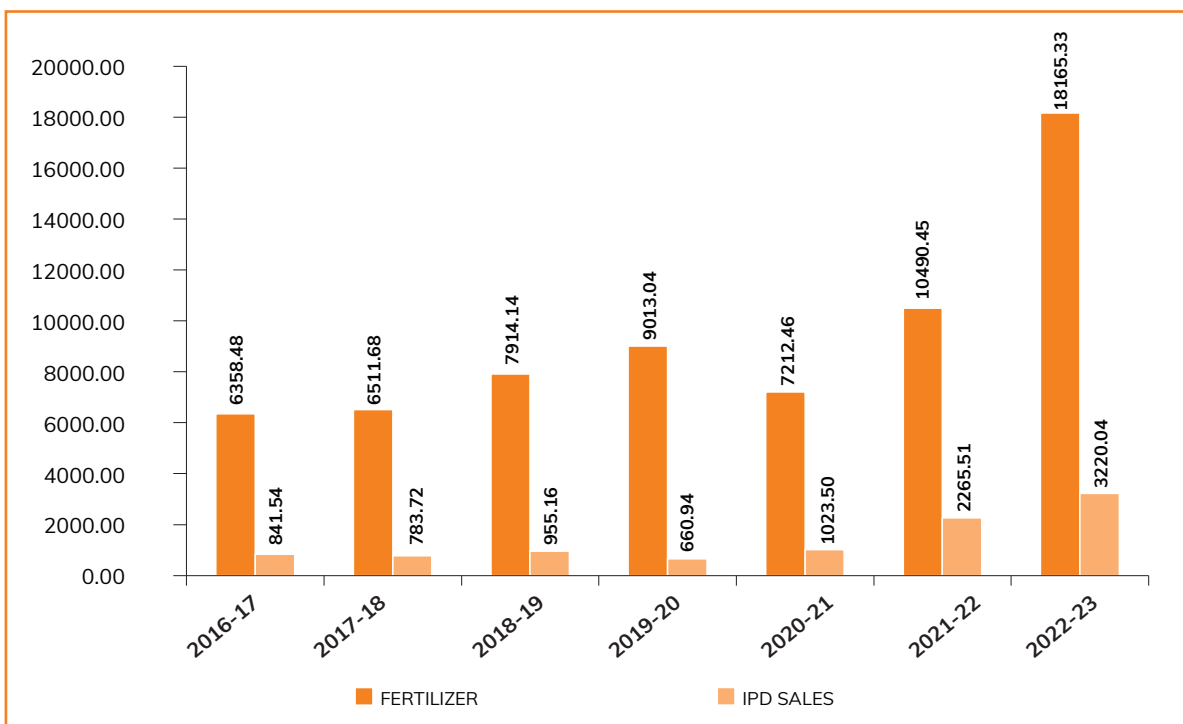
₹ in crore

S. NO	PARTICULARS	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
		As per IND AS										As per revised Schedule VI				
1	GrossTurnover (Gross Sales+ Subsidy + Other Income )	21869.93	13181.19	8664.63	10017.39	9119.54	7523.42	7456.21	9019.82	8063.22	6889.28	7131.65	6698.94	5671.60	5826.25	8538.43
2	Revenue From Operations (Net)	21451.54	12812.17	8281.18	9697.95	8885.47	7318.63	7223.17	8649.43	7713.45	6587.60	6894.49	6433.71	5507.11	5642.11	8365.98
3	Profit before Interest, Depreciation and Tax (EBIDTA)	1616.49	1125.72	878.10	711.96	523.35	327.97	483.81	579.63	892.86	639.98	641.88	567.82	533.19	490.38	523.01
4	Depreciation	212.12	183.55	175.26	171.04	155.69	137.04	141.10	145.13	258.12	141.75	173.15	142.44	112.62	75.60	86.58
5	Finance Cost	223.86	125.89	179.57	237.82	155.85	62.59	93.98	142.32	116.95	131.29	88.25	49.33	66.10	70.55	110.72
6	Prior year Adj. - Expenses / (Income)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.08	8.16	(0.38)	0.36	1.59	(0.22)	0.02	0.01
7	Exceptional Items	(93.47)	(127.63)	(4.71)	100.17	(23.44)	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8	Profit / ( Loss ) Before Tax	1273.98	943.91	527.98	202.93	235.25	128.22	248.73	291.10	509.63	367.32	380.12	374.46	354.69	344.21	325.70
9	Tax Provision ( Net of Adj.)	306.83	239.55	146.04	(5.22)	96.08	49.42	69.47	99.87	187.57	117.43	99.22	125.22	109.57	109.34	114.12
10	Profit / (Loss) After Tax	967.15	704.36	381.94	208.15	139.17	78.80	179.26	191.23	322.06	249.89	280.90	249.24	245.12	234.87	211.58
11	Dividend Declared							54.78								
	Rate %	53.00	38.50	29.80	28.40	7.70	6.00	11.00	11.00	18.00	15.00	15.00	14.00	11.00	11.00	12.00
	Amount :	292.40	212.40	164.40	156.68	51.21	39.91	73.04	73.04	119.52	96.79	96.81	89.77	70.53	70.77	77.45
	Dividend Payout Ratio %	30.23	30.16	43.04	75.27	36.80	50.64	40.75	38.19	37.11	38.73	34.46	36.02	28.77	30.13	36.61
12	Working Capital	2066.08	1707.82	1651.92	1416.72	1605.84	1544.05	1607.38	1465.03	1695.06	1378.73	1199.67	1116.04	1036.33	1933.66	1896.01
13	Capital Employed	4918.42	4039.29	4030.50	3770.97	3853.36	3490.07	3165.12	2961.59	3196.10	2998.40	2616.38	2513.19	1831.12	3176.37	2973.17
14	Net Worth	4598.32	3889.23	3356.70	3186.27	3034.70	2929.69	2925.02	2829.12	2710.93	2508.39	2355.29	2171.20	2011.73	1837.14	1672.42
15	RATIOS															
	Current Ratio [CA : 1]	1.62	1.41	1.79	1.24	1.34	1.64	1.56	1.35	1.62	1.58	1.42	1.40	1.85	2.25	1.93
	Debt Equity Ratio [Debts : 1]	0.25	0.35	0.37	0.23	0.19	0.14	0.08	0.14	0.16	0.16	0.11	0.15	0.11	0.72	0.85
	Debt Service Coverage Ratio (Times)	5.03	3.07	2.29	1.86	1.70	2.36	2.38	1.51	4.78	3.15	4.55	5.29	4.26	6.95	4.72
	Interest Service Coverage Ratio (Times)	7.22	8.94	4.89	2.99	3.36	5.24	5.15	4.07	7.63	4.87	7.27	11.51	8.07	6.95	4.72
	EBIDTA to capital employed %	32.87	27.87	21.79	18.88	13.58	9.40	15.29	19.57	27.94	21.34	24.53	22.59	29.12	13.84	17.59
	PBT to Capital Employed %	25.90	23.37	13.10	5.38	6.11	3.67	7.86	9.83	15.95	12.25	14.53	14.90	19.37	10.84	10.95
	PAT to Capital Employed %	19.66	17.44	9.48	5.52	3.61	2.26	5.66	6.46	10.08	8.33	10.74	9.92	13.39	7.39	7.12
	PBT to Net Worth %	27.71	24.27	15.73	6.37	7.75	4.38	8.50	10.29	18.80	14.64	16.14	17.25	17.63	18.74	19.47
	PAT to Net Worth %	21.03	18.11	11.38	6.53	4.59	2.69	6.13	6.76	11.88	9.96	11.93	11.48	12.18	12.78	12.65
	PAT to Equity %	175.31	127.67	69.23	37.73	25.23	14.28	32.49	34.66	58.38	45.30	50.92	45.18	44.43	42.57	38.35
	Earning per share After Tax (Rs.)	17.53	12.77	6.92	3.77	2.52	1.43	3.25	3.47	5.84	4.53	5.09	4.52	4.44	4.26	3.84
	EBIDTA to Turnover %	7.39	8.54	10.13	7.11	5.74	4.36	6.49	6.43	11.07	9.29	9.00	8.48	9.40	8.42	6.13

## OPERATIONAL PROFIT (EBIDTA), PBT AND PAT (₹ Crore)



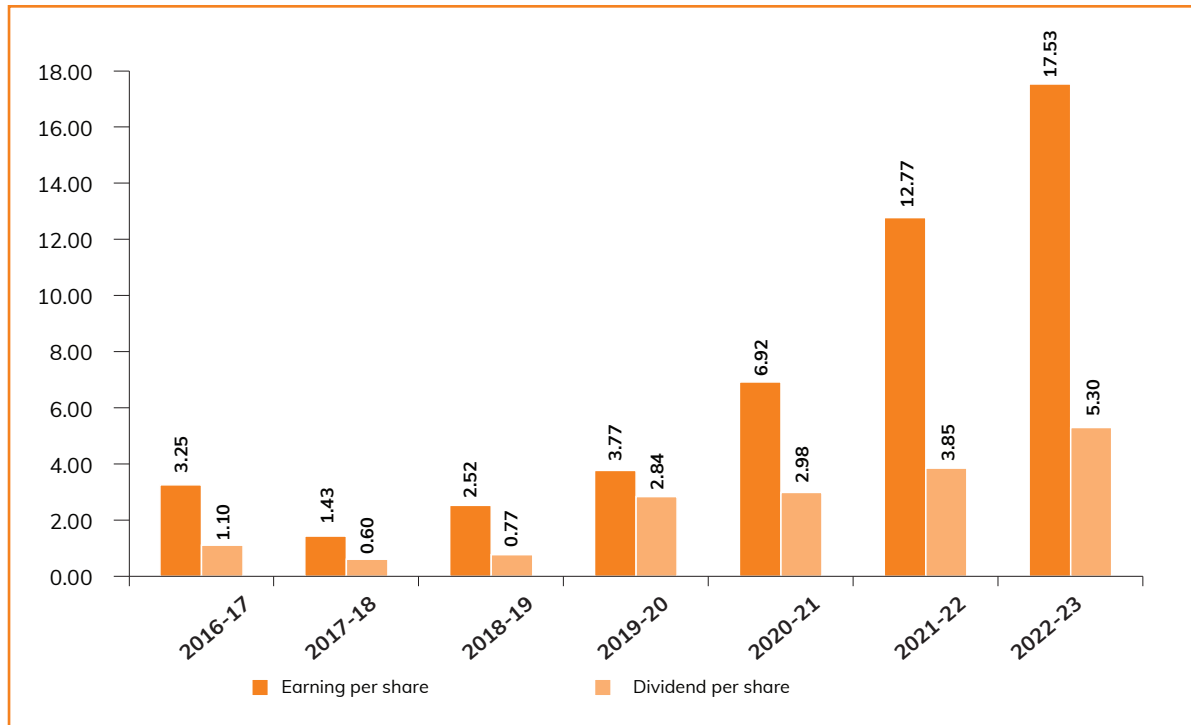
## FERTILIZER AND IPD SALES (₹ Crore)







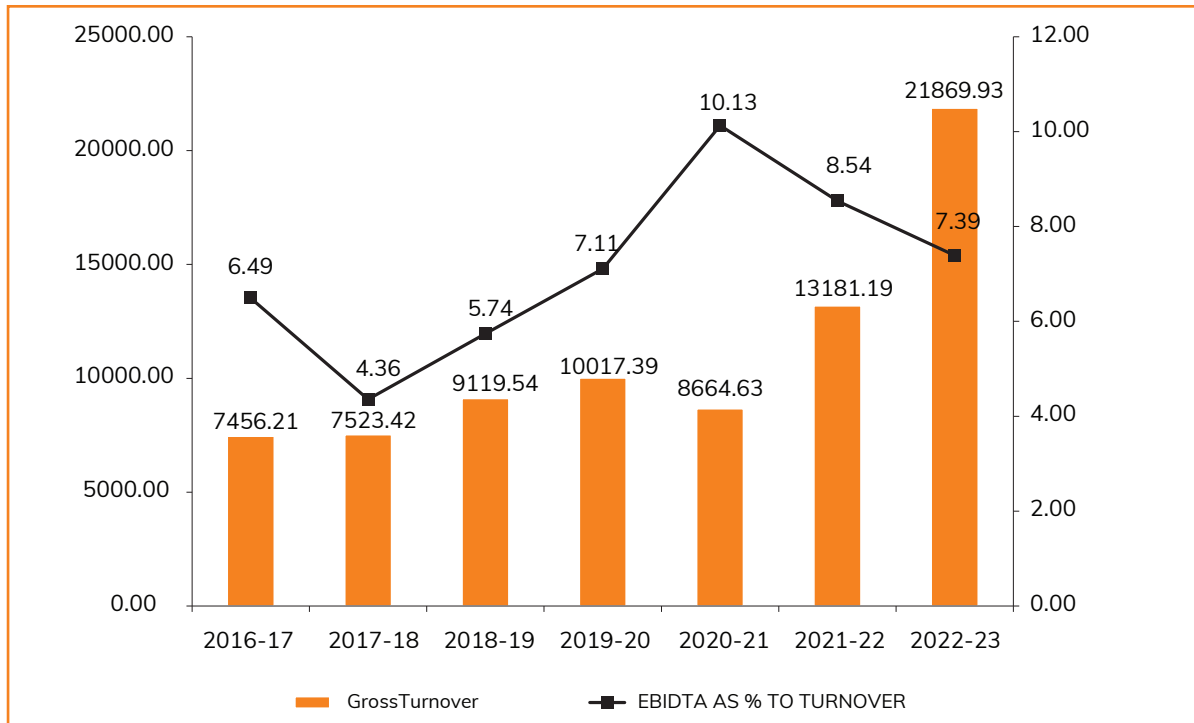
## EARNINGS & DIVIDEND PER SHARE (₹)



## CAPITAL EMPLOYED & NET WORTH (₹ Crore)



## EBIDTA AS % TO TURNOVER



### MISSION STATEMENT

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

### VISION STATEMENT

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

### VALUE STATEMENT

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





Senior Management Team 01-11-2023

Name	Designation
Sameer Rastogi	Chief Vigilance Officer (Additional charge Talcher proj)
Nuhu H Kurane	Executive Director (Commercial)
Jai Bhagwan Sharma	Executive Director (Admin, Legal & Com Secretary)
Anil P Dandekar	Executive Director (Finance) & CSO
Ms Sunita Shukla	Executive Director (P, HRD, IT & M)
Aniruddha M Khadilkar	Executive Director (Thal)
Anil Kumar Shrivastava	Executive Director (Trombay)
Ms Sunetra Kamble	Executive Director (Marketing)
Rajiv Pande	Executive Director (HSE Corporate)
Sandeep P Sinkar	Executive Director (Operation) Trombay
Gopalan Seshadri	Executive Director (Projects, Co-ordination & Corporate) l/c.
Niranjana S Sonak	Chief General Manager (Commercial)
Sharad S Sonawane	Chief General Manager (HR)
S Shivkumar	Chief General Manager (Finance)
Vikram K Jawale	General Manager (Complex & Maintenance)
Mrs Jyoti V Patil	General Manager (Project/TS/LAB/SGP/ WS & PHS),Thal
Nitin B Hirde	General Manager (N, F&S, HWP & CGP), Thal
M Ramesh	General Manager (Purchase)
Sanjeev S Doshi	General Manager (HR) Corp.
Ms Nanda N Kulkarni	General Manager (HR)
Pramod D Godase	General Manager (Chemical & Acids)
Rajesh C Deshmukh	General Manager (Projects)
Vijaykumar N Gaikwad	General Manager (Marketing)
Rajeev V Dhoble	General Manager (Commercial), Thal
Sanjay Nandanwar	General Manager (HSE)
Sanjaykumar M. Wasnik	General Manager (HSE Unit)
Vivek K. Srivastava	General Manager (Talcher)
Mahendra K. Agrawal	General Manager (Finance)

<b>Bankers:</b>	State Bank of India, Mumbai.
<b>Statutory Auditors:</b>	M/s M M Nissim & Co. LLP, Chartered Accountants M/s Gokhale & Sathe, Chartered Accountants
<b>Cost Auditors:</b>	Shri Dhananjay V. Joshi & Associates, Cost Accountants
<b>Solicitor:</b>	M/s M.S. Bodhanwalla & Co., Mumbai.
<b>Internal Auditors:</b>	M/s Pipara & Co LLP & Co., Chartered Accountants M/s. AMAA & Associates, Chartered Accountants
<b>Website address:</b>	www.rcfltd.com
<b>Email address:</b>	investorcommunications@rcfltd.com
<b>Telephone:</b>	022 24045024 / 022 25523114
<b>Registered Office:</b>	“Priyadarshini” Eastern Express Highway Sion, Mumbai 400 022.
<b>Share Transfer Agent:</b>	M/s. Link Intime India Pvt. Ltd., C-101, 247 Park, L.B.S.Marg, Vikhroli(West) Mumbai 400 083 Phone No.: 022 49186000 Website: www.linkintime.co.in email id: rnt.helpdesk@linkintime.co.in
<b>Debenture Trustee:</b>	SBICAP Trustee Company Limited 202, Maker Tower, 'E', Cuffe Parade, Colaba, Mumbai 400005 Tel No.: 022 43025566 email id : corporate@sbicaptrustee.com

# RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED

(A Government of India Undertaking)

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

### 45<sup>th</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given that the 45<sup>th</sup> Annual General Meeting of the Members of Rashtriya Chemicals and Fertilizers Limited will be held on Wednesday, December 20, 2023 at 3.00 p.m. through electronic mode [Video Conferencing ("VC") or 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, 2023, including Profit & Loss Statement for the year ended March 31, 2023 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 ₹ 3.70 per equity share and to confirm the interim dividend of ₹ 1.60 per equity share, already paid during the year, for the financial year ended March 31, 2023.
3. To appoint a Director in place of Ms Aneeta C. Meshram [DIN: 09781436] who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint a Director in place of Shri Sanjay Rastogi [DIN: 07722405], who retires by rotation and being eligible, offers himself for reappointment.
5. To fix the remuneration of Statutory Auditors for the Financial Year 2023-24 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 2023-24."

#### SPECIAL BUSINESS:

6. **To ratify the remuneration of the Cost Auditors for the financial year ended March 31, 2024**

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 No.000024), 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, 2024, 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.”

**8. To appoint Ms Sanjay Rastogi, as Government Nominee Director of the Company**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 and 161 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re- enactment thereof for the time being in force), Shri Sanjay Rastogi (DIN: 07722405) who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. February 21, 2023 and who holds office upto the date of this Annual General Meeting Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company w.e.f. February 21, 2023 , in terms of letter no. 95/1/2019-HR-PSU dated February 10, 2023 issued from Ministry of Chemicals & Fertilizers, who shall be liable to retire by rotation.”

**9. Amendment to the Articles of Association of the Company**

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 5, 14, 149(1) and other applicable provisions of the Companies Act, 2013 read with the relevant rules framed thereunder and the approval dated November 20, 2023 received from the Administrative Ministry, i.e. Ministry of Chemicals and Fertilizers, Department of Fertilizers for amendment of Articles of Association of the Company, the approval of the Members be and is hereby accorded to amend the Article of Association of the Company by substituting the existing Article 80 as follows:

The President shall, from time to time, determine in writing, the number of Directors of the Company which shall not be less than three and not more than Eighteen.	‘President shall determine the number of Directors’
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**RESOLVED FURTHER THAT** pursuant to the provisions of sections 5, 14, and other applicable provisions of the Companies Act, 2013 read with the relevant rules framed thereunder and the approval dated November 20, 2023 received from the Administrative Ministry, i.e. Ministry of Chemicals and Fertilizers, Department of Fertilizers for amendment of Articles of Association of the Company, the approval of the Members be and is hereby accorded to amend the Article of Association of the Company by inserting new Article 81(6) as follows:

Notwithstanding anything contained in other Articles, the Board shall have the power to appoint any person as a Director nominated by Debenture Trustee, if it is provided by any Trust Deed securing or otherwise in connection with any issue of debentures of the Company that any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of debentures the person or persons having such power may exercise such power from time to time and nominate a Director accordingly. Any Director so nominated is herein referred to as a Nominee Director nominated by Debenture Trustee. A Nominee Director nominated by Debenture Trustee may be removed from at any time by the person or persons in whom for the time being is vested the power under which he/she was nominated, and another Director may be nominated at his/her place. A Nominee Director nominated by Debenture Trustee shall not be bound to hold any qualification shares. A Nominee Director so appointed shall not be liable to retire by rotation. A Nominee Director nominated by Debenture Trustee shall ipso facto vacate such office immediately the money owing by the Company to the Debenture holders is paid off or on satisfaction of the liability of the Company on this account.	‘Nominee Director nominated by Debenture Trustee
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**RESOLVED FURTHER THAT** the approval of the Company be and is hereby accorded to the Board of Directors of the Company (including any committee thereof) to do all such acts, deeds, matters and things and to take all such steps as may be required in this



connection including seeking all necessary approvals to give effect to this resolution and to settle any questions, difficulties or doubt that may arise in this regard.”

By order of the Board of Directors

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

**Date: November 20, 2023**

**Place: Mumbai**

**Registered Office:**

Rashtriya Chemicals and Fertilizers Limited  
 Priyadarshini,  
 Eastern Express Highway,  
 Sion, Mumbai 400 022

**Notes**

1. The Ministry of Corporate Affairs, Government of India (“MCA”) vide its General Circular Nos. 20/2020, 10/2022 and 09/2023 dated May 5, 2020, December 28, 2022 and September 25, 2023, respectively, and other circulars issued in this respect (“MCA Circulars”) allowed, inter-alia, conduct of AGMs through Video Conferencing/ Other Audio-Visual Means (“VC/ OAVM”) facility in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2020. The Securities and Exchange Board of India (“SEBI”) also vide its Circular No. SEBI/HO/CFD/PoD-2/P/ CIR/2023/4 dated 5<sup>th</sup> January 2023 & Circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 (“SEBI Circular”) has provided certain relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015 (“Listing Regulations”). 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 Wednesday, December 20, 2023 at 3.00 p.m. The registered office of the Company shall be deemed to be the venue for the AGM.

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

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

However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

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

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

4. Members are permitted to join the AGM through VC/ OAVM, 15 minutes before the scheduled time of commencement of AGM and during the AGM, by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis. This will not include large shareholders (shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without any restrictions pertaining to joining the AGM on a first come first served basis. Institutional Investors who are Members of the Company, are encouraged to attend and vote at the AGM.
5. Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act, 2013.
6. Members attending the AGM through VC / OAVM should note that those who are entitled to vote but have not exercised their right to vote by remote e-voting, may vote during the AGM through e-voting for all businesses specified in the Notice. The Members who have exercised their right to vote by remote e-voting may attend the AGM but cannot vote during the AGM.
7. A statement setting out the material facts pursuant to Section 102(1) of the Companies Act, 2013 and rules notified thereunder (“the Act”), relating to the Special Business to be transacted at the AGM is annexed hereto.
8. Brief profile and other required information about the Directors proposed to be appointed/re-appointed, as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India as approved by the Central Government, is enclosed to this Notice.



9. Any person who becomes a Member of the Company after sending of Annual Report and holding shares as on Wednesday, December 13, 2023 shall also follow the procedure stated herein.
10. Register of Members and Share Transfer books will remain closed from Thursday, December 14, 2023, to Wednesday, December 20, 2023 [both days inclusive].
11. The Board of Directors of the Company has recommended a final dividend of ₹ 3.70 per share. The Company has fixed Wednesday, December 13, 2023 as the 'Record Date' for determining entitlement of members to receive final dividend for the year ended March 31, 2023, if approved, at the AGM. The final dividend, once approved by the members in the AGM, will be paid to the eligible shareholders within the stipulated period of 30 days of declaration.
12. The dividend will be paid through electronic mode to those members whose updated bank account details are available. For members whose bank account details are not updated, dividend warrants / demand drafts will be sent to their registered address. To avoid delay in receiving dividend, members are requested to register / update their bank account details.
13. Members may send their requests for change / updation of address, bank account details, email address, nominations, etc.:
  - (i) For shares held in dematerialised form - to their respective Depository Participant;
  - (ii) For shares held in physical form - to the Registrar & Transfer Agents ("RTA") i.e. Link Intime India Pvt. Ltd., C 101, 247 Park, L. B. S. Marg, Vikhroli West, Mumbai 400 083; Tel No. 022 49186000; E-mail Address: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)
14. As per Regulation 40 of Listing Regulations, as amended, request for effecting transfer of securities shall not be processed unless the securities are held in demat form with a depository. Further, transmission or transposition of securities shall be affected only in dematerialised form. 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 dematerialized form. Members can contact the Company or the RTA for assistance in this regard.
15. 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.
16. SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities by March 31, 2023, and linking PAN with Aadhaar vide its circular(s) dated November 3, 2021 and December 14, 2021. Members are requested to submit their PAN, KYC and nomination details to the Company's registrars M/s Link Intime India Private Limited at the address mentioned at point no.13(ii) above. Members holding shares in electronic form are requested to submit their PAN to their depository participant(s). In case a holder of physical securities fails to furnish these details or link their PAN with Aadhaar before the due date, the Company is obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.
17. As per the provisions of Section 72 of the Act, the facility for submitting nomination is available for members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The form can be downloaded from the Company's website at [www.rcfltd.com](http://www.rcfltd.com) Members are requested to submit these details to their DP in case the shares are held by them in electronic form, and to the RTA, in case the shares are held in physical form.
18. As per the provisions of section 124(5) of the Act the dividend(s) which remains unpaid / unclaimed for a period of 7 years is to be transferred to the Investor Education & Protection Fund ("IEPF") established by the Central Government at the end of the 7<sup>th</sup> year. Accordingly, the Company has transferred all unpaid / unclaimed dividend declared upto the financial year 2014-15 to IEPF on the respective due dates.

Further, section 124(6) of the Act provides 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 with a request to claim the dividend, 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. The details of such shares are hosted on the website of the Company [www.rcfltd.com](http://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 2015-16 on or before November 26, 2023. Further, the shares in respect of which dividend has remained unpaid / unclaimed for a consecutive period of 7 years would also be transferred to the demat account of IEPF authority on or before November 26, 2023. 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.rcf ltd.com](http://www.rcf ltd.com).

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

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

19. In line with MCA and SEBI circulars, the Notice calling the AGM along with the Annual Report for 2022-23 ("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.rcf ltd.com](http://www.rcf ltd.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](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The Notice is also disseminated on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).
20. All the documents referred in the Notice are available for inspection electronically from the date of dispatch of Notice till Wednesday, December 20, 2023. Members seeking to inspect such documents are requested to write to the Company at [investorcommunications@rcf ltd.com](mailto:investorcommunications@rcf ltd.com).
21. A person, whose name is recorded in the Register of Members / Beneficial Owners list maintained by the depositories as on Wednesday, December 13, 2023 only shall be entitled to avail the facility of remote e-voting or e-voting during the AGM.
22. Members are requested to notify immediately any changes in their address to the Company or its Transfer Agents: Link Intime India Pvt. Ltd., C 101, 247 Park, L. B. S. Marg, Vikhroli West, Mumbai 400 083.
23. Any clarifications needed by the members of the Company may be addressed to the Company Secretary at the Registered Office of the Company or through e-mail [investorcommunications@rcf ltd.com](mailto:investorcommunications@rcf ltd.com) at least seven days prior to the date of Annual General Meeting.
24. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ Link Intime (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). Shareholders are requested to note that in case

their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to [cs@rcf ltd.com](mailto:cs@rcf ltd.com) or [rcfdvntax@linkintime.co.in](mailto:rcfdvntax@linkintime.co.in). The aforesaid declarations and documents need to be submitted by the shareholders on or before Wednesday, December 13, 2023.

Kindly note that no documents in respect of TDS would be accepted from members after Wednesday, December 13, 2023.

25. **Investor Grievance Redressal:** The Company has designated an exclusive e-mail ID i.e. [investorcommunications@rcf ltd.com](mailto:investorcommunications@rcf ltd.com) to enable the investors to register their complaints / send correspondence, if any.
26. **Webcast:** The Company is providing the facility of live webcast of proceedings of the AGM. Members who are entitled to participate in the AGM can view the proceedings of AGM by logging in the website of CDSL at [www.evotingindia.com](http://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 remote e-voting period begins on Saturday, December 16, 2023 from 9:30 a.m. (IST) and ends on Tuesday, December 19, 2023 at 5:00 p.m. (IST). During this period, Members of the Company, holding shares either in physical form or dematerialized form, as on the Cut-off date, 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.

The 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.

- (i) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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





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

**Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

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

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
<b>Individual Shareholders holding securities in Demat mode with CDSL Depository</b>	<ol style="list-style-type: none"> <li>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 users to login to Easi / Easiest are requested to visit cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>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 &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> </ol>

Type of shareholders	Login Method
<b>Individual Shareholders holding securities in demat mode with NSDL Depository</b>	<ol style="list-style-type: none"> <li>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 <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; 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.</li> <li>1) If you are already registered for NSDL IDEAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> 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 &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

Type of shareholders	Login Method
<b>Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)</b>	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 <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk. <a href="mailto:evoting@cdslindia.com">evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(i) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

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

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• 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.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> <li>• 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.</li> </ul>

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

(iii) 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.

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

(v) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(vi) 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.

- (vii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (viii) 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.
- (ix) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (x) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xi) 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.
- (xii) There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutinizer for verification.
- (xiii) 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](http://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](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required mandatory 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](mailto:investorcommunications@rcfltd.com).

com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance from Wednesday, December 13, 2023 to Monday, December 18, 2023 mentioning their name, demat account number/folio number, email id, mobile number at (company email id)..
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending upon availability of time for the AGM.
9. Only those shareholders, who are present in the AGM/ EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

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

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

### Scrutinizer

The Board of Directors of the Company has appointed Shri Nrupang Dholakia of Dholakia & Associates LLP, as Scrutinizer to scrutinize the voting process in a fair and transparent manner.

### Declaration of Results:

- (i) The scrutinizer shall, immediately after the conclusion of voting during the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 2 working days of conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairperson of the Company or the person authorized by him, who shall countersign the same.
- (ii) Based on the scrutinizer's report, the Company will submit within 2 working days of the conclusion of the AGM to the Stock Exchanges, details of the voting results as required under Regulation 44(3) of the SEBI Listing Regulations.
- (iii) The results declared along with the scrutinizer's report, will be hosted on the website of the Company at [www.rcf ltd.com](http://www.rcf ltd.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 30, 2023 has considered and approved the appointment of /s K.G. Goyal & Associates, Cost Accountants (FRN No.000024), to conduct the audit of the cost records of the Company for the financial year ending March 31, 2024, 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.



### Item No. 8

Shri Sameer Rastogi, who has been appointed by President of India as Government Nominee Director on the Board of the Company w.e.f. February 21, 2023, pursuant to Section 161(1) of the Companies Act, 2013 read with Article 81(4) of Articles of Association of the Company, will hold the office till the date of 45<sup>th</sup> Annual General Meeting.

Shri Sanjay Rastogi (55 Years) is an IAS of 1991 batch of Odisha cadre. He is B.Tech in Electrical Engineering and M Tech in Electronics & Communication, IIT – Delhi. He had served as CMD, Odisha State Road Transport Corporation, Principal Secretary – Commerce & Transport, CMD, Orissa Milk Federation (OMFED), CVO – Projects Equipments Corporation Limited (PEC), Ministry of Commerce & Industry, Zonal Jt. DG, DGFT, Export Commissioner, Ministry of Commerce and as Development Commissioner for Handlooms in Ministry of Textiles, Government of India. He is currently working as Additional Secretary and Financial Adviser in the Ministry of Chemicals and Fertilizers, Government of India, New Delhi.

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

Shri Rastogi does not hold any shares in the Company by himself or for any other person on beneficial basis. The Company has received a notice in writing from a member proposing the candidature of Shri Rastogi for the office of Director Except Shri Rastogi, to whom the resolution relates, no Director, Key Managerial Personnel of the Company or their relatives, is concerned or interested, financially or otherwise, in the resolution .

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

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

### Item No. 9

The Securities and Exchange Board of India (“SEBI”) vide its Notification no. SEBI/LAD-NRO/GN/2023/119 dated February 2, 2023, has amended Regulation 23(6) of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (“NCS Regulations”).

As per the Amendment Notification, an issuer company needs to ensure that its Articles of Association requires its Board of Directors to appoint the person nominated by the Debenture Trustee(s) as a Director on its Board of Directors in case of default under Regulation 15(1) (e) of the SEBI (Debenture Trustees) Regulations, 1993 (“Amendment”)

Further, Regulation 15(1) (e) of SEBI (Debenture Trustees) Regulation, 1993, mandates that the company as an issuer of non convertible securities appoints the person nominated by the Debenture Trustee as a Director on its Board of Directors in the event of :

- a. Two consecutive defaults in payment of interest to the debenture holders; or

- b. Default in creation of security for debentures; or
- c. Default in redemption of debentures.

The said Amendment requires that the companies whose debt securities are listed as on the date of publication of Amendment in the official gazette, shall amend their Articles of Association to comply with the above mentioned provision, on or before September 30, 2023.

Therefore, in compliance with the above Amendment, and as the Company has listed its debt securities, the Board has considered and approved the amendment in Articles of Association to comply with the above mentioned provision, on or before September 30, 2023.

As per the Article 80 of Articles of Association of the Company, the President of India determined the strength of the Board of the Company which shall not be less than three and not more than twelve. The amendment of articles of association by inserting new provision of Appointment of Nominee Director by the Debenture Trustee may require the amendment in Article 80 of Articles of Association of the Company by increasing the maximum strength of the Board.

Further, Department of Public Enterprise, vide its letter August 29, 2023 has granted the Navratna Status to Rashtriya Chemicals and Fertilizers Limited. Considering the business volume, present and emerging challenges to the organization, Company may create post of new functional directors. Considering the above, it is required to increase the maximum of strength of the Board from present strength of Twelve to Eighteen.

The Administrative Ministry i.e. Ministry of Chemicals and Fertilizers, Department of Fertilizers, Government of India, vide letter dated November 20, 2023 has accorded approval for amendment of Articles of Association of the Company.

In terms of Section 5, 14, 149(1) and other applicable provisions of the Companies Act, 2013, the consent of the members by way of special resolution is required to approve the amendment in Articles of Association of the Company.

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. 9 for the approval of the members.

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

**Date: November 20, 2023**

**Place: Mumbai**

**Registered Office:**

Rashtriya Chemicals and Fertilizers Limited  
Priyadarshini,  
Eastern Express Highway,  
Sion, Mumbai 400 022



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

Name	Shri Sanjay Rastogi (DIN 07722405)	Ms Aneeta C. Meshram (DIN 09781436)
Age	56 years	51 years
Date of birth	24.01.1967	04.12.1971
Date of Appointment	21.02.2023	13.11.2022
Qualification	IAS	IAS
Terms & Conditions of appointment	Appointed as Part-time Official Director by President of India through Ministry of Chemicals & Fertilizers.	Appointed as Part-time Official Director by President of India through Ministry of Chemicals & Fertilizers.
Expertise in specific Functional Area	<p>Shri Sanjay Rastogi (55 Years) is an IAS of 1991 batch of Odisha cadre. He is B.Tech in Electrical Engineering and M Tech in Electronics &amp; Communication, IIT – Delhi. He had served as CMD, Odisha State Road Transport Corporation, Principal Secretary – Commerce &amp; Transport, CMD, Orissa Milk Federation (OMFED), CVO – Projects Equipments Corporation Limited (PEC), Ministry of Commerce &amp; Industry, Zonal Jt. DG, DGFT, Export Commissioner, Ministry of Commerce and as Development Commissioner for Handlooms in Ministry of Textiles, Government of India.</p> <p>He is currently working as Additional Secretary and Financial Adviser in the Ministry of Chemicals and Fertilizers, Government of India, New Delhi.</p>	Ms Meshram is a 1996 Batch IAS officer and is presently Additional Secretary, Department of Fertilizers, Ministry of Chemicals and Fertilizers, Government of India. She has over 26 years of work experience in various Ministerial Government of India and Government of Uttar Pradesh.
Details of remuneration last drawn (Financial year 2022-23)	N.A.	N.A.
Number of Meetings of the Board held during the year and number of Board Meetings attended	2/2	0/5
Relationship with any other Director, Manager and other KMP of the Company	N.A.	N.A.
Directorship held in other companies	Hindustan Organic Chemicals Limited	Projects and Development India Limited
Memberships/ Chairmanship of Committees in other Companies*	Nil	Nil
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 45<sup>th</sup> Annual Report on the working of your Company together with the Audited Financial Statements for the year ended March 31, 2023.

### FINANCIAL PERFORMANCE

Particulars	₹ Crore	
	2022-23	2021-22
<b>Total Income (Net)</b>	21594.84	12948.62
<b>Total Operating Cost</b>	19978.35	11822.90
Operational Profit	1616.49	1125.72
Depreciation/Impairment	212.12	183.55
Finance Cost	223.86	125.89
<b>Profit before exceptional items</b>	1180.51	816.28
Net Exceptional Items (income) / Expense	(93.47)	(127.63)
<b>Profit before Tax</b>	1273.98	943.91
Provision for Tax (including deferred Tax liability/ Asset)	306.83	239.55
<b>Net Profit</b>	967.15	704.36
<b>Retained Earnings</b>		
Add / (less): Re-measurement of Defined Benefit Plan	(35.76)	(9.19)
Less: Dividend Paid (Previous Financial Year)	226.19	172.68
Less: Balance Transferred to / (from ) General Reserve	705.20	522.49

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

- Higher margins of Industrial products and Complex Fertilizers contributed to higher profitability.
- Better energy efficiencies at Thal Unit improved Urea margins.
- Reduction in interest rates as well as lower working capital requirement resulted in reduction in Finance costs.

### MEMORANDUM OF UNDERSTANDING WITH GOVERNMENT OF INDIA

Your Company has been entering into a Memorandum of Understanding (MoU) with the Ministry of Chemicals & Fertilizers, Government of India, setting the performance parameters and targets every year. Your Company has secured "Very Good" rating for the year 2021-22.

The performance rating for 2022-23 MoU is yet to be finalised by the Government and the Company expects to achieve "Very Good" ratings this year.

### DIVIDEND

Although your Company has lined up a number of capex programmes which will entail substantial expenditure, considering the consistent profits being made by the Company and based on the Company's performance, your Directors are pleased to recommend a final Dividend of ₹ 3.70 per equity share of ₹ 10/- each for the financial year 2022-23. Your Board had earlier approved payment of interim dividend of ₹ 1.60 per equity share of ₹ 10/- each for the financial year 2022-23, at its meeting held on November 29, 2022 and same was paid on December 27, 2022. The total dividend for the financial year 2022-23 amounts to ₹ 5.30 per equity share (Previous year ₹ 3.85 per equity share), and would involve a total cash outflow of ₹ 292.39 Crore consisting ₹ 88.27 crore as interim dividend and ₹ 204.12 crore as final dividend (₹ 137.92 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 ₹ 967.15 Crore (₹ 704.36 Crore in the previous year). Re-measurement of defined benefit plans resulted in loss of ₹ 35.76 crore (previous year ₹ 9.19 crore). The dividend pay-out pertaining to financial year 2021-22 was ₹ 137.92 Crore (₹ 98.20 Crore pertaining to financial year 2020-21) and interim dividend pertaining to financial year 2022-23 was ₹ 88.27 Crore (₹ 74.48 Crore pertaining to financial year 2021-22). The balance amount of ₹ 705.20 Crore (₹ 522.49 Crore in the previous year 2020-21) was transferred to General Reserves.

### UPGRADATION OF NAVRATNA STATUS

Your Company has been accorded the 'NAVRATNA' CPSE status by the Government of India on August 29, 2023 which provides greater autonomy and enhanced financial delegation to the Board of Directors. Your Company is the first PSU in fertilizer sector to be elevated to NAVRATNA Category. This recognition is a testament to RCF team's (Past & present) dedication and commitment to the chemicals & fertilizers Sector. With the coveted NAVRATNA status, your Company further commits itself towards playing a more decisive and significant role in our country's growth and prosperity.

### AWARDS WON

As in the past, your Company has won many awards during the year 2022-23, some of which are as under:

#### Trombay Unit

- "22<sup>nd</sup> Annual Greentech Environment Award 2022" for outstanding achievements in "Environment Protection" category.
- FICCI Award-2022 for Sustainability-Excellence in Safety in Chemical Sector.

- Greentech EHS Best Practice International Award 2023 under EHS best Practices Category.
- 3<sup>rd</sup> prize in 17<sup>th</sup> state level Energy Conservation Award (MEDA) in Industry General Category.
- National Safety Council of India awards 2022 (Appreciation Certificate) in recognition for good performance in OSH during 2019-2021.

#### Thal Unit

- “Certificate of Merit” from NSC India in Safety Seminar organized by NSC-India
- Growcare Occupational Health and Safety Award 2022
- Greentech Effective EHS Culture award
- Merit Certificate in NSC I seminar
- HWP Thal received 3<sup>rd</sup> Prize in NSC I seminar

#### Others:

- Governance Now 9<sup>th</sup> Edition PSU Award in category “Technology initiative in Vigilance in PSUs

### OPERATIONAL RESULTS

#### Thal Unit

During the year, the unit produced 18.80 lakh MT of Urea compared to 18.59 lakh MT produced during the previous year. In terms of nutrients in the fertilisers, the unit produced 8.65 lakh MT of N during the year, compared to 8.55 lakh MT during previous year.

#### Trombay Unit

The Trombay Unit produced 3.16 lakh MT of Urea & 6.43 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 2.42 lakh MT of N, 0.96 lakh MT of P<sub>2</sub>O<sub>5</sub> and 0.96 lakh MT of K<sub>2</sub>O during the year compared to 2.36 lakh MT of N, 0.86 lakh MT of P<sub>2</sub>O<sub>5</sub> and 0.86 lakh MT of K<sub>2</sub>O respectively during the previous year.

### INDUSTRIAL PRODUCTS

Your Company produces industrial chemicals at both its units. During the year, your Company produced approx. 5.79 lakh MT of various major industrial chemical products as against approx. 6.52 lakh MT during the previous year. Your Company produces, amongst others, Ammonium Nitrate Melt, Ammonia, Ammonium Bicarbonate, Dilute Nitric Acid 58%, Conc. Nitric Acid 98%, Strong Nitric Acid, (72% & 68%), Methyl Amines (Mono, Di, Tri), Sulphuric Acid, Argon, Nitrogen, Dimethyl Acetamide, Phosphoric Acid 27%, Sodium Nitrate / Nitrite, Refrigerant Ammonia, Water, Methanol, Gypsum, Chalk etc.

### MARKETING PERFORMANCE

#### FERTILIZER DIVISION

Your Company achieved sales volume of 33.14 lakh MT during the year 2022-23 as compared to 30.80 lakh MT during the previous year. Your Company sold 22.09 lakh MT of Urea, 6.10 lakh MT of Suphala 15:15:15, 0.05 Lakh MT of Suphala 10:26:26, 4.47 lakh MT of other bought out products i.e. DAP, MOP, Imp NPK etc. , 0.38 lakh MT of tie products and 0.05 Lakh MT of value added products as compared to 22.08 lakh MT of Urea, 5.87 lakh MT of Suphala 15:15:15, 2.31 lakh MT of other bought out products i.e. DAP, MOP, Imp. NPK etc. 0.49 lakh MT of tie products and 0.05 Lakh MT of value added products during the previous year. The Total sale of manufactured fertilizers (Urea & NPK) during 2022-23 was 28.23 lakh MT as against 27.95 lakh MT during the previous year. Sales of manufactured fertilizers registered growth of 1 % over previous year.

Your Company sold 4.47 LMT Imported fertilizers products i.e. DAP, MOP and Imp NPK etc. as compared to 2.31 LMT during previous year. Sales of imported fertilizers registered growth of 94 % over previous year.

The sale of Biola picked up momentum during the year. Biola sale registered growth of 13 % touching 151 KL during the year as against 134 KL in the previous year. The sale of manufactured water soluble fertilizers under the brand name ‘Sujala’ touched 4247 MT during the year as against 5056 MT sold in the previous year. Other products such as Microla, pH balancer, Silica and OGS also registered healthy volumes during the year.

During the year, your Company has achieved the following milestones:

- Highest ever sale of 33.14 LMT of fertilizers, which is an increase of 8 % over last year. This is highest sale after 2015-16.
- Sold 4.47 LMT of imported products, which is an increase of 94% over last year.
- Highest ever sale of 6.10 LMT of Indigenous 15:15:15.
- Highest ever sale of 2.98 LMT of Imported DAP.
- Highest ever sale of 1.20 LMT of Imported 20:20:0:13.
- First time the Company has sold PDM and PROM under tie-up and sold 8,764 MTs & 2,982 MTs respectively.
- Highest ever sale of 151 KL of Biola which is highest sold quantity in last 10 years. Last year’s sale was 134 KL

### INDUSTRIAL PRODUCTS DIVISION

Industrial Products Division has achieved the highest ever sales turnover of ₹ 3406.03 Crore as against ₹ 2424.73 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. Sales of Ammonium Nitrate Melt, Dimethyl Acetamide, Sulphuric Acid, STP Water, Argon, Refrigerant Ammonia, Nitrogen, Phosphoric Acid 27% & Chalk was increased during the year.

During the year, your Company has achieved the following:

1. Highest ever sale of AN melt of 1,75,694 MT.
2. Highest ever sale of Refrigerant Ammonia of 1,046 MT.
3. Highest ever sale of Phosphoric Acid 5,175 MT.

## EXPORTS

Considering the nature of products manufactured by your Company and indigenous demand, the scope for export is very limited. However, your Company successfully popularized its Ammonium Bicarbonate (ABC) brand in the overseas market through third party export. During financial year 2022-23, your Company has done third party export of Ammonium Bicarbonate (ABC) under "MRUDULA" brand to the tune of ₹ 70.97 lakh as against ₹ 59.26 lakh during the previous year.

## IMPORT OF UREA ON GOVERNMENT ACCOUNT

- Your Company has been designated as State Trading Enterprise (STE) in October, 2019 for Import of Urea on Government Account. Based on the instructions of Department of Fertilizers (DoF), RCF imported approx. 25.26 lakh MT quantity of Urea through issue of total Two (2 Global tenders during the year 2022-23.)
- DOF has also assigned RCF the responsibility for execution of Urea imports under Long term Agreement (LTA) between M/s. OQ Trading & Govt. of India (DOF) w.e.f. February 2022 onwards for a period of 3 years (till January 2025), for a Quantity of 10 lakh MT +/- 10% per annum on FOB basis. Accordingly in FY 2022-23, Twenty Three (23) Urea shipments have been shipped from OQ Trading Ltd. under this LTA, with a total quantity of approx. 10.01 Lakh MT.
- In order to cater to the emergent Fertilizer requirement by Sri Lanka, based on the instructions of DOF, RCF supplied approx. 65,000 MT of Urea to M/s. Colombo Chemicals & Fertilizers Ltd. (CCFL), Sri Lanka in two shipments during the month of July & August 2022, under Short term line of Credit of USD 55 MN provided by Govt. of India to Govt. of Sri Lanka in order to avert the Fertilizer shortage crisis in Sri Lanka.
- An MOU was signed between Govt. of India & Govt. of Nepal on 28.02.22, wherein it has been decided that Govt. of India will supply Urea & DAP (Fertilizers) to Nepal for next five years period under the G2G Agreement. Further RCF has been nominated as the State Trading Enterprise (STE) by DOF for execution of

this MOU on behalf of Govt. of India and accordingly based on this MOU a separate financial Agreement was signed on 18.07.22 by RCF & M/s. Krishi Samagri Company Limited (KSCL)-Nepal who is the nominated agency by Govt. of Nepal. Under this agreement and as per the initial requirement provided by M/s. KSCL-Nepal, the first shipment of 30,593.30 MT Bagged Urea have already been delivered to KSCL, Nepal at their three designated warehouses in Biratnagar, Birgunj & Bhairahawa located in Nepal.

## ATMANIRBHAR BHARAT

Under 'Atmanirbhar Bharat Abhiyan', following initiatives are taken by your Company:

- **Increased Complex Fertilizer (NPK 15:15:15) Production:**  
Your Company has enhanced the production of Suphala NPK (15:15:15) by installation of additional spherodizer and associated system. During FY 2022-23, highest ever production (6.382 Lakh MT) of Suphala (15:15:15) was achieved.
- **Optimizing production of Industrial Chemicals:**  
Your Company is manufacturing various Industrial Chemical products having high brand values. Plants manufacturing industrial chemical products like Ammonium Nitrate, Ammonium Bicarbonate, Nitric Acid, Concentrated Nitric acid and Sulphuric acid are operated at optimum level to meet the market demand.
- **Setting up New AN Melt Plant:**  
In order, to meet the growing power need of the country, enhancement in domestic production of AN melt is very important. Therefore, your Company is setting-up new AN Melt plant of 425 MTPD at RCF Trombay unit with latest and energy efficient technology. The additional production from this AN melt project shall be substituting the existing imports, leading to improved availability of Coal to the power plants and hence in turn shall ensure power security to the common people.
- **Setting up Liquid Nano Urea plant:**  
Your Company is setting-up liquid Nano Urea plant of 75 KL per day at RCF Trombay unit using indigenous technology, developed by M/s IFFCO. Nano Urea is expected to be more efficient as compared to conventional Urea.
- **Setting up new NPK Fertilizer plant at Thal:**  
In order to increase domestic supply of DAP/NPK fertilizer, your Company is exploring possibility of setting up NPK Fertilizer of 1200 MTPD (in terms of DAP) plant at Thal subject to economic viability.

## AGRICULTURE EXTENSION ACTIVITIES

RCF has undertaken several agriculture extension activities so as to educate the farmers on efficient use of agro-inputs

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

- 1. Soil Sample Analysis:** 48,689 number of NPK and 13,718 number of Micro-nutrient analysis have been done and Soil Health Cards distributed.
- 2. Kisan Suvidha Kendras:** 100 Kisan Suvidha Kendras were operated at different districts of Maharashtra & Karnataka for educating & imparting Agricultural extension services to the farmers at the field level,
- 3. Farmer Training Centres** are operational at Thal and Nagpur for imparting residential training to farmers. A total of 44 programs were undertaken benefitting 2979 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:** 7.20 lakh copies of RCF Sheti Patrika (Marathi edition) covering the relevant subjects pertaining to Agriculture and allied fields were printed & 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:** 3218 Field Demonstrations, 209 Soil Testing Days, 460 Farmers' Meetings, 55 Krishi Melas, 10 Veterinary Camp/Rural Sports, 58 Exhibitions, etc. were organized for the benefit of the farmers.
- 9. Adoption of Villages for Promotion of City Compost:** 6 villages from Maharashtra & Karnataka were selected for promotion of City Compost.

## MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

In the matter of Arbitration between Rashtriya Chemicals and Fertilizers Limited ("the Claimant") and Thermax Limited, ("Contractor/ Respondent") regarding recovery of damages, losses, etc. for breakdown of two Gas Turbo Generator (GTGs), an award has been passed by an Arbitral Tribunal consisting of Sole Arbitrator on June 5, 2023. The Sole Arbitrator has passed an Award in favor of RCF (Claimant) and directed the Contractor (Respondent)

to repair and reinstate both the GTGs at company's plant at their own cost and expenses under the defect liability clause. The Arbitrator has also allowed the Company's claim on additional expenditure incurred on power and directed the Contractor to pay ₹ 173. 72 Crores with interest @ 10% from the date of claim and a sum of ₹ 95 Lakhs as arbitration cost to the Company.

## RISK MANAGEMENT

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

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

## MAJOR EXPANSION AND DIVERSIFICATIONS

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

### PROJECTS UNDER IMPLEMENTATION

#### 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 ₹ 101.88 Crore. The Basic Engineering is being done by M/s KBR 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 April 2024.



### **New AN Melt Plant at Trombay:**

Your Company is setting-up new AN Melt plant of 425 MTPD at RCF Trombay unit with latest and energy efficient technology. The work order for execution of the project on LSTK basis is awarded to M/s Larsen & Toubro Limited. The estimated Project Cost is ₹ 187 Crore. Site work is in progress. The project is scheduled to be completed by Sept. 2024.

### **ETP up-gradation at Thal:**

Upgrading the existing Effluent Treatment Plant for treating 10,000 M3/day effluent to ensure the quality of treated effluent as against discharge to sea is recycled for reuse in plant. In 1<sup>st</sup> phase, around 5000 m3/day treated water will be recycled. Estimated cost of 1<sup>st</sup> Phase is ₹ 66.72 Crore. Work Order has been issued to M/s Ion Exchange Ltd.

In 2<sup>nd</sup> phase, balance effluent will be recycled, to achieve “Zero Liquid Discharge” goal. Action for 2<sup>nd</sup> Phase has been initiated. Detailed Feasibility Report (DFR) under preparation by Consultant.

### **Nano Urea plant:**

Nanotechnology is an emerging field with potential to provide efficient nutrient management. Nano Urea is expected to reduce the use of Urea. RCF is setting up Nano Urea Plant of 75 KL per day capacity at Trombay based on IFFCO Technology. As a part of getting Environment Clearance, Public Consultation was held on 02.03.2023. The estimated Project Cost is ₹ 238 Crore.

## **PROJECTS UNDER CONSIDERATION**

### **Setting up new NPK Fertilizer plant at Thal**

RCF is exploring possibility of setting up NPK Fertilizer plant at Thal subject to its economic viability. Administrative approval from DoF has been received. PDIL has been lined up for preparation of Detailed Feasibility Report (DFR) and Environment Impact Assessment (EIA) report for Environment Clearance. As a part of getting Environment Clearance, Public Consultation and Form-II for EC was submitted on MOEF&CC's Parivesh portal on 03.05.2023. Tender for selection of LSTK Contractor has been floated. The estimated Project Cost is ₹ 914.58 Crore including taxes, duties and working capital

### **Zero Liquid Discharge scheme at Trombay**

RCF is exploring the possibility of setting up Zero Effluent Discharge (ZED) plant to treat the effluent generated and to recover & recycle the water in the process at Trombay unit. The objective of the scheme is to achieve Zero Liquid Discharge (ZLD) for RCF Trombay. Detailed Feasibility Report (DFR) received from Consultant. Estimated Project cost is ₹ 99.78 Crore. Project is expected to be completed by Sept. 2025.

### **Briquette Fired Boiler at RCF Thal**

With an aim to produce low cost steam, RCF is setting up Briquette Fired Boiler at RCF Thal. The low cost steam shall help in reducing the variable cost of chemicals. Work Order is

awarded to M/s Forbesvyncke Pvt. Ltd. The estimated project Capital Cost is ₹ 25.7 Crore plus taxes as applicable.

## **JOINT VENTURE PROJECTS**

### **Coal Based Fertilizer Plant at Talcher:**

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

The 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.

The estimated Project capital cost is approx. ₹ 17,080.69 (±10%) Crore (RCF share is ₹ 2,169.67 (±10%) Crore). M/s Wuhuan Engineering, China has been engaged as LSTK contractor for Coal Gasification and Ammonia/Urea packages of the project valuing approx. ₹ 8000 Crore. Site activities are in progress. The commissioning of the project is scheduled to be completed by September 2024.

## **SUBSIDIARY AND OTHER JOINT VENTURE COMPANIES**

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

## **JOINT VENTURE COMPANY**

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

Your Company has formed a Joint Venture Company with Fertilizers and Chemicals Travancore Limited (FACT) by incorporating FACT-RCF Building Products Ltd. to set up a



Rapidwall project at Kochi. Both your Company and FACT have 50:50 equity holding in the Company. Production has been suspended owing to expected takeover of the Plant & Machinery by the ARC. The company is undertaking only project management services at present.

The audited financial statements of FRBL as at March 31, 2023 reported loss of ₹ 7.90 Crore, thus resulting in accumulated loss of ₹ 216.89 Crore.

### Urvarak Videsh Limited (UVL)

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

The Audited financial statements of UVL as at March 31, 2023 reported loss of ₹ 58,500/-, thus resulting in accumulated loss of ₹ 0.49 Crore.

### Talcher Fertilizers Limited (TFL)

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

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

The audited financial statements of the said Company as at March, 31 2023 reported a loss of ₹ 2.52 Crore, thus reducing in accumulated loss to ₹ 24.66 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

Particulars	₹ Crore	
	2022-23	2021-22
<b>Total Income (Net)</b>	21594.84	12948.62
<b>Total Operating Expenses</b>	19978.35	11822.90
Operational Profit	1616.49	1125.72
Depreciation/Impairment	212.12	183.55
Finance Cost	223.86	125.89
Share /(loss) of Associates/JVs	(0.84)	(1.97)
<b>Profit before Exceptional Item</b>	<b>1179.67</b>	<b>814.31</b>
Exceptional Item (income) / Expense	(93.47)	(127.63)
<b>Profit before Tax</b>	<b>1273.14</b>	<b>941.94</b>
Provision for Tax (including deferred Tax liability/ Asset)	306.83	239.55
<b>Net Profit after tax</b>	<b>966.31</b>	<b>702.39</b>

## 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:

### Vipula- Suspension NPK Fertilizer

Vipula - a new innovative Suspension NPK Fertilizer with NPK 10:10:10 was launched on 6<sup>th</sup> May, 2022 at the hands of Honourable Union State Minister for Chemical and Fertilizers Shri Bhagwanth Khuba in presence of C&MD and other Senior Managers of RCF. Product in suspension form is formulated for ease of application. The suspension fertilizers consist of insoluble solid active ingredients dispersed (normally at high concentration) in water. Suspension concentrates have shown a rapid development in the past, mainly due to their several benefits such as no dust, no problem of toxicity or flammability due to solvents and good efficiency due to the smaller particle size. It is also in low packaging volume.

### Shubhada - Multi-Micro Nutrient Fertilizer: Addressing 'Hidden Hunger'

Shubhada a Micronutrient Mixture Fertilizer contains various nutrients and controls physiological disorders and nutrient deficiencies. It promotes essential plant processes and growth, which translates into nutrient-rich food for animals and humans, improves absorption and utilization of other nutrients applied to the soil, increases yield and ensures better quality. The plant operations were commenced on 17<sup>th</sup> December 2022.

### Polyhouse: Precision Agriculture

Polyhouse is a type of greenhouse where specialized polythene sheet is used as a covering material under which the crops can be grown in partially or fully controlled climatic conditions. It protects the crops from wind, rain, radiation, precipitation and other climatic factors. It creates



microclimate surrounding the crops that help in maximum growth regarding production and quality. With a maximum level of automation, the number of manual activities, dependency on labor and overall labor cost can be drastically reduced.

Hydroponics is a method of growing plants in a water based, nutrient rich solution without soil. It is fast becoming a popular around the world due to its more sustainable approach than the usual growing methods - soil cultivation.

In view of the above, a polyhouse cum hydroponic unit of around one acre is being constructed at opposite to ETP plant. The unit will be helpful for testing new agro products on different crops round the year irrespective of the season and weather conditions.

The hydroponics facility (Polyhouse) is ready for conducting trials.

### Organic fertilizer: PROM

PROM is a phosphate-rich organic manure that improves the physical, chemical, and biological properties of the soil and increases crop production. It improves the resistance power of crops against various diseases. It can be used for all cereals, pulses, vegetables, fruits, and flowers for all plants Flowers, vegetables or crops. It increases availability of nutrients in soil and plant. CO<sub>2</sub> is released during decomposition and helps to reduce the alkalinity of the soil. The organic manure ensures availability of phosphate for the next crop unlike DAP (Diammonium Phosphate) that has to be applied for every crop. Use of organic manure reduces the soil demand for phosphate. PROM can cut down subsidy outflow on DAP.

Phosphate rich organic manure (PROM) has been formulated successfully and this meets all the norms of Fertilizer (Control) Order (FCO), 1985 (Amended July, 2021). In view of the national vision of "Atmanirbhar Bharat" and to meet the growing domestic demand for organic fertilizers RCF is setting up a new 18000 MTPA PROM plant having latest environment friendly technology.

### Sulphur Coated Urea (SCU): Urea Gold

Rising concerns about over eutrophication, stringent regulations and penalties on conventional fertilizers. Around 50-70% of added urea is lost to the environment. Use of sulphur coating on urea can help in slow release of nitrogen and contribute to improved nitrogen use efficiency.

Sulphur as a plant nutrient has been neglected for long in fertilizer pricing and policy. In 2003, the Government recognized the place of sulphur in sulphur fertilizers and the sulphur content was included in the product specifications for all S-containing materials included sulphates of micronutrients.

The R&D Department through in-house innovations has successfully formulated Sulphur Coated Urea (SCU) named as Urea Gold. The SCU is registered in FCO as per the gazette dated 16<sup>th</sup> Aug 2013.

Urea Gold addresses the most important issue of nutrient use efficiency (NUE) of urea. The NUE of urea is about 30%. The use of Sulphur coating on urea results in providing the most important secondary nutrient to the crops added with slow release of nitrogen with improved nitrogen use efficiency. Urea Gold reduces nitrogen leaching in flooded rice and wheat fields. The application of slow release of fertilizers can potentially decrease fertilizer use by 20 to 30 percent of the recommended rate of a conventional fertilizer while obtaining the same yield. The plant will be ready by July 2023.

### More with less: Nano fertilizer

Low cost, eco-friendly and sustainable means of achieving agricultural intensification and improving productivity can be adopted by use of Nano fertilizer. It enhances the availability and use of vital soil nutrients. R&D has developed Nano urea, Nano NPK and Nano DAP at Lab scale. Toxicological studies of Nano Urea conducted at Indian Institute of Toxicological Research (IITR), Lucknow showed no toxic effect on any live organism.

In order to test the efficacy of Nano urea, field trials are being conducted at various Indian Council of Agricultural Research (ICAR) Institutes or State Agricultural Universities (SAUs) at ten different locations. Final results are expected by December 2023.

### Expansion of value added products (VAP): Expanding horizon

Balanced nutrient management works on the 4R concept: The right fertilizer, right rate of usage, right time and right place of application. The aim is to shift focus on micronutrients that are sometimes more important than primary nutrients. Through its aim of feeding the crop and not the soil, balanced nutrient management considers nutrient reserve of the soil, nutrient removal by crop, targeted yield, the economics of fertilizers and profitability, farmers' investment ability, agro-techniques, soil moisture regime, soil physical environment and adverse soil conditions such as salinity, alkalinity and acidity.

Utilization of VAP can fulfil the concept of balanced or integrated nutrient management. RCF is already manufacturing, value added products (VAP) such as Bio-fertilizers, Micronutrient fertilizers, pH Balancer, Bio-stimulants and Silicon fertilizers which are gaining significance in the market. The demand for these products are increasing year on year basis. The present installed capacity is not sufficient to cater the increased market demand.

Seeing the increasing demand of various products, a new manufacturing setup with higher capacity for production of various VAPs is being installed at Trombay unit. The installation, supply and commissioning of manufacturing unit is expected to be completed by December 2023.

## New product Development

The R&D of your Company is working on various innovative products viz. suspension fertilizer/ liquid fertilizer to address the changing scenario.

### a) Nano fertilizers

Nano Micronutrients, Nano Sulphur, Nano Potash etc. have been developed at R&D. These newly developed Nano fertilizer are being tested for its stability. Pot culture studies of the same are being conducted at In-house Agriculture field as well as in Polyhouse. After successful trial results same will be commercialized. In future, research work on different range of nano fertilizers will be undertaken.

### b) Suspension fertilizer

Suspension fertilizers are defined as liquid fertilizers in which nutrients are present in an amount exceeding their solubility. They are completely dissolved in water and contain components insoluble in a dispersed form. The fertilizer salt crystals are kept in solution by a stabilizing agent that swells in the solution to form a viscosity-increasing gel, thereby preventing the sedimentation process of these particles.

Major advantages suspension fertilizers are:  
a) combine benefits of liquid and solid fertilizers, b) high concentration of nutrients maintaining in liquid form, c) Nutrient concentration is similar to the solid fertilizers.

In view of the above, following suspension fertilizers are being developed and tested for their quality.

- NK 6:0:18 with CaO (5%), MgO (2%) and B (0.5-0.8%) (suspension)
- Calcium Nitrate (10%N & CaO 15%) Fortified with MgO (2%)
- NPK 11:11:8 fortified with Zinc (0.7%) and Boron (0.5-0.7%)
- NPK 8:8:8 fortified with trace elements
- N:P:K 10:26:26/ NPK 24:24:0 /NPK 28:28:0/NPK 12:32:16
- Multi-nutrient grades: Grade with primary-secondary and micro-nutrients.

### c) Crop specific 100% Water Soluble fertilizers

Crop specific 100% water soluble grades are prepared for:

- Grapes:** 15:28:6, 6:34:17, 6:0:37:16 (N:P:K:S) are formulated which are suitable for various growth stages to enhance the yield and fruit quality.
- Tomato:** Grades are formulated for various growth stages.

c) **Onion:** Grades are formulated for various growth stages.

d) **Cotton:** Grade is formulated to manage the reddening of cotton leaves.

### d) Secondary nutrient Fertilizer

Recently, the deficiency of secondary nutrients (Ca, Mg, S) has been reported to be wide spread in Indian soils. These are now emerging as most limiting factor in enhancing crop productivity. Hence, State Agriculture Department has notified a new secondary nutrient fertilizer grade i.e. Ca:Mg:S :: 6:2:4 in powder or granular form.

Above grade is developed in powder form as well as in granular form. Granular product can be manufactured in PROM facility.

### e) Liquid Fertilizers

The following liquid grades are developed by R&D which are being tested for their stability.

- Chelated Zinc as Zinc Glycine 6.80%
- Chelated Calcium as Calcium Glycine 6.0%
- Chelated Boron as Boron Glycine 5.0%
- N:P:K 8:8:8
- Conc. Liquid Calcium: 11%

### Collaborative Research: MoU with Indian Council of Agricultural Research (ICAR) Institutes and State Agricultural Universities (SAUs)

Collaboration with Indian Council of Agricultural Research (ICAR) Institutes and State Agricultural Universities (SAUs) was done for carrying out field trials of Nano Urea, Nano DAP, Nano NPK and Geola - Bio fertiliser product. These trials will support immensely for marketing of newly developed products.

MOU has been signed between RCF & Central Coffee Research Institute, (CCRI), Coffee Board of India, Karnataka from 2021-2023 for "Evaluation of RCF Chalk on different crops". Report showed encouraging yield results.

### Promotional field trials: Seeing is believing

"Seeing is believing" concept helps a customer to adopt the new products. The demonstration helps the farmers to have know how of the new products. Promotional field trials (PFT) help to convince the growers by comparing the new product with their traditional product and practices. Government of India is also pushing for achieving sustainability in agriculture and rural areas across the nation through the adoption of Integrated Nutrient Management (INM).





In order to help farming a community and maximizing agricultural yield, RCF has developed balanced nutrient package for Pomegranate, Onion, Sugarcane, Coconut, Mango, Cotton, Banana, Grapes and for many vegetables crops. It helps in fulfilling sustainable approach to resource usage than the usual growing methods or over use of fertilizers.

In the recent past RCF had conducted numerous PFTs on farmer's field in various states either in the form of Front Line Demonstrations (FLDs) and or Result demonstrations (RDs). RCFs Marketing person are agricultural backgrounds and qualifications which have the advantage for making ease understanding the new concept of Agriculture to the Indian farmers.

Presently, to popularize RCFs new and existing products among farmers, multiple promotional field trials are being conducted at Konkan (Ratnagiri and Sindhudurg) and central Maharashtra (Nashik) region on crops like Mango, Cashew, Coconut and Onion. Around 1200 trees have been undertaken for product demonstrations in Konkan region.

## ENVIRONMENT MANAGEMENT AND POLLUTION CONTROL

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

Your Company has established ISO 14001 compliant Environment Management System (EMS) along with Safety Management System (ISO 45001), Quality Management System (ISO 9001), and Energy Management System (ISO 50001). Certification for IFA Protect & Sustain Product Stewardship System of international standard for Safety, environment and product security at its both the manufacturing units. The Management Systems are constantly upgraded, periodic audits and Management Review conducted to ensure compliance and continual improvement. Apart from Stack monitors, which continuously monitor the emissions, four fixed ambient air quality monitoring stations are in place, at both Trombay and Thal, to monitor ammonia, NO<sub>x</sub>, SO<sub>2</sub>, Particulate matter (PM<sub>10</sub> & PM<sub>2.5</sub>) & metrological parameters. These monitoring units are connected to MPCB and CPCB servers for continuous monitoring online data of air quality, effluent parameters. At both unit, Third party monitoring for stack, ambient air quality (Dust, Ammonia, NO<sub>x</sub>, SO<sub>2</sub>) and ETP overflow (as per consent parameters) is being done by MoEFCC approved laboratory once in a month. As you are aware RCF uses clean fuel to reduce the Green House Gas emission, efforts are taken to minimize emissions with Reduce, Recycle & Reuse schemes.

The Effluent Treatment plants (ETP) at Trombay and Thal unit have ensured that the environment in and around the operating units are fully protected. Environmental safety of 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 two nos. of Sewage treatment Plants to treat sewage of Mumbai city & use the purified water after treatment for industrial purpose, thereby saving equivalent quantity of potable water for consumption by Mumbaikars.

At Trombay unit, 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.

At Thal Unit, ETP Up gradation Project is in progress and expected to be completed by August 2023. After completion of this project, 5,300 M<sup>3</sup>/day will be used for industrial use from recycling 9,000 M<sup>3</sup>/day effluent using state of art technology. It will reduce burden on fresh water resources.

The integrated Effluent Treatment Plant in both Units ensures that the effluent discharged from the factory meets the statutory requirements laid down by the State 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 societies, Panchayat offices, ladies club members and household members in the adjoining localities.

As per International Fertilizer Association (IFA), RCF's safety benchmarking rating is 19 out of 61 participating fertiliser companies for calendar year 2021.

## 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 ₹ 11.93 Crore including ₹ 0.49 Crore set off for succeeding financial year on CSR activities. The activities, in brief, are as under:

### Medical Equipment to District Civil Hospital, Alibag

RCF company has provided the medical equipment to the civil hospital such as Phaco Emulsification Machine,

OCT Machine, Surgical Microscope, Fully Auto Horz Sterilizer, Vert Double Drum Sterilizer Ortho Operation Table, Electronic Operation Table, Instrument Cabinet for OT, ABG Machine, Tourniquet Machine, Anesthesia Work Station, Attendant Revolving stool for Hospital, Standard Medical Stethoscope, Blood Pressure Apparatus.

### Supply of drinking water to the villages

RCF has been providing drinking water for last 25 years to seven villages around Thal unit through pipelines laid down from the water reservoir in the unit. More than 20,000 residents of the villages got benefited of the scheme.

The villages of Thal, Navgaon, Vaishet, Tudal, Boris-Gunjis, Bhal, which are under RCF, Thal factory, are being supplied with drinking water by RCF.

Nearly 20,000 families are getting the benefit of this scheme. The bill for this water supplied by MIDC is paid by RCF Company.

### Garbage Vans to Villages:

Under the Swachhta Abhiyaan, the RCF Thal has given E-garbage carts to the Gram Panchayats in the factory area and other remote areas. During the years RCF has been covered all grampanchayats i.e. Navgaon, Kurul, Jirad, Awas, Mule, Mann villages. These vehicles are provided to them as per their request.

Medical Camps: RCF has been arranged free health check-up, Eye and dental check-up and distribution of free medicines in the vicinity of Chembur. We have organised more than 15 health camp in the surrounding area with the help of local NGOs.

Medicines to Civil Hospital for HIV patients: RCF has supply the required medicines to HIV department of district civil hospital undr this initiative. These medicines are distributed free of cost as per the need of the patient who cannot afford to buy these medicines. RCF is a proud contributor in AIDS Control Mission of Nation.

Medical equipment to Primary Healthcare centre: RCF has provided medical equipments to 9 sub centers of Primary Healthcare centre Dhokawade under CSR. All sub-centres are under Primary Healthcare center Dhokawade, Taluka Alibag, District Raigad provide free medical services to locals:

Ambulance to needy: RCF has provided financial assistance for procurement of ambulance for providing free services in Roha Taluka, Raigad, and Sindurdurg Distirict. This facility will be used as a transportation mode for the sick and injured people located at a distance to get them to hospital

### Rural Development- Repairing of Roads:

RCF has completed road repairing work of local villages in the vicinity of RCF Thal unit under CSR. The Company has repaired local Roads from Thal Navagaon Road, Boris Gunjis and local Road from Chondhi naka to Kihim bus stand road

under the rural development for for good transportation of villagers.

### Financial Assistance for furniture of paediatric ward:

RCF Ltd. has provided financial assistance to Central Railway Women 's Welfare Foundation by giving financial assistance for Dr. Babasaheb Ambedkar memorial hospital, Byculla, Mumbai which caters to patient of Central Rly and all Zones of Indian Railway along with CGHS Beneficiaries and general public. The fund is utilized for the purchase of Hospital Furniture for use in Pediatric ICU & Pediatric Ward.

Construction of Toilet block and drinking water facilities to school : RCF has assist to Shikshan Prasarak Mandal, Kurundwad a well-known educational institution working in the field of Education from the last 97 years for the building of Toilet and Providing Fresh drinking water facility in the school of Kurundwad, District Kolhapur, Maharashtra.

Children are the gems of the future and RCF believes that every child are special and needed to be treated with empathy and love.

### Women Empowerment:

RCF has 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 learn their livelihood and support their family. Medical Camps for Women and girls about the menstrual hygiene through nirtyanjali Ngo. Finnancial assistance for the installation of sanitary pad manufacturing unit at Koraon block, U.P

### Aspirational District (Washim)

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 2022-23 was Health Care & Nutrition.

RCF has selected Washim Dist. which is one of the Aspirational district in Maharashtra and implemented following schemes:

#### 1. Skill development programme for youth:

RCF has joined hands with OSSF which is working in the field of education, and skill development activities all over India.

This skill development program will focus on Basic skills of soft skills, computer and communication aspects and exposure to domestic and international market. The sole objective of this initiative is to make educated youth ready for employment

#### 2. Education to secondary students:

RCF has supported the project "Anando" at Washim District, Maharashtra. Under this project Anando, LOLT supports underprivileged rural children to complete their



secondary education (7<sup>th</sup> to 10<sup>th</sup> standard). It promotes importance of secondary education of rural children to empower them.

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

With amendment in Public procurement policy for Micro & Small Enterprises (MSEs) order, 2012 vide Gol Gazette Notification S.O. 5670(E) dated 9<sup>th</sup> November, 2018, the percentage target of procurement of goods and services by Government Departments/CPSEs from MSEs is increased from 20% to at least 25% along with the provision of minimum 3% reservation for Women owned MSEs within this 25% reservation. This amendment is made applicable from 9<sup>th</sup> Nov 2018. Due to the very nature of operations of our Company, the procurement targets could not be achieved in the year 2022-23.

With the efforts taken by the Company, the procurement from MSEs, cost of the items procured through MSEs at both Trombay and Thal units is ₹ 608.49 Crore out of the total procurement cost of ₹ 1515.45 Crore (excluding raw material, gas, water, electricity, catalysts, proprietary items etc.) which works out to be 40.15 %. The procurement from MSEs owned by SC/ST Entrepreneurs is ₹ 4.13 Crore which is 0.27 % and procurement from women owned MSEs is ₹ 7.16 Crore which is 0.47 % of the total procurement of the year 2022-23. The percentage procurement is calculated excluding Raw materials, gas, water, electricity, catalyst and proprietary items which cannot be procured from MSEs.

## SUSTAINABLE DEVELOPMENT

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

### New Sewage Treatment plant

Your Company is running Two Sewage Treatment Plants (STPs) at Trombay Unit with each plant having capacity to treat around 22.75 Million Litres per Day (MLD) of sewage received from MCGM which otherwise would have been drained in to the sea after preliminary treatment. The STP plants treat waste sewage generated in the city and convert it into treated water. Both plants together generate about 30 MLD of treated water which is being used in our plants as process water. A part of treated water generated is supplied to M/s BPCL. Both STP plants of Your Company are of great value to residents of Mumbai and Society at large besides improving reliability of operations of RCF Trombay Unit.

During the year 2022-23, about 8780.12 MLD of treated water was generated at both STP plants.

### Solar Power Plant

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

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

At RCF, during the year 2022-23, 4,217 MWh of solar power was generated. Also, during the year 2022-23, 1,852 no of Solar Renewable Energy Certificates (RECs) were generated.

## VIGILANCE

Vigilance Department is headed by Shri Sameer Rastogi (IFS-1988), who holds the charge of Chief Vigilance Officer of the Company. He leads a team of officers drawn from various functional departments and placed in Corporate Office at Mumbai and at RCF Thal Unit. Vigilance Department is committed 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.

As part of Preventive Vigilance, efforts are made to keep a watch on the various activities of Corporate Office, Trombay Unit, Thal Unit and Marketing offices situated across the country through regular inspections and surprise checks. Systemic improvements and corrective actions are suggested wherever necessary. The ideology that "All officers are Vigilance Officers" is implemented in the Company. Support of all officers is taken in implementation of Vigilance directives.

Vigilance Department has focused on spreading awareness on rules/regulations, procedures and solicited information/complaints from all regarding malpractices or corruption. Preventive Vigilance Training Program based on CVC's "Naitik" approach is imparted by in house faculties to Management Trainees, Junior and Middle Level Managers. Vigilance Department's Online Grievance Management Portal is implemented for lodging of complaints. Efforts are made to ensure their speedy Redressal.

Vigilance department has been front-runner in identifying the advantages of leveraging technology and automation in procurement, recruitment and service delivery etc. Some of the initiatives for promoting transparency and ensuring well-informed decisions by making use of technology for improving compliance are:



- Contract compliance Data in SAP system.
- Program developed and implemented in Intranet website for display of list of work orders/ Contracts expiring in next 4 months .
- Facility developed and implemented to display circulars on RCF Parivar App.
- Upgradation in Medical Bill reimbursement system.

As a recognition of Vigilance Department's efforts, your Company won the **Governance Now 9<sup>th</sup> Edition PSU Award** in the category "**Technology initiative in Vigilance in PSUs**" during the awards ceremony held on **16<sup>th</sup> February, 2023 at New Delhi**.

Precursor campaign to Vigilance Awareness Week (VAW)-2022 was conducted during the period 16<sup>th</sup> August to 15<sup>th</sup> November, 2022 that focused on Housekeeping and preventive vigilance activities like Property management, Management of Assets, Record keeping, etc. VAW-2022 was observed from 31<sup>st</sup> October to 6<sup>th</sup> November, 2022 during which employees, family members, school and college children, farmers, dealers, vendors participated wholeheartedly in various events such as Street play, Slogan, Poster-making and Quiz competitions. The details of activities conducted during VAW-2022 are as follows:

### Vigilance Awareness Week (VAW) - 2022

In accordance with the instructions contained in CVC'S Circular No.022/VGL/029 dated 08.09.2022, the Vigilance Awareness Week 2022, was observed in Rashtriya Chemicals and Fertilizers Limited from 31.10.2022 to 06.11.2022 in both its manufacturing units located at Trombay and Thal. The week was also observed in various Marketing Offices located throughout the country in line with the theme for this year, "**Corruption free India for a Developed Nation**".

An emphasis was laid on cultivating the virtue of integrity and honesty in personal and professional lives and the importance of moral and ethical values for growth of the organization and the nation as a whole. In this connection following programmes were organized involving different stakeholders of the company:

- ✓ **Administration of Integrity Pledge** : Around 968 Employees from 35 offices located in Trombay & Thal unit and marketing offices spread over 18 cities in 12 states participated. Employees, vendors, dealers were encouraged to take e-integrity pledge.
- ✓ **Distribution of Badges / Banners** : Badges (1200 Nos.) were distributed among Employees, Vendors, and Dealers etc. to increase Vigilance awareness. 27 nos. Banners were displayed at both factory premises, at major marketing offices & residential colonies for better outreach to citizens.
- ✓ **Guest lecture by eminent speaker** : Lecture was organized for RCF employees at Trombay on

02.11.2022 and at Thal on 03.11.2023 and marketing department officers joined online simultaneously on VAW-2022 theme "Corruption free India for a developed Nation". Mr. Anand Kulkarni, a renowned life-coach explained the participants how to self-introspect about independent Nation and include responsibilities and self-managed behavior of citizens towards a self-reliant and vigilant nation. Total 147 employees attended the lecture.

- ✓ **Involvement of Employees & stakeholders** : Awareness Walkathon, Elocution, Slogan, Quiz and Street Play competitions were organized for employees and their family members.
- ✓ **Involvement of Dealers/Actual users, Retailers and Farmers** : Online Quiz competitions were organized for Fertilizer dealers/ retailers and farmers, IPD dealers and users. More than 300 farmers and dealers participated in this quiz competitions.
- ✓ **Involvement of school / college children** : 178 entries were received in Essay competition and 112 entries were received in Poster competition organized for school students from class 5 to 10, and 14 college students participated in Blog Writing competition organized for college students from class 11 onwards.
- ✓ **Organized Dealers Meet** : A Dealers Meet was organized on 04.11.2022 at Krishi Vigyan Kendra, Rajgurunagar based on VAW 2022 theme i.e. "Corruption free India for a developed nation" with an aim to spread awareness and apprise the dealers on how to get benefits from the transparent procedures of RCF and its marketing network.
- ✓ **Organized "Awareness Gram Sabha"** : RCF arranged "Awareness Gram Sabha" at Kalus, Taluka-Khed , District- Pune on 04.11.2022 to sensitize citizen on the ill effects of Corruption.
- ✓ **Felicitation Program** : Winners of all competitions in each category were felicitated at Corporate office-Priyadarshini, Mumbai in presence of CMD, RCF, CVO, Directors and senior officials. All out station winners joined the Felicitation function on e-platform from their respective locations i.e. Thal, Beed, Bhandara and Nagpur

### 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 2022-23. The Auditors would be retiring at the conclusion of the Forty Fifth 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 2023-24 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 (Registration No. FRN000024), as Cost Auditor to audit the cost accounts of the Company for the year 2023-24 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 2021-22 with the Ministry of Corporate Affairs within the prescribed time limit.

### c. SECRETARIAL AUDITOR AND THEIR REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Bhandari and Associates, a firm of Company Secretaries in Practice (C.P. No. 366) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as **Annexure III** and forms an integral part of this Report.

### EXPLANATION OR COMMENTS BY THE BOARD ON SECRETARIAL AUDIT REPORT

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

- a) The Board of Directors comprised of Eight Directors, constituting of Three 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.
- b) The Nomination and Remuneration Committee (NRC) comprised of Two Directors constituting of One Independent Director and One Nominee Director (non-executive) for the period from August 12, 2022 upto September 27, 2022. As per Regulation 19(1)(a) of the Listing Regulations and section 178 of the Act, the committee shall comprise of at least three directors and as per Regulation 19(1)(c) of the Listing Regulations, at least two-thirds of the Directors shall be Independent Directors. Thus, the listed entity did not have three Directors in NRC and further, two-thirds of the Directors were not Independent Directors for the aforesaid period.
- c) The Company has conducted the 4<sup>th</sup> Risk Management Committee (RMC) meeting on March 05, 2022 and 5<sup>th</sup> RMC meeting on September 27, 2022 i.e., at a gap of 206 days between two consecutive meetings. As per Regulation 21 of the Listing Regulations, the meetings of the RMC shall be conducted in such a manner that on a continuous basis, not more than one hundred and eighty days shall elapse between any two consecutive meetings. Thus, the gap between two consecutive meetings of the RMC was beyond the prescribed timelines.
- d) The Company has submitted the disclosure of related party transactions for half year ended

March 31, 2022 to the Stock Exchanges on June 06, 2022 and has intimated the disclosure of financial results on May 27, 2022. However, being an equity and high value debt listed entity, the disclosure of related party transactions was required to be given along with the disclosure of financial results. Thus, the disclosure was given beyond the timelines specified under Regulation 23(9) of the Listing Regulations.

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

- a. Your Company is a Central Public Sector Undertaking under the Administrative control of the Ministry of Chemicals and Fertilizers, Department of Fertilizer, Government of India and its Directors on the Board are nominated / appointed by the President of India. The Company is continuously pursuing with the Government of India for the appointment of requisite number of Independent Directors on the Board in order to comply with the provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- b. Shri Kashee Nath Akela, who is member of Nomination and Remuneration Committee ceased to be Independent Director of the Company on August 12, 2022. Subsequently, Nomination and Remuneration Committee was reconstituted by the Board of Directors on September 27, 2022 in line with Regulation 19 of SEBI Listing Regulations. Further, Nomination and Remuneration Committee did not meet during period from 12.08.2022 to 27.09.2022
- c. There has been inadvertent lapse in the timeline for conducting the Risk Management Committee meeting. Going forward company will adhere to the statutory timelines
- d. Since the comments made by Secretarial Auditor are in the nature of factual statement, Company does not have any comments to offer on the same.

**d. SECRETARIAL STANDARDS**

During the year 2022-23, 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, 2023, 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, 2023 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 2021-22.

### 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 March 31, 2023 :

1. Shri S. C. Mudgerikar [DIN 03498847], Chairman & Managing Director
2. Ms Nazhat J. Shaikh [DIN 07348075], Director (Finance) & CFO
3. Shri Milind M. Deo [08715250], Director (Technical)
4. Shri K. U. Thankachen [DIN 06946476], Director (Marketing) (upto 31.07.2022)
5. Shri Jai Bhagwan Sharma [FCS 5030], Company Secretary

### CHANGES IN THE BOARD OF DIRECTORS

Shri Satendra Singh [DIN 05195060] has been appointed as Government Nominee Director on the Board of the Company w.e.f. July 20, 2022.

Shri K. U. Thankachen [DIN 06946476], ceased to be Director (Marketing) on the Board of the Company w.e.f. July 31, 2022 (Closure of business hours).

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

Shri Satendra Singh [DIN 05195060] ceased to be Government Nominee Director on the Board of the Company w.e.f. October 19, 2022.

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

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

Shri Sanjay Rastogi (DIN 07722405) appointed as Government Nominee Director on the Board of the Company w.e.f. February 21, 2023.

Smt. Shashi Bala Bharti (DIN 08770477) ceased to be Independent Director with effect from June 25, 2023.

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

As per Section 152 of the Companies Act, 2013, Ms Aneeta C. Meshram (DIN: 09781436) and Shri Sanjay Rastogi (DIN 07722405), 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

Fourteen (14) Board Meetings were held during the year. The details of the Board Meetings held during the financial year 2022-23 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 2022-23 as per regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



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

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

## CREDIT RATINGS

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

## PARTICULARS OF EMPLOYEES

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

## VIGIL MECHANISM/WHISTLE BLOWER POLICY

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

## RELATED PARTY TRANSACTIONS

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

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

The details of the investment in equity made by the Company as on March 31, 2023 is as under:

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

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

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

## INTER CORPORATE DEPOSIT

In connection with one time settlement entered into with Dena Dank, the Company had paid total ₹ 51 crore (₹ 12 crore during the year 2017-18 and ₹ 39 crore during the year 2018-19) to Dena Bank as one time settlement which includes an amount of ₹ 25.50 crore being the share of The Fertilisers and Chemicals Travancore Limited (FACT), the joint venture partner in FRBL. This amount is shown as interest bearing inter corporate deposit given. FACT shall repay the same in five annual equal instalments commencing from December 2020. FACT has made payment of Three installment total amounting of ₹ 15.30 crore out of the total 5 installments 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, one 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. During the year, committee disposed of Two (2) complaints (out of two complaints, one complaint was pertaining to the previous year) of Sexual Harassment of Women at Workplace.

## 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 195 RTI applications out of which 173 have been replied.

## 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, 2023 is available on the Company's website on [www.rcfltd.com/investerrelations/agm-1](http://www.rcfltd.com/investerrelations/agm-1)

## 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 & SUSTAINABILITY 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](http://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: September 14, 2023

## 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, 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.rcfldtd.com/public/storage/cmsspages/cmsspdfFile/F1565001231-CSR\\_POLICY.pdf](https://www.rcfldtd.com/public/storage/cmsspages/cmsspdfFile/F1565001231-CSR_POLICY.pdf)

<https://www.rcfldtd.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.	Smt. Shashi Bala Bharti	Chairperson, Independent Director	6	6
2.	Ms Aparna S. Sharma	Member, Govt. Nominee Director	3	2
3.	Ms Aneeta C. Meshram	Member, Govt. Nominee Director	4	0
4.	Ms Nazhat J. Shaikh	Member, Director (Finance)	6	6

### 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.rcfldtd.com/public/storage/investers/1622527449.pdf>

CSR policy [https://www.rcfldtd.com/public/storage/cmsspages/cmsspdfFile/F1565001231-CSR\\_POLICY.pdf](https://www.rcfldtd.com/public/storage/cmsspages/cmsspdfFile/F1565001231-CSR_POLICY.pdf)

#### CSR projects –

<https://www.rcfldtd.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 2022-23. However, Company 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

SI No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
1.	2022-23	49.58 Lakh	49.58 Lakh

6. Average net profit of the Company as per section 135(5): ₹ 58331 lakh

7. (a) Two percent of average net profit of the Company as per section 135(5): ₹ 1167 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: 49.58 lakh

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 1117.42 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
1243.06	Nil	-	-	Nil	-

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in ₹).	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)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in ₹ Lakh)	Mode of implementation Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Rgd. Number
1.	Supply of Drinking Water in villages near Thal unit	Promotion of Healthcare	Thal, Tal. Alibag	Maharashtra	Raigad	62.46	Yes	RCFL	
2.	Medical Equipment to District Civil Hospital, Alibag	Promotion of Healthcare	Alibag Taluka	Maharashtra	Raigad	131.09	Yes	RCFL	
3.	Adivasi uplifting (Health camp)	Promotion of Healthcare	Thal, Tal. Alibag	Maharashtra	Raigad	5.00	NO	NGO	CSR00006104
4.	Fin. Asst. to CST for Blood Donation camp at Chembur	Promotion of Healthcare	Chembur	Maharashtra	Mumbai	0.40	NO	NGO	CSR00009002



(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/ No).	(5) Location of the project.		(6) Amount spent for the project (in ₹ Lakh )	(7) Mode of implementation Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Rgd. Number
5.	Cardiac Ambulance to needy patients at Alibag Raigad	Promotion of Healthcare	Raigad District	Maharashtra	Raigad	20.00	Yes	RCFL	
6.	Fin Asstt to Ekalavya Bal Shikshan & Arogya Sanstha	Promotion of Healthcare	Pune	Maharashtra	Pune	9.52	NO	NGO	CSR00004298
7.	Fin Asstt to Swastik Foundation for procurement of Ambulance for old age home	Promotion of Healthcare	Sindhudurg	Maharashtra	Sindhudurg	5.00	NO	NGO	CSR00006513
8.	Garbage Disposal Vehicles to Grampanchayats nearby Thal Unit	Promotion of Healthcare	Thal, Tal. Alibag	Maharashtra	Raigad	32.24	Yes	RCFL	
9.	Equipment to Primary Health Care centre -Thal , Raigad	Promotion of Healthcare	Thal, Tal. Alibag	Maharashtra	Raigad	34.16	Yes	RCFL	
10.	Gymnasium Equipment to Thal Machhimar Society,Thal	Promotion of Healthcare	Thal, Tal. Alibag	Maharashtra	Raigad	3.82	Yes	RCFL	
11.	Primary health care camps for nearby villages of Thal unit - Lion Health Foundation	Promotion of Healthcare	Alibag Taluka	Maharashtra	Raigad	6.65	NO	NGO	CSR0006740
12.	Health Check up Camp at Chembur through NGOs	Promotion of Healthcare	Chembur, Mumbai	Maharashtra	Mumbai	8.88	NO	NGO	CSR00022351, CSR00009002
13.	HIV Medicines to District Civil hospital, Alibag	Promotion of Healthcare	Alibad Taluka	Maharashtra	Raigad	18.35	Yes	RCF	
14.	Asstt to Naya Saveri Samajik Sanstha to arrange medical awareness programs	Promotion of Healthcare	Karimganj	Assam	Karimganj	5.00	NO	NGO	CSR000165787
15.	Construction of Toilet at S. K. Wadke High school, Chondhi,Alibaug	Promotion of Healthcare	Tal. Alibag	Maharashtra	Raigad	10.00	NO	NGO	CSR00050389
16.	Medical Aid Equipment to Balwadi Children of Makhurd Area through CST	Promotion of Healthcare	Chembur, Mumbai	Maharashtra	Mumbai	1.16	NO	NGO	CSR00009002
17.	Fin. Asstt to Sri Shanmukhananda Charitable Trust	Promotion of Healthcare	Sion, Mumbai	Maharashtra	Mumbai	5.10	NO	NGO	CSR00001777
18.	Fin. Asstt for furniture for paediatric ward, Central Railway Hospital, Byculla, Mumbai – CRWWO	Promotion of Healthcare	Byculla, Mumbai	Maharashtra	Mumbai	9.96	NO	NGO	CSR000019635



(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/ No).	(5) Location of the project.		(6) Amount spent for the project (in ₹ Lakh )	(7) Mode of implementation Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Rgd. Number
19.	Financial Assistance for project "Sakhi" for Adivasi Women - Rnisarg Foundation	Promotion of Healthcare	Thane	Maharashtra	Thane	3.00	NO	NGO	CSR00000983
20.	Financial Assistance to Bharat Jodo Yuva Acadamy for construction of Hospital at Kinwat of Nanded district	Promotion of Healthcare	Nanded	Maharashtra	Nanded	1.00	NO	NGO	CSR00003262
21.	Mi Mumbaikar Abhiman Abhiyan Pratishthan _ Fin asstt for Ambulance	Promotion of Healthcare	Mumbai	Maharashtra	Mumbai	27.00	NO	NGO	CSR00006199
22.	Medical camp for Women & Girls - Nrityanjali, Thane	Promotion of Healthcare	Thane	Maharashtra	Thane	1.43	NO	NGO	CSR00009648
23.	Fin Asstt to Shikshan Prasarak mandal, Kurundwad, Kolhapur - Costruction of toilets & drinking water facility	Promotion of Healthcare	Kolhapur	Maharashtra	Kolhapur	10.00	NO	NGO	CSR00020744
24.	Fin Asstt for medical equipments to Shivashanti Snehalay Sevabhavi Sansth, Alibag	Promotion of Healthcare	Alibag Taluka	Maharashtra	Raigad	11.81	NO	NGO	CSR00039403
25.	Fin asstt for purchase of Industrial Laundry Unit to Children's Aid Society, Mumbai	Promotion of Healthcare	Mankhurd, Mumbai	Maharashtra	Mumbai	20.00	NO	NGO	CSR000010533
26.	Fin asstt for purchase of Dialysis Machines- Sphala Trust	Promotion of Healthcare	Chembur, Mumbai	Maharashtra	Mumbai	8.00	NO	NGO	CSR00034354
27.	Fin asst to installation of sanitary pad manufacturing unit at Koraon block, U.P. – Sanjeevani	Promotion of Healthcare	Koraon Block, U.P.	Uttar Pradesh	Koraon	50.00	NO	NGO	CSR00038849
28.	Procurement of Medical equipments for Shatabdi Hospital, Govandi	Promotion of Healthcare	Mumbai	Maharashtra	Mumbai	2.74	Yes	RCFL	
29.	Fin asstt for center for special children to Beautiful Tomorrow Foundation	Promotion of Healthcare	Navi Mumbai	Maharashtra	Mumbai	5.00	NO	NGO	CSR00004010



(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/ No).	(5) Location of the project.		(6) Amount spent for the project (in ₹ Lakh )	(7) Mode of implementation Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Rgd. Number
30.	Mid day Meal to Non Aided Schools (for month of March)	Promotion of Healthcare	Chembur, Mumbai	Maharashtra	Mumbai	7.81	NO	NGO	CSR00001973
31.	Fin Asstt for rehabilitation centre –Swayam	Promotion of Healthcare	Thane	Maharashtra	Thane	5.00	NO	NGO	CSR00044983
32.	Water purifiers and Sanitary Pad Incineratos to School in Alibag -CFTI	Promotion of Healthcare	Alibag Taluka	Maharashtra	Raigad	28.00	NO	NGO	CSR00005034
33.	Bubble CPAP units for the neonatal unit at Sion Hospital-Rotary Club , Chembur	Promotion of Healthcare	Sion, Mumbai	Maharashtra	Mumbai	13.25	NO	NGO	CSR00034980
34.	Fin. Asstt for Free Cataract Operations - Lion Health Foundation	Promotion of Healthcare	Alibag Taluka	Maharashtra	Raigad	12.00	NO	NGO	CSR0006740
35.	India HIV/ AIDS Alliance -Medicines to HIV/ AIDS patients	Promotion of Healthcare	Delhi	Delhi	Delhi	15.00	NO	NGO	CSR00000025
36.	Fin. Asstt for purchase of equipment and Nutritional support to patients of District TB Center- Surbhi Swayansevi Santha	Promotion of Healthcare	Alibag Taluka	Maharashtra	Raigad	20.46	NO	NGO	CSR00044664
37.	Civil works at Ranade High School, Thal, Alibag	Promotion of Healthcare	Alibag Taluka	Maharashtra	Raigad	6.66	Yes	RCFL	
38.	Fin Asstt. For construction of toilet bolcks -Anjuman School, Murud	Promotion of Healthcare	Alibag Taluka	Maharashtra	Raigad	15.00	NO	NGO	CSR00034525
39.	Financial Assistance to Diagnostic Centre at Chembur - Central Chinmaya Mission Trust	Promotion of Healthcare	Chembur, Mumbai	Maharashtra	Mumbai	15.40	NO	NGO	CSR00008084
40.	Financial Assistance for Menstrual Hygiene Management for Rural Girls/ Women in UP - Kalaimagal Education and Social Integration Trust	Promotion of Healthcare	Vaishali, Uttar Pradesh	Uttar Pradesh	Vaishali	9.89	NO	NGO	CSR00013317

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/ No).	(5) Location of the project.		(6) Amount spent for the project (in ₹ Lakh )	(7) Mode of implementation Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Rgd. Number
				41.	Swachh Bharat Kosh			Promotion of Healthcare	Delhi
<b>A.</b>	<b>Total Thematic Activities Spent</b>					<b>727.24</b>			
<b>B.</b>	<b>NON -THEMATIC ACTIVITIES</b>								
42.	Supply of saplings and seeds to farmers	Rural Development	Thal, Tal. Alibag	Maharashtra	Raigad	12.97	Yes	RCFL	
43.	Resurfacing of Navgaon Road and internal road from Boris Phata to Gunjis Phata	Rural Development	Thal, Tal. Alibag	Maharashtra	Raigad	28.82	Yes	RCFL	
44.	Repair of Roads at Nearby Thal Unit	Rural Development	Thal, Tal. Alibag	Maharashtra	Raigad	223.34	Yes	RCFL	
	1. Navgaon st stand to Navgaon ughdi internal road						Yes	RCFL	
	2. Tudal phata to Tudal Vasahat internal road						Yes	RCFL	
	3. Vaishet naka to Vaishet internal road						Yes	RCFL	
	4. Bhal naka to Thal Palthi road						Yes	RCFL	
45.	Promotion of Rural Sports In Raigad District	Sports Development	Thal, Tal. Alibag	Maharashtra	Raigad	10.00	NO	NGO	CSR00044664
46.	Procurement of Multipurpose Machines for Mahila Bachat Gat, Alibag	Women Empowerment	Thal, Tal. Alibag	Maharashtra	Raigad	15.98	Yes	RCFL	
47.	Vehicle for Awareness and education to Alibag Police station	Promotion of Education	Alibag	Maharashtra	Raigad	21.98	Yes	RCFL	
48.	Up gradation of Science Labs in P.N.P Education Society , Alibag	Promotion of Education	Tal. Alibag	Maharashtra	Raigad	21.82	NO	NGO	CSR00005558
49.	Fin. Asst to Strimukti Sanghatna to arrange family council programs	Promotion of Education	Thane	Maharashtra	Raigad	10.50	NO	NGO	CSR00001126
50.	Fin. Asst to Asmita Mahila Mandal to purchase educational material for students	Promotion of Education	Chembur, Mumbai	Maharashtra	Mumbai	1.00	NO	NGO	CSR00022351
51.	Scholarship to SC/ST Students at Thal , Raigad	Promotion of Education	Thal, Tal. Alibag	Maharashtra	Raigad	0.60	Yes	RCFL	
52.	Training to Farmers -Anupam Samajik Sanstha	Promotion of Education	Karimganj	Assam	Karimganj	2.80	NO	NGO	CSR00010410



## Rashtriya Chemicals and Fertilizers Limited

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/ No).	(5) Location of the project.		(6) Amount spent for the project (in ₹ Lakh )	(7) Mode of implementation Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Rgd. Number
53.	Fin. Asstt. to Students for purchase of educational Materials	Promotion of Education	Chembur, Mumbai	Maharashtra	Mumbai	0.40	NO	NGO	CSR00020890
54.	Fin. Asstt. to Tribal Students	Promotion of Education	Chembur, Mumbai	Maharashtra	Mumbai	0.30	NO	NGO	CSR00020890
55.	Asst to Janseva Trust for Param Innovation Project at Bengaluru	Promotion of Education	Bengaluru	Karnataka	Bengaluru	25.00	NO	NGO	CSR00006302
56.	Fin. Asstt. to Light of Life Trust to implement "Anando" project at Washim Dist. (Aspirational Dist)	Promotion of Education	Washim	Maharashtra	Washim	7.35	NO	NGO	CSR0006740
57.	Fin. Support to OSSF for skill development programme at Washim Dist. (Aspirational Dist)	Skill Development and livelihood	Washim	Maharashtra	Washim	12.00	NO	NGO	CSR00015506
58.	Construction of Studio , Conference hall for education - Muslim Foundation For Renaissance, Kolhapur	Promotion of Education	Kolhapur	Maharashtra	Kolhapur	10.00	NO	NGO	CSR00021515
59.	Furniture and TV sets- ZP school , Salgar, Solapur - BJS	Promotion of Education	Solapur	Maharashtra	Solapur	7.06	NO	NGO	CSR00002537
60.	Construction of Community Hall - Vashi Gram Mandal	Rural Devalopment	Chembur, Mumbai	Maharashtra	Mumbai	20.00	NO	NGO	CSR0003340
61.	Fin Asstt for solar powered irrigation - Keshav Srushti	Sustainable Development	Palghar	Maharashtra	Palghar	10.00	NO	NGO	CSR00002691
62.	Fin Asstt for Research lecture series -Marathi Vidnyan Parishad (MVP)	Promotion of Education	Mumbai	Maharashtra	Mumbai	7.37	NO	NGO	CSR000021972
63.	Fin Asstt for Animal Welfare to Shri Shri Nityanandpad Aashram	Animal Care	Nainital	Uttarakhand	Nainital	5.00	NO	NGO	CSR00020724
64.	Skill Development programme at Washim District_OSSF - Aspirational District	Skill Development and livelihood	Washim	Maharashtra	Washim	12.00	NO	NGO	CSR00015506
<b>B.</b>	<b>Total Non Thematic Spent</b>					<b>466.29</b>			
<b>C.</b>	<b>Utilization of excess amount spent in previous year- Brought Forwarded expenditure</b>					<b>49.58</b>			
	<b>Total A+B+C</b>					<b>1,243.11</b>			



(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/ No).	(5) Location of the project.		(6) Amount spent for the project (in ₹ Lakh )	(7) Mode of implementation Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Rgd. Number
	Excess CSR expenditure					50.00			
	Carry forward to next year					50.00			
	<b>CSR Expenditure for 2022-23</b>					<b>1193.11</b>			

(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) ₹ 1243.11 lakh

(g) Excess amount for set off, if any: ₹ 50.00 Lakh

Sl. No.	Particulars	Amount (in ₹) lakh
(i)	Two percent of average net profit of the Company as per section 135(5)	1167
(ii)	Total amount spent for the Financial Year	1243.11
(iii)	Excess amount spent for the financial year [(ii)-(i)]	76.11
(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)]	50.00 *

\* Total CSR spent for the year 2022-23 is ₹ 1243.11 Lakh. Total CSR expenditure accounted for the year 2022-23 is ₹ 1193.11 Lakh. Excess amount available for set off in succeeding financial year is ₹ 50 lakh (₹ 1243.11 lakh- ₹ 1193.11 lakh)

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	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 ₹)	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) Sl. No.	(2) Project ID	(3) Name of the Project.	(4) Financial Year in which the project was commenced.	(5) Project duration.	(6) Total amount allocated for the project (in ₹).	(7) Amount spent on the project in the reporting Financial Year (in ₹).	(8) Cumulative amount spent at the end of reporting Financial Year. (in ₹)	(9) Status of the project - Completed / Ongoing.
-	-	-	-	-	Nil	-	-	-



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

- (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

S. C. Mudgerikar  
Chairman & Managing Director

Smt. Shashi Bala Bharti  
Chairperson – CSR Committee

Date: May 27, 2023

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### OVERVIEW OF THE ECONOMY

India's GDP growth accelerated to 6.1% in the January to March 2023 quarter, lifting the economy's uptick in 2022-23 to 7.2% from the 7% estimated earlier, according to the provisional national income data released by the National Statistical Office (NSO).

The outlook for Indian macroeconomic and corporate performance remains positive, with stronger GDP growth and a notable moderation in inflation. This puts us in a favourable position compared to many struggling global economies facing low economic growth and high inflation.

This year, weak El Nino conditions emerged in May and the intensity is expected to gradually strengthen, as per the India Meteorological Department. Normal rainfall at 96% of the long-term average is forecasted.

The perceived risk of a global economic slowdown also poses challenges for India. India witnessing weakening operating performance in export-oriented sectors like textiles and gems & jewellery. However, the negative impact at an overall economic level is likely to be mitigated by declining imports, primarily due to lower oil prices that have decreased by 37% over the last 12 months.

The ongoing Russia- Ukraine conflict presents the most challenging variable. Serious attempts to de-escalate have not yet been seen, and offensives and counter offensives persist. While 2022-23 saw sharp rises in commodity prices due to disruptions in energy supply chains, a new order seems to have settled in 2023-24, supported by mild winters in Europe and slowing Western economies. However, the risk lies in any unexpected escalation, which could have severe economic and strategic disruptions.

India's GDP 2023-24 projected at 6.5% for 2023-24, driven by domestic consumption, government capex, and to some extent, private capex.

### INDUSTRY STRUCTURE AND DEVELOPMENT

Overall fertilizers production has increased by 11.23% during financial year 2022-23 as against financial year 2021-22 due to increase in production of Urea, NPK, DAP & SSP. Imports have increased by 3.03% due to the increase in DAP & NPK imports.

Production of urea has increased by 13.63% during the financial year 2022-23 as against 2021-22 due to favourable weather and market conditions. Urea is largely sourced domestically & with revival of urea plants, imports have decreased by 17.03% during the year 2022-23.

DAP production increased by 2.96% during financial year 2022-23 as against financial year 2021-22. Imports also

have risen by 20.52% in financial year 2022-23 as against financial year 2021-22.

MOP imports have decreased substantially by 24.15% during financial year 2022-23 as against financial year 2021-22. India meets its Potassium chloride (commonly referred to as Muriate of Potash or MOP) requirements majorly through imports from Canada, Russia, CIS+ Belarus, Israel, Germany, Jordan and Lithuania.

Production of NPK in the country have decreased by 11.91% during the financial year 2022-23 against financial year 2021-22. NPK imports have decreased substantially by 135.21% during financial year 2022-23 as against financial year 2021-22.

The production of SSP which is an indigenous phosphatic multi-nutrient fertilizer increased by 5.48 % during financial year 2022-23 as against financial year 2021-22. SSP is a cheaper alternative to DAP.

Overall sales of fertilizers have decreased by 0.16% during financial year 2022-23 as against financial year 2021-22. Sales of MOP , NPK & SSP have decreased by 33.83%, 12.25% & 11.69% respectively during financial year 2022-23 as against financial year 2021-22. The sales of Urea & DAP have increased by 4.52% & 13.58% respectively during the financial year 2022-23 against the financial year 2021-22.

The Budget 2023-24 has the vision of future-ready agriculture sector. Healthy agriculture sector will help in economic growth making the country a developed nation as envisaged by our Hon'ble Prime Minister. The budget allocation for fertilizer subsidy is ₹ 1,75,103 crores for FY24. Budget for urea subsidy is ₹ 1,31,100 crores which is lower by ₹ 22,998 crores than the revised BE for 2022-23. Similarly, the subsidy for P&K fertilizers has also been reduced by ₹ 27,122 crores. The reason behind this reduction compared to RE 2022-23 is significant downward trend in international prices of fertilizer related commodities. However, adequacy of allocation will depend on actual international prices of energy, fertilizers and raw materials during the year.

### STRENGTHS, WEAKNESSES, OPPORTUNITIES & THREATS

#### Strengths

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



- iii) Increased usage of digital technology to reach-out to farmers through Mobile App, Facebook page, Twitter handle, Instagram handle and YouTube Channel under the name of "RCF Kisan Manch".
- iv) The Farmer's Training Institutes at Thal and Nagpur are helping in a big way to educate farmers on latest farming techniques. Also Company has been operating toll free help line number called "Kisan Care" through which farmers can approach agriculture experts and get their queries addressed.
- v) Larger farmer reach through various farm extension activities like field Demonstration, Sheti-patrika, celebrating soil testing days etc.
- vi) Your Company has a wide portfolio of Industrial chemical products which has applications across several sectors like pharmaceuticals, dyes etc.
- vii) The well maintained plants and equipment ensure that production remains uninterrupted.
- viii) Continuous technology upgradation, revamping, modernization and implementation of energy & production improvement schemes in the plants.
- ix) Well established infrastructure and R&D facility.
- iii) Alternate feedstock such as Coal gives an opportunity for undertaking Fertilizer Projects in other parts of the country closer to coal mines based on latest coal gasification technology.
- iv) Experienced and Skilled Manpower of your Company has been in demand for rendering O&M services in India and abroad. In view of your Company's training facilities, as well as the available skilled Engineers and Technicians, your Company is in a position to impart training to many foreign and Indian Companies.
- v) Energy and environment improvement projects planned will give positive impact on the profitability and sustainability of your Company.

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

### Threats

- i) Manufacturing and marketing of Fertilizers is the core business of your Company. In recent years, there has been high volatility in the prices of raw material resulting in an adverse impact on production and marketing plans. The profitability is susceptible to the input costs of major raw materials, such as Rock Phosphate, Sulphur, DAP, MOP, MAP etc.
- ii) Production of Urea, Complex Fertilizers and chemicals is dependent on the availability of feedstock gas and its economic pricing.
- iii) The industrial chemicals business is also exposed to cut-throat global market competition.

### Weaknesses

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

### Opportunities

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

### OUTLOOK

The industry on its part, has continuously strived to ensure timely availability of fertilizers through domestic production and imports even at times with negative margins. The falling prices of fertilizers ironically have posed another challenge to the industry due to inventory of high cost raw materials and finished products. P&K sector is almost entirely dependent on import of raw materials due to lack of natural resources of phosphate and potash.

Under-recovery under all heads of fixed cost in urea pricing policy has also been a cause of anxiety for the industry. Government is now seriously considering reforms in the urea pricing and subsidy policy. Industry is fully engaged to help bring the desirable changes in the interest of supply security of fertilizers and sustainable agriculture.

Fate of fertilizer industry is ultimately related to agriculture sector of the country and the performance of the agriculture sector has been very promising so far. It is very essential that in addition to ensuring food security of this vast nation, agriculture sector becomes sustainable and more remunerative to our farmers. Fertilizer industry will continue to play its role and help in greening the Indian agriculture



## 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 SYSTEMS AND THEIR ADEQUACY

The Company has a well-defined Internal Control System that is adequate and commensurate with the size and nature of its business comprising Internal Auditors which conducts internal audit of various operational and financial matters on on-going basis. The Technical function of Internal Audit is conducted through in-house technical personnel. The Non-technical function of Internal audit is now outsourced for 3 years i.e. FY 2020-21, 2021-22 and 2022-23 and the entire audit area of RCF is divided between two Audit firms of Chartered Accountants: 1) M/s. Pipara & Co LLP & 2) M/s. AMAA & Associates.

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

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

## SEGMENT – WISE PERFORMANCE

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

### Fertilizers

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

During the year, your Company has produced 21.96 LMT of Urea compared to 21.85 LMT produced during the previous year. Your Company has also produced 6.43 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 11.07 LMT of "N", 0.96 LMT of "P<sub>2</sub>O<sub>5</sub>" and 0.96 LMT of "K<sub>2</sub>O" as compared to 10.91 LMT of "N", 0.86 LMT of "P<sub>2</sub>O<sub>5</sub>" and 0.86 LMT of "K<sub>2</sub>O" respectively during the previous year.

In addition to above, your Company has produced 152.01 KL of Biola, 406.69 KL of Microla and 6350 MT of Sujala as compared to 155.00 KL of Biola, 359.71 KL of Microla and 4355 MT of Sujala respectively during the previous year. During the year, your Company has produced 8.48 KL of Organic Growth Stimulant and 32.88 KL of Water pH balancer.

### Industrial Products

Your Company produces industrial chemicals at its both units. During the year, your Company produced approx. 5.79 lakh MT of various major industrial chemical products as against approx. 6.52 lakh MT during the previous year.

Your Company produces, amongst others, Ammonium Nitrate Melt, Ammonia, Ammonium Bicarbonate, Dilute Nitric Acid 58%, Conc. Nitric Acid 98%, Strong Nitric Acid, (72% & 68%), Methyl Amines (Mono, Di, Tri), Sulphuric Acid, Argon, Nitrogen, Dimethyl Acetamide, Phosphoric Acid 27%, Sodium Nitrate / Nitrite, Refrigerant Ammonia, Water, Methanol, Gypsum, Chalk 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 1<sup>st</sup> 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 1<sup>st</sup> April, 2018 in respect of Thal unit and from 1<sup>st</sup> October, 2020 in respect of Trombay Unit For production beyond the Re-assessed capacity (RAC) i.e. 100% of capacity, the unit will be entitled for the respective variable cost and uniform Per MT incentive



equal to the lowest of Per MT fixed cost of all the indigenous Urea units subject to maximum of import parity price (IPP) plus weighted average of other incidental charges which the Government incurs on imported urea.

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

**P&K fertilizers:**

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

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

**Direct Benefit Subsidy (DBT):**

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

**Impact of Government policies on IPD marketing**

Government policy on pricing and prioritizing allocation of domestic gas may severely affect production and sale of domestic units manufacturing fertilizers and chemicals.

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

Government has liberalized import of chemicals to meet the ever increasing consumption level of chemicals in almost all sectors of the economy. International manufacturers, apart from cheaper energy sources, are having huge production capacities thus benefiting from the economies of scale, making available their products at cheaper rate compared to domestic manufacturers. This has put strain on the margins of domestic manufacturers producing products viz. Ammonia, ABC, DMAc etc.

**Implementation of One Nation One Fertilizer**

Department of Fertilizers (DoF) issued an O.M. on 24<sup>th</sup> August, 2022 to implement One Nation One Fertilizer by introducing Single Brand for Fertilizers and Logo under Fertilizer subsidy scheme namely “Pradhanmantri Bhartiya Janurvarak Pariyojna (PMBJP).

Further on 1<sup>st</sup> November, 2022 DoF informed all fertilizer companies that the design of bags and logo forwarded earlier must be adopted by fertilizer manufacturers/importers within the following timelines:

Sr. No.	Type of Fertilizer	Timeline
1.	Imported Urea	30 <sup>th</sup> November, 2022
2.	Indigenous Urea	30 <sup>th</sup> November, 2022
3.	Imported P&K	30 <sup>th</sup> November, 2022
4.	Indigenous P&K	30 <sup>th</sup> November, 2022

The release of fertilizer subsidy to companies will be considered only for fertilizers dispatched in the new bags after the aforesaid cut-off dates.

**NBS Rates for P & K Fertilizers for Rabi 2022-23**

As per O.M. dated 2<sup>nd</sup> November, 2022, DoF revised the subsidy rates for P&K fertilizers under NBS policy for Rabi 2022-23 effective from 1<sup>st</sup> October, 2022 up to 31<sup>st</sup> March, 2023. The per kg NBS rates for N has been increased while P, K and S reduced. The per kg NBS rates of N, P, K and S revised from ₹ 91.96, ₹ 72.74, ₹ 25.31 and ₹ 6.94 during Kharif 2022 to ₹ 98.02, ₹ 66.93, ₹ 23.65 and ₹ 6.12, respectively, for Rabi 2022-23.

Accordingly, NBS rates per MT of DAP and MOP reduced from ₹ 50,013 and ₹ 15,186 per MT during kharif 2022 to ₹ 48,433 and ₹ 14,188 per MT, respectively, for Rabi 2022-23. NBS rates for NP/NPK grades of fertilizers ranged between ₹ 26,864 per MT and ₹ 46,188 per MT for Rabi 2022-23. However, subsidy on SSP and Potash Derived from Molasses remained unchanged at ₹ 7,513 per MT and ₹ 1,467 per MT, respectively. The per tonne additional subsidy for fortified fertilizers with boron and zinc continued and remained unchanged at ₹ 300 and ₹ 500, respectively.

Extension of the Revised Energy Norms of NUP-2015 for 14 Urea Manufacturing Units

DoF, on 18<sup>th</sup> November, 2022, notified extension of the revised energy norms of NUP-2015 for 14 urea manufacturing units have been extended for further period till 31<sup>st</sup> March, 2023.

**DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

**Review of the financial performance**

During the year, your Company achieved highest ever Revenue from Operations of ₹ 21451.54 crore as against ₹ 12812.17 crore in previous year (PY). Profit Before Tax (PBT) during the year, stood at ₹ 1273.98 crore as against

₹ 943.91 Crore due to improved energy efficiencies at Thal Unit, better margins of Industrial Chemicals and complex fertilizers. Profit After Tax (PAT) stood at ₹ 967.15 crore as against ₹ 704.36 Crore.

Your Company achieved fertilizer sales volume of 33.14 lakh MT during 2022-23 as compared to 30.80 lakh MT during the previous year. The total sale of manufactured fertilizers during 2022-23 was 28.23 lakh MT as against 27.95 lakh MT during the previous year. Sales of manufactured fertilizers registered decrease of 1.00 % over previous year owing to lower sales of Urea.

Your Company produced 28.39 lakh MT of fertilizers (21.96 lakh MT of Urea & 6.43 lakh MT of Suphala 15:15:15) during the year as against 27.56 lakh MT of (21.85 lakh MT of Urea & 5.71 lakh MT of Suphala 15:15:15) produced during the previous year.

### Energy Consumption

The energy consumption achieved during the year ended March 31, 2023 as compared to the previous year ending March 31, 2022 is given below:

Plant	Gcal/Mt	
	For the year 2022-23	For the year 2021-22
Ammonia Trombay-V	8.736	8.710
Ammonia Thal	8.207	8.344
Urea Thal	5.700	5.845
Urea Trombay	6.606	6.510

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

## MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS

### TRAINING AND DEVELOPMENT

Human Resource Development (HRD) at RCF focuses on building a Learning Ethos of Proficient Human Capital for attaining Organizational Excellence which harness a Learning Culture among employees for their Growth & Well-being.

It adopts innovative Learning & Development techniques aligned to business objective for enhancing employee competencies, skills sets, engagement & empowering them to achieve excellence. HRD at RCF focuses on development of Functional, Managerial and Behavioural Competencies of employees along with expertise sharing for other organizational and institutional progression.

Continuous grooming of employees provides them with empowerment and motivation to achieve excellence. Effective training and development activities at RCF helps achieve; Organizational Goals, Increase Productivity, Motivate Employees, Maintain Smooth Team integration, Enhance Workforce empowerment, Employee Retention & improve overall organizational culture.

### 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:

- Yoga Day Celebrations which included practical training along with meditation techniques a step towards spirituality and sharing the importance in day to day working.
- Vigilance Awareness Week celebration included a Hybrid session for employees on "Corruption free India for developed Nation".

Ethical Work Culture which emphasises integrity, in line with organisational value system.

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

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

##### • Modular Training :

Every Officer in the organization, undergoes a 5 days of Modular Training which provides different functional inputs. The sole objective is to let the employee get an overview of all the department functioning.

- Building various competencies of personal effectiveness: to scale the performance to higher heights.
- Management Development Program for new Managers to build in traits to handle new challenges.
- Leadership Development Program for employees who have taken Head of Department positions (Chief Managers) to perform leadership roles.
- Personal Effectiveness and Productivity for the Medical Team

### C) Develop People Capabilities

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

- **Specialized Programmes**

- Records Management: Preservation of vital records as part of compliance with set retention procedures as per rules.
- NABL Accreditation Program for R & D and CC lab Team
- Awareness Programme for PRP 2021-2022
- Cyber Security Awareness
- Rights, Duties and Welfare measures adopted by Govt. of India for OBC employees
- LQC- Tools & techniques

- **Cross-functional Learning opportunity:** It improves communication and transparency within the organization as employees are aware

- **External Programs**

Employees functional needs are attended by nominating them for attending specialised programmes organized by external agencies. Certain role specific and skill specific needs are also attended by nomination.

and engaged. It leverages the diverse skills and specialized knowledge of each team member to brainstorm better ideas, solve difficult problems, and achieve better outcomes in an organization.

- “Tendering and Procurement Guidelines” session for Medical Team.
- Bag Sampling Procedures and roster duty session are organised to share the roles and responsibilities.
- “Preventive Vigilance & Vigilance Aspects in Commercial procedures”
- “Preventive Vigilance” for mid-career developments for acquiring competencies required.

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

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

Need For Paradigm Shift In Fertilizer Policy	Gender Sensitization & Women Empowerment
First Leadership Development Programme	Leadership Development For Professionalism
Refractories & Insulation (Inspection & Maintenance	Fai-Annual Seminar-2022
Atmanirbhar Bharat-Atanirbhar Suraksha	Procurement By CPSES From MSE
Certificate Course In Labor Law	India HSE Summit & Awards 2022
Rotating Centrifugal Equipment for Excellence In Operation & Maintenance	Project Management Competence Development
Preventive Vigilance	Management Development Program
Key Facts of Fertilizer Sector	Fertilizer & Food Security: Challenges
Annual International Fertilizer Conference Vienna	Leadership In Contractor Safety Management
Residential Workshop on Preventive Vigilance	Chemical Engineering for Plant Personnel
New Trends In Process Automation	Human Resources Conclave 2023
Aatmanirbhar Bharat-She Challenges & Opportunities	Operation & Maintenance & Advances
Residential Workshop on Management of Training For Training Managers	Vendor Development Program
Fertilizer Logistic-Port Handling Operations & Coastal Shipping	Fertilizer Policy, Plant Nutrition Techno
Fertilizer Orientation Program & Soil Health Management Through Integrated Nutrient Management-Role of Cultivation	Dynamics Of Fertilizer Business
Improving Professional & Personal Effectiveness	CPSE Vendor Development Cum Conference
Latest Amendments & Implications on HR & Business	Operation & Maintenance Problem of Urea Plants
Project Management Competence Development	Contract Management Dispute Resolution & Arbitration
Gold Care India Occupational Health & Safety	Managing The Invisible Monsters-Electrical Safety
Dynamics of Soil Health Governance	Public Procurement with E-Procurement



**Need For Paradigm Shift In Fertilizer Policy**

Workshop on New Labor Codes
Visioning Personal Power Breakthrough
Fertilizer Business Management
Fertilizer Policy In India- Challenges
Gender Equality & Women Empowerment
Capital Market Reforms-DPE
E-Procurement (CPP & Gem )
New Labor Codes For Employers & Professionals
Building Competencies for Personal -DPE
Preventive Vigilance for Vigilance Officers
Procurement, Tendering & General Financial
Process Safety for Oil & Gas Installation
Wips-WR1 Day Regional Meet on The Theme Wow-Wisdom of Women- Born to Lead
Employers Of Exempted Establishments

**Gender Sensitization & Women Empowerment**

Incidence Investigation Workshop
Public Procurement with E-Procurement (GEM & CPP)
Bureau of Indian Standards
Improving Professional & Personal Effectiveness
Fertilizer Policy & Provisions Of Fertilizer Control Order With Latest Amendments-Way Forward
Procurement of Goods & Services & Related GFR Rules
Anti-Bribery Management System
A New Paradigm of Holistic Health
13 <sup>th</sup> National Conference on Safety & Health
Leadership Program for Professionalizing Below Board Level Officials
Testing & Examination of Lifting Machines, Pressure Vessels & Lift & Hoists
Seminar on Safety, Health & Environment
Effectiveness of Compliance Mgmt. Focusing
13 <sup>th</sup> Edition Gasification India 2022

**D) Implementation of On-Boarding journey for New Hires to align with company culture**

- Wellness Program: Mental Health & Financial Wellness for the new hires
- Soft Skills Inputs on Self- Awareness and Behavioural and Managerial inputs.
- On-Line Gender Sensitization certification
- Induction training including organisational and Functional inputs.
- Basic SAP Module Awareness
- **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. The Mentors and Mentees are trained before the Mentoring process begins

**E) Motivate and Engage Employees**

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

- **Motivational Talk series for employees & their family members.**

To bring a positive mind-set among all employees and their family members, inspirational talks, on success mantra, Mental & Health Well-being sessions are organised by inviting eminent speakers.

- **Life Skills Programme:** The development of life skills helps employees to find new ways of thinking and problem solving.
- Retirement Planning program for employees and their spouse help them in the transition from one phase of life to another with positive mind-set.
- Financial Planning for superannuating employees provides them direction to invest in proper manner along with interaction with various Annuity Service Providers for best investments. NPS Awareness and Help Desk, Superannuation (Pension) Scheme Awareness.
- Orientation program for Retiring Employees by ASP (Annuity Service Provider)
- Tax Saving Scheme Under Income Tax Act.
- Competitive Exam Awareness Session to provide guidance to employees children about various professional entries and knowledge for young aspirants.



**F) Expertise sharing for other organizational and institutional progression along with Knowledge Exchange with Academic Institutes.**

- Internship Training & On-the Job training – Students are provided exposure to various function which is a requirement of their academic curriculum
- Entrepreneurship Development Program especially for SC/ST Graduate (Any Discipline/ Diploma (Engineer aspirant) – To nurture their talent by enlightening them on various aspects of Industrial Activity required for setting up MSME.
- ERP Workshop on Material Module, Production Planning and Sales & Distribution module for Management Students.

**G) Women Empowerment Initiatives**

- Women’s Health: Buds to Blossom: Provide insights on women’s mental & Physical health and challenges faced by women of all age group for Trombay and Thal Unit Women Employees.
- Women’s Day Celebration through empowerment programmes and cultural activities where women employees participate.
- Yoga Session for RCF Women Employees after office hours which helped to learn techniques in managing health and stress relieving techniques through meditation.

**H) On-Line/ E- Learning Courses**

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

- General Instructions on Procurement for Marketing Team
- Cyber Security Awareness for Marketing Team
- EPS Awareness Session

**I) Kisan Care Link**

**Up-grade Life Skills of our Dealers & Farmers**

CMDC uploads write-ups on “Kisan Care” link on RCF Internet www.rcfltd.com and to impart knowledge sharing all aspects of Life skills which help them in effectively dealing with the challenges of life i.e. their well-being, health related information, various important days.

**J) Digital Skilling: To enable a future-ready digital workforce,**

- **SAP Plant Maintenance Module (Advanced & Basic):** Includes inspection, notifications, corrective and preventive maintenance to maintain an ideal technical system.

- Computer Awareness program for employees
- Quality Circle 12 steps for Power Point Presentation to prepare effective presentations.
- SAP Materials Management, SAP Finance, SAP – Sales & Distribution. SAP Production Planning for the Corporate Technical Team to understand the functionality.

**K) Pre Recruitment Awareness Program:**

Programme aims to motivate and provide guidance to the applicants shortlisted for RCF Recruitment Online test for various post in different disciplines regarding how the online written test will be conducted. Awareness sessions are conducted giving overview of RCF, complete Guidelines of Online test, interaction with experienced and expert employees of the specific disciplines. This also includes giving them inputs regarding Logical Reasoning pattern, General Knowledge, Quantitative Aptitude, General English.

Sample question videos are also uploaded on RCF Website

**L) International Participants**

**Indian Technical Economic Cooperation (ITEC) Programmes Allotted by Ministry of External Affairs**

RCF Ltd. has been identified as one of the Centres of Excellence in India, since March 2017 for imparting training to the foreign participants from Developing Countries like Malawi, Tanzania, Nigeria, Seychelles, Afghanistan, Sri Lanka, Sudan, Zimbabwe, Egypt, Ethiopia, Madagascar, Nigeria, Panama, Uzbekistan, Vietnam etc. The Training is for 2 weeks duration in Fertilizer Technology.

**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 2655 employees comprising 1332 Officers and 1323 non-officers, as on 31<sup>st</sup> March, 2023 compared to 2635 employees (1298 officers and 1337 non-officers) as on the corresponding date of the previous year.

During the year, 256 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.

Your Company has conducted medical checkup for employees.

## MATHADI CONTRACT LABOUR MANAGEMENT

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

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

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

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

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

## GRIEVANCE REDRESSAL

Grievance Mechanism system including online grievances was strengthened through various forums and with the Statutory Appointments as Liaison Officers for SC/ST/OBC/PWBD separately including Grievance Officer for PWBD.

## 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.

During the year 2022-23, process for deciding recognition of Union amongst registered Unions under check off system was held in August 2022 and decided recognition. Thereafter, Industrial Relations remains cordial at workplace.

HR stay connected with the employees through HR Apke Dwar both at factory locations and throughout Marketing locations having in person regular dialogues throughout the year.

Employee centric wellness and wellbeing activities was also strengthened during the period by way of preventive medical check-ups, camps and wellness sessions like Yoga, indoor games etc. Employees and their family members' engagement was also encouraged through Annual Events and Cultural Programs.

On the Social Security Front, EPFO Mumbai Office recognised RCF for speedily completing online processes related to Provident Fund and Pension in the manufacturing larger unit sector.

Every active member of RCF has KYC compliance, UAN activated and linked with EPFO portal and the entire online exercise on implementation of Section 142 of Social Security

Code in a record time, resulting Pension claim settlement within the same month of Retirement @ 58 years.

E-Nomination, E-life certificate and online claim facility has been provided through help desk to all active and retired employees.

RCF extended generously the online facility for filling of higher Pension option on actual salary to active and retired employees and as a result, almost more than 2000 employees have opted the option of higher Pension as mandated by the Supreme Court and EPFO.

Overall Industrial relations appears to be normal and brought under manageable dimensions after overcoming some issues of inter Unions, inter groups conflicts without affecting day to day productivity.

## WELFARE / EMPLOYMENT OPPORTUNITY TO WEAKER SECTION

The guidelines in respect of reservation in recruitment and promotion of SC/ST, OBC, EWS, Ex- Servicemen and Person with Benchmark Disability are followed by your company. As on 31<sup>st</sup> March, 2023, your company has on its rolls, 424 employees belonging to Scheduled Caste, 193 belonging to Scheduled Tribe and 622 Other Backward Classes, 26 EWS, 3 Ex-servicemen & 39 PWBD.

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

Your company has 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 6<sup>th</sup> 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.

On February 25, 2023, the ceremony of awarding academic fees to total of 15 SC/ST students at RCF Thal Units nearby schools for the year 2021-22 was completed.

RCF organized a one-year sewing training program in association with CFTI (Centre for Transforming India) to empower women of villages near Alibaug under CSR. 360 women were trained in the year.

## WOMEN ORIENTED PROGRAMME INITIATIVES

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



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

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

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

### DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

Sr. No.	Particulars	2022-23	2021-22	% Change	Reasons
1.	Debtors Turnover (Days)	47.95	63.73	(24.76)	High rate of gas which is a pass through in Urea subsidy impacted overall revenue and receivables.
2.	Inventory Turnover	18.47	22.28	(17.12)	Lower year-end inventory
3.	Interest Coverage Ratio	7.22	8.94	(19.25)	High interest rates with increase in profits
4.	Current Ratio	1.58	1.34	17.86	Increase in Trade Receivables and Subsidy Receivables from GOI
5.	Debt Equity Ratio (Long Term Borrowings incl Current Maturities)	0.25	0.35	(28.57)	Increase in Profitability
6.	Operating Profit Margin (%)	6.87	7.72	(11.06)	Increase in Cost of Sales on account of high pool gas rate
7.	Net Profit Margin (%)	4.51	5.50	(17.99)	Increase in Finance Cost
8.	Change in return on Net Worth	21.03	18.11	16.14	Increase in Profitability on account of Better Energy Efficiency and margins of IPD products

Ratio at 3 = EBIDTA / FINANCE COSTS

Ratio at 6 have been calculated excluding exceptional item (Income) of ₹ 93.47 crore for 2022-23 (₹ 127.63 crore in 2021-22).

### DISCLOSURE OF ACCOUNTING TREATMENT

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

### CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections,

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



## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2023

[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, 2023 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, 2023 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 and Sweat Equity) Regulations, 2021#;
  - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021#;
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018#; and
  - i. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- # The Regulations or Guidelines, as the case may be were not applicable for the period under review.

- 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 to the extent applicable and subject to the following observations –



- a) The Board of Directors comprised of eight Directors, constituting of three 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 did not have the requisite number of Independent Directors on its Board.
- b) The Nomination and Remuneration Committee (NRC) comprised of two directors constituting of one Independent Director and one Nominee Director (non-executive) for the period from August 12, 2022 upto September 27, 2022. As per Regulation 19(1) (a) of the Listing Regulations and section 178 of the Act, the committee shall comprise of at least three directors and as per Regulation 19(1)(c) of the Listing Regulations, at least two-thirds of the directors shall be independent directors. Thus, the listed entity did not have three directors in NRC and further, two-thirds of the directors were not independent directors for the aforesaid period.
- c) The Company has conducted the 4<sup>th</sup> Risk Management Committee (RMC) meeting on March 05, 2022 and 5<sup>th</sup> RMC meeting on September 27, 2022 i.e., at a gap of 206 days between two consecutive meetings. As per Regulation 21 of the Listing Regulations, the meetings of the RMC shall be conducted in such a manner that on a continuous basis, not more than one hundred and eighty days shall elapse between any two consecutive meetings. Thus, the gap between two consecutive meetings of the RMC was beyond the prescribed timelines.
- d) The Company has submitted the disclosure of related party transactions for half year ended March 31, 2022 to the Stock Exchanges on June 06, 2022 and has intimated the disclosure of financial results on May 27, 2022. However, being an equity and high value debt listed entity, the disclosure of related party transactions was required to be given along with the disclosure of financial results. Thus, the disclosure was given beyond the timelines specified under Regulation 23(9) of the Listing Regulations.

**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 obtained Members' approval at the 44<sup>th</sup> Annual General Meeting held on December 23, 2022, by way of a special resolution, for raising of capital by way of issuance of secured or unsecured non-convertible debentures (NCDs) up to an amount of ₹ 1,000 Crores by way of Private Placement Issue.

For **Bhandari & Associates**

Company Secretaries

Firm Registration No: P1981MH043700

**S. N. Bhandari**

Partner

FCS No: 761; C P No.: 366

Mumbai | August 11, 2023

ICSI UDIN: F000761E000770409

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.

To  
The Members,  
**RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED**  
CIN: L24110MH1978GOI020185

Our Secretarial Audit Report for the financial year ended on March 31, 2023 of even date is to be read along with this letter.

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

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

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

Mumbai | August 11, 2023  
ICSI UDIN: F000761E000770409

**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 2022-23 which has resulted in significant reduction in the energy consumption

**(i) STEPS TAKEN FOR CONSERVATION OF ENERGY**

**TROMBAY UNIT**

➤ **Ammonia-V plant**

- Primary Reformer catalyst and tubes replaced. LT Main catalyst & LT Guard catalyst replaced

➤ **ANP**

- 12 NH3 Evaporator modification and commissioning.

➤ **GT-HRSG**

- Instrument airline tapping taken from Air receiver instead of Compressor discharge.

➤ **Steam Generation Plant**

- Standby line of Makeup water to GT-HRSG from SGP Boiler-3 LP Heater outlet installed.

➤ **STP/ETP**

- VFD's for BPCL supply pumps installed, submersible pumps installed in New Wet well at Ghatkopar Pumping Station.

**THAL UNIT**

➤ **Argon Plant**

- Installation of motor driven Nitrogen compressor in place of Steam driven compressor in Argon plant. Energy saving achieved is 122 Gcal/Day.

➤ **Urea Plant**

- Installation of 3 nos. of Energy efficient motor in place of conventional motors in Urea Plant. Estimated energy saving is 0.526 Lakhs KWh per year.

➤ **Ammonia Plant**

- Installation of 5 nos. of Energy efficient motor in place of conventional motors in Ammonia Plant. Estimated energy saving is 0.522 Lakhs KWh per year.

➤ **Others**

- Installation of 2 nos. of Hybrid powered roof ventilator in Product handling Plant, Estimated energy saving is 0.617 Lakhs KWh per year.
- Solar power generation facility of 30 KWp capacity was installed on water reservoir no.4. Estimated energy saving is 0.394 Lakhs KWh per year.

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

- Ammonia Technology Supplier M/s HTAS has studied and suggested modification, new installations to reduce energy consumption by 0.4 Gcal/MT in Ammonia Plant without capacity enhancement.
- M/s PDIL has studied requirement of additional CT Cells in Ammonia Plant and submitted final report on 15.04.2022.
- Procured new urea reactor (R1) with Super Cup Trays for Urea-21 and has installed in April 23 annual shutdown.
- Retrofit of Auxiliary Boilers in Ammonia plant.

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

**THAL UNIT**

- 30 KWp Solar power generation facility was installed on water reservoir no.4.
- Total solar plant power generation capacity at RCF Thal is 1880 KWp.

**TROMBAY UNIT**

- 2 MWp solar power plant in Sewage Treatment Plant.
- 370 kWp rooftop solar power plants.

**(iii) CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT**

The Company has made capital investment of ₹ 40.48 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**

₹ Crore

SI No.	Particulars	Amount (₹ in Crore)
1.	Capital	0.14
2.	Recurring	6.55
3.	Innovation Schemes	41.69
4.	Total	48.38
5.	Total R &D expenditure as a percentage of total turnover	0.22%
6.	Total R &D expenditure as a percentage of PBT	3.80%

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

₹ Crore

SI No.	Particulars	Amount (₹ in Crore)
i.	Total foreign exchange earned	562.77
ii.	Total foreign exchange used	4024.12



# BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

1.	Corporate Identity Number (CIN) of Listed Entity	L24110MH1978GOI020185
2.	Name of the Listed Entity	Rashtriya Chemicals and Fertilizers Limited
3.	Year of Incorporation	1978
4.	Registered office address	Priyadarshini, Eastern Express Highway, Sion, Mumbai 400 022
5.	Corporate address	Priyadarshini, Eastern Express Highway, Sion, Mumbai 400 022
6.	Email	investorcommunications@rcfltd.com
7.	Telephone	022-2552 3000
8.	Website	www.rcfltd.com
9.	Financial year for which reporting is being done	2022-23
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited & BSE Limited
11.	Paid-up Capital	₹ 551.69 Crore
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Shri G. Seshadri, Executive Director (Project, Co-ordination & Corporate) I/c. Tel. No.: 022 25523061 email id: corpotech@rcfltd.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone

### II. Products /services

#### 14. Details of business activities (accounting for 90% of the turnover)

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing and Marketing of Fertilizers and chemicals	i. Manufacturing and sale of fertilizers & industrial chemicals	>90

#### 15. Products/Services sold by the entity (Accounting for 90% of the entity Turnover)

S. No.	Products/Service	NIC Code	% of Total Turnover contributed
1.	Urea	20121	52.04
2.	Complex Fertilizers	20122	15.97
3.	Traded fertilizers	46692	16.65
4.	An Melt	20123	6.00
5.	Ammonia	24121	5.76
6.	Nitric Acid	24121	1.53

### III. Operations

#### 16. Number of locations where plants and/or operations/offices of the entity are situated

Location	Number of plants	Number of offices	Total
National	2	55	57
International	Nil	Nil	Nil

#### 17. Markets served by the entity:

##### a. Number of locations

Locations	Number
National (No. of States)	24
International (No. of Countries)	Nil

##### b. What is the contribution of exports as a percentage of the total turnover of the entity?

2.62%

##### c. A brief on types of customers

The entity is engaged in manufacturing and trading on fertilizers and chemicals which is supplied to Customers (Farmers) through Wholesale and Retail dealers.

### IV. Employees

#### 18. Details as at the end of Financial Year:

##### a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	2655	2447	92.17	208	7.83
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total Employees (D+E)	2655	2447	92.17	208	7.83
WORKERS						
4.	Permanent (F)	1323	1232	93.12	91	6.88
5.	Other than Permanent (G)	-	-	-	-	-
6.	Total Employees (F+G)	1323	1232	93.12	91	6.88

##### b. Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
1.	Permanent (D)	39	35	89.74	4	10.26
2.	Other than Permanent (E)	-	-	-	-	-
3.	<b>Total differently abled employees (D + E)</b>	39	35	89.74	4	10.26
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	21	18	85.71	3	14.29
5.	Other than permanent (G)	-	-	-	-	-
6.	<b>Total differently abled workers (F + G)</b>	21	18	85.71	3	14.29

**19. Participation/Inclusion/Representation of women**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	3	37.50
Key Management Personnel	4	1	25.00

**20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)**

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	0.57	1.44	0.64	0.66	1.01	0.68	0.23	0.97	0.28
Permanent Workers	0	0	0	0.08	0	0.07	0	0	0

**V. Holding, Subsidiary and Associate Companies (including joint ventures)**
**21. (a) Names of holding / subsidiary / associate companies / joint ventures**

Sr. No.	Name of the holding / subsidiary/ associate companies / joint ventures (A)	Indicate whether holding / subsidiary / Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	FACT_RCF Building Products Limited (FRBL)	Joint Venture	50.00	No
2.	Urvarak Videsh Limited (UVL)	Joint Venture	33.33	No
3.	Talcher Fertilizers Limited (TFL)	Joint Venture	33.33	No

**VI. CSR Details**

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) : Yes

(ii) Turnover (in ₹) 214,515,435,790

(iii) Net worth (in ₹) 45,983,191,654

**VII. Transparency and Disclosures Compliances**
**23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance redressal mechanism in place (Yes /No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	-	-	-	-	-	-	-
Investors (Other than shareholders)	-	-	-	-	-	-	-
Shareholders	Yes	7	-	-	4	-	-
Employees and workers	Yes <a href="http://grievances.rcfild.com/">http://grievances.rcfild.com/</a>	-	-	-	-	-	-
Customers	Yes <a href="https://mgms.rcfild.com/">https://mgms.rcfild.com/</a>	11*	Nil	-	14*	Nil	-
Value chain partners	-	-	-	-	-	-	-
Other (please specify)	-	-	-	-	-	-	-

\* complaint received from customer care



## 24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
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We are under process of identifying and defining material responsible business conduct issues related to RCF.

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	www.rcfltd.com								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	No	No	No	No	No	No	No	No	No
4. Name of the national and international codes / certifications / labels / standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	<ul style="list-style-type: none"> <li>• ISO 9001 Quality Management System;</li> <li>• ISO 14001 Environmental Management System;</li> <li>• ISO 45001 Occupational Health and Safety;</li> <li>• ISO 50001: 2011 Energy Management System;</li> <li>• ISO 27001 Information Security Management;</li> </ul>								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	-	-	-	-	-	-	-	-	-
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	-	-	-	-	-	-	-	-	-



Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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**Governance, leadership and oversight**

<p>7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)</p>	<p>Dear Stakeholders,</p> <p>This is first Business Responsibility &amp; Sustainability Report for the financial year 2022-23. This report is a resemblance to out unwavering commitment to sustainability and enable out stakeholders to know more about RCF’s sustainability performance.</p> <p>This Business Responsibility &amp; Sustainability Report reflects RCF’s continuous commitment to sustainability, innovation, and long term value generation through Environment , Social and Governance (ESG) integration. This report emphasises the Environment , Social and Governance performance and practices at RCF. RCF has adopted ESG framework that is consistent with the Company’s Vision, purpose, corporate principles and global ambition. Marking Sustainability as its priority, RCF takes care of the environment and society by strategizing each activity. RCF adheres to the principles of product stewardship along with fostering benefits to the communities, embracing diversity, equality and inclusion in workforce.</p> <p><b>(S. C. Mudgerikar)</b> Chairman &amp; Managing Director</p>
<p>8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).</p>	<p>S. C. Mudgerikar, Chairman &amp; Managing Director</p>
<p>9. Does the entity have a specified Committee of the Board / Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.</p>	<p>Yes, RCF has the “CSR and Sustainability Committee” of Directors to provide guidance and direction to the Management to ensure that health, safety and sustainability implications are duly addressed in all strategic initiatives.</p>

**10. Details of Review of NGRBCs by the Company:**

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee									Frequency (Annually/ Half yearly / Quarterly / Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	The Business Responsibility Policies of RCF are reviewed on a periodic or on a need basis by Senior Management Team. During the review, efficacy of the policies is reviewed and necessary changes to the policies and procedures are implemented.																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	All RCF Units are in compliance with statutory requirements. Statutory Compliance Certificate on applicable laws is provided by the Company Secretary to the Board of Directors.																	

P1	P2	P3	P4	P5	P6	P7	P8	P9
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<p>11. Has the entity carried out independent assessment / evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.</p>	<p>RCF conducts periodic review of the Charters and Policies internally by the Senior Management Team and Board Committees which then drives the Policies, Projects and performance of the aspects of Business Responsibility and Sustainability.</p>
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12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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<p>The entity does not consider the Principles material to its business (Yes/No)</p>	NA	NA	NA	NA	NA	NA	NA	NA	NA
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	Notice			Statutory Report			Financial Statements		
Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

### PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

#### Essential Indicators

##### 1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	2	Orientation programme for capacity building of newly appointed non-official Directors of CPSEs	100%
Key Managerial Personnel	1	Fertilizer Sector by 2030	100%
Employees other than BoD and KMPs	183	Technical, business, functional, leadership, on boarding, safety, wellbeing aspect, Preventive vigilance, Tendering and procurement guidelines, improving professional & personal effect, compliance management, human rights & ethical value, Anti-Bribery management System & Contract labour compliance system	81.99%
Workers	16	Leadership, technical, functional, financial	83.89

##### 2. Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators / law enforcement agencies / judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRCB Principle	Name of the regulatory / enforcement agencies / judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty / Fine			Nil		
Settlement			Nil		
Compounding fee			Nil		

Non- Monetary					
	NGRCB Principle	Name of the regulatory / enforcement agencies / judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment			Nil		
Punishment			Nil		

3. Of the instances disclosed in Question 2 above, details of the Appeal / Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory / enforcement agencies / judicial institutions
	Nil

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes

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.

The 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.

Web link of Whistle Blower Policy is available on RCF's website [https://www.rcfltd.com/public/storage/cmspages/cmspdfFile/F1565000758-whistle\\_blower\\_policy.pdf](https://www.rcfltd.com/public/storage/cmspages/cmspdfFile/F1565000758-whistle_blower_policy.pdf)

Web link of Fraud Prevention Policy is available on RCF's website <https://www.rcfltd.com/vigilances/details/3>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption:

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

### Leadership Indicators

1. Does the entity have processes in place to avoid / manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes

RCF's Code of Conduct requires executives in senior management of the Company to dedicate their best efforts to advancing the Company's interests and to make decisions that affect the Company based on the Company's best interests and independent of outside influences. Executives in senior management of the Company should ensure that any 'conflicts of interest' with the Company should be avoided. The Company obtains declaration from all BoD, KMPs and Senior Management under Regulation 26 (5) of SEBI (Listing Obligation and Disclosure Regulations), 2015 regarding any conflict of interest. As per the declaration received, none of the Directors, KMPs and members of Senior Management had any conflict of interest for the period under review. In case there is likely to be a conflict of interest, he/she should make full disclosure of all facts and circumstances thereof to the Managing director or any committee / officer nominated for this purpose by the Board and a prior written approval should be obtained.

## PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

### Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year 2022-23	Previous Financial Year 2021-22	Details of improvements in environmental and social impacts
R & D	100%	100%	All our R & D investments and efforts are aimed towards sustainability. Research efforts are put in the direction of development of organic fertilizers, and effective waste management for better sustainability
Capex	36.08%	13.52%	Our Capex schemes are primarily aimed towards energy saving and/or adoption of newer efficient technologies.

2. a) Does the entity have procedures in place for sustainable sourcing? (Yes/No)

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

- b) If yes, what percentage of inputs were sourced sustainably?

Not measured

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

RCF manufactures Neem coated urea, Complex fertiliser Suphala, Sodium Nitrate, Sodium Nitrite, Nitric Acid etc., which are consumable and cannot be reclaimed. However, Company uses plastics for packaging and e-wastes are generated due to use of various computers, controllers, air conditioners, and instrumentation. Hazardous wastes are generated in the form of spent resin, used catalysts, spent oil after use of it in the plants, sulphur sludge and ETP sludge.

There is well defined procedure in the Company for reusing, recycling and disposing at the end of life for these wastes in line with CPCB/SPCB guidelines.

#### Category wise details are as below:

- a) **Plastics (including packaging):** RCFL uses plastic as a packaging material for its products like Urea, DAP, SSP etc. RCFL has submitted its application to get registered as a Brand Owner under Plastic Waste Management Rules 2022. RCFL has Extended Producer Responsibility (EPR) obligation of around 2500 MT for FY 2021-22 and around 7000 MT plastic waste for FY 2022-23. To fulfil its obligation, RCFL has engaged agencies to fulfil its EPR obligation by recycling / disposing off the plastic waste on behalf of RCFL.





- b) **E-waste:** Specified procedures are in place for disposal of e-waste.
  - c) **Hazardous waste:** RCFL has majorly four main hazardous wastes i.e. Spent Catalyst, Spent Oil, ETP Sludge and Sulphur Sludge. Spent Catalyst, Spent Oil are disposed of at designated places in specified manner through CPCB/SPCB approved parties as and when required. Sulphur Sludge and ETP Sludge is recycled in Complex Fertiliser “Suphala” as per CPCB/SPCB in specific manner.
  - d) **Other waste:** Not Applicable.
4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes

RCFL has submitted its application to get registered as a Brand Owner under Plastic Waste Management Rules 2022. RCFL is committed to complying the requirements of Extended Producer Responsibility (EPR) as mandated by Central Pollution Control Board (CPCB). To fulfil its obligation, RCFL has engaged agencies to fulfil its EPR obligation by recycling/ disposing off the plastic waste on behalf of RCFL.

For this reporting period. RCF has fulfilled EPR target of 70% and has set target of 100% fulfilment by 2023-24.

**Leadership Indicators**

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link
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Nil

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product / Service	Description of the risk / concern	Action Taken
Fertilizers	The Company has been manufacturing and marketing of fertilizers and other allied products in a responsible manner and established consistent commitment to productive economic activity and sustainability. Use of fertilizer is for improving nutrients of soil and increasing agriculture production.	
Industrial Chemicals		

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)

Not Applicable

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Re-used	Recycled	Safely disposed	Re-used	Recycled	Safely disposed
Plastic (including packaging)	Nil	4,402.21 MT	3855 MT	Nil	750 MT	1482.73 MT
E-waste	Nil	Nil	Nil	Nil	50 nos. AC	Nil
Hazardous waste	Nil	2,112.21 MT	739.94 MT	Nil	1,160.14 MT	612.41 MT
Other waste	Nil	Nil	0.7 MT	Nil	Nil	Nil

### PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

#### Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Heath Insurance*		Accident Insurance		Maternity benefits		Paternity Benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent employees</b>											
Male	2447	2447	100	2447	100	NA	NA	87	3.55	5	0.20
Female	208	208	100	208	100	7	3.36	N.A	NA	4	1.92
<b>Total</b>	<b>2655</b>	<b>2655</b>	<b>100</b>	<b>2655</b>	<b>100</b>	<b>7</b>	<b>0.26</b>	<b>87</b>	<b>3.28</b>	<b>9</b>	<b>0.34</b>
<b>Other than Permanent employees</b>											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* Company has employee health programme which is managed through its own hospital located at Trombay and Thal Unit.

- b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Heath Insurance*		Accident Insurance		Maternity benefits		Paternity Benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent workers</b>											
Male	1232	1232	100	1232	100	NA	NA	42	3.40	0	0
Female	91	91	100	91	100	2	2.19	NA	NA	3	3.30
<b>Total</b>	<b>1323</b>	<b>1323</b>	<b>100</b>	<b>1323</b>	<b>100</b>	<b>2</b>	<b>0.15</b>	<b>42</b>	<b>3.17</b>	<b>3</b>	<b>0.23</b>
<b>Other than Permanent workers</b>											
Male	3507	-	-	3507	100	-	-	-	-	-	-
Female	170	-	-	170	100	-	-	-	-	-	-
<b>Total</b>	<b>3677</b>	<b>-</b>	<b>-</b>	<b>3677</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* Company has employee health programme which is managed through its own hospital located at Trombay and Thal Unit.

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	256	108	Y	254	129	Y
Gratuity	256	108	Y	254	129	Y
ESI	NA	NA	NA	NA	NA	NA
Others- please specify	-	-	-	-	-	-

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, RCF's all the premises/offices are accessible to differently abled employees, as per requirements of the Rights of Persons with Disabilities Act, 2016.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, RCF is committed to provide equal opportunity for all the employees as per the Rights of Persons with Disabilities Act, 2016.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to Work rate	Retention rate	Return to Work rate	Retention rate
Male	-	-	-	-
Female	100%	100%	100%	100%
<b>Total</b>	100%	100%	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, Grievance portal
Other than Permanent Workers	Yes, Public Grievance Process & regular interactions
Permanent Employees	Grievance portal
Other than Permanent Employees	Yes, Public Grievance Process, email & regular interactions

## 7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or union (D)	% (D/C)
<b>Total Permanent Employees</b>	2655	2429	91.49	2635	2559	97.12
- Male	2447	2226	90.97	2436	2355	96.67
- Female	208	203	97.60	199	199	100
<b>Total Permanent Workers</b>	1323	1147	86.70	1337	1282	95.89
- Male	1232	1061	86.12	1250	1195	95.60
- Female	91	86	94.51	87	87	100

## 8. Details of training given to employees and workers:

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	On Health & Safety Measures		On skill upgradation		Total (D)	On Health & Safety Measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	2447	1622	66.29	705	28.81	2436	1782	71.15	675	27.71
Female	208	58	27.88	96	46.15	199	64	32.16	59	29.65
<b>Total</b>	<b>2655</b>	<b>1680</b>	<b>63.28</b>	<b>801</b>	<b>30.17</b>	<b>2635</b>	<b>1846</b>	<b>70.06</b>	<b>734</b>	<b>27.86</b>
<b>Workers</b>										
Male	1232	2698	218.99	335	27.19	1250	2230	178.40	359	28.72
Female	91	72	79.12	39	42.86	87	62	71.26	31	35.63
<b>Total</b>	<b>1323</b>	<b>2770</b>	<b>209.37</b>	<b>374</b>	<b>28.27</b>	<b>1337</b>	<b>2292</b>	<b>171.43</b>	<b>390</b>	<b>17.02</b>

## 9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	2447	2447	100	2436	2436	100
Female	208	208	100	199	199	100
<b>Total</b>	<b>2655</b>	<b>2655</b>	<b>100</b>	<b>2635</b>	<b>2635</b>	<b>100</b>
<b>Workers</b>						
Male	1232	1232	100	1250	1250	100
Female	91	91	100	87	87	100
<b>Total</b>	<b>1323</b>	<b>1323</b>	<b>100</b>	<b>1337</b>	<b>1337</b>	<b>100</b>

## 10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes.



RCF has implemented an Occupational Health and Safety Management System (OHSMS) – ISO-45001:2018, an internationally recognized framework for managing occupational health and safety to ensure the safety and well-being of all the employees and contractor workers.

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

RCF has implemented a comprehensive Occupational Health and Safety Management System (OHSMS) to identify work-related hazards and assess risks on a routine and non-routine basis. All Plants / Departments have revised the 'Hazard Identification & Risk Assessment Document' (HIRA) to be in line with ISO 45001:2018 Standard.

HIRA lists out all occupational hazards & risk arising out of our activities both routine and non-routine during manufacturing/ handling of products. All the HIRAs are reviewed during the IMS (Integrated Management System-ISO-9001, ISO-14001, ISO-45001) Audits carried out internally after every six months and externally every year. The recommendations/ observations made during the Audit related to risk levels are to be complied within a month. The status of compliance is reviewed by top management during the Management Review Meeting (MRM) which is carried out after one month of each audit.

Apart from this, safety audits of both units of RCF is conducted by External Safety Auditor annually and their recommendations implemented in the plant.

**c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)**

Yes, in case of any incident workers can directly report it to site safety team alternatively it is identified in routine site safety inspections. Also site Occupational Health & Safety team reports all first aid / medical treatment cases to safety team for their recording.

**d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes, employees have 24x7 access to Township Medical centre where Non-Occupational Medical Healthcare Services are provided.

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	1.31	0.21
	Workers	1.13	0.19
Total recordable work-related injuries	Employees	13	6
	Workers	13	3
No. of fatalities	Employees	1	0
	Workers	5	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	5	1
	Workers	2	1

**12. Describe the measures taken by the entity to ensure a safe and healthy work place.**

RCF has implemented various measures to ensure a safe and healthy work place for its employees and contract workers. Some of these measures include:

- RCF conducts regular safety inspections of its facilities to identify potential hazards and take appropriate measures to mitigate them. JSA (Job Safety Analysis) of critical jobs is carried out to ensure that the risk of each step of a task is reduced to ALARP (As Low as Reasonably Practicable).
- RCF conducts regular risk assessments to identify potential hazards and risks associated with its operations. Various specialized safety studies are conducted such as EIA, RA, HAZOP, QRA, HIRA, LOPA, MCLS and Dispersion modelling etc. for its projects, revamp, any modification in process, new equipment installation etc. This helps RCF to take preventive measures to avoid untoward incidents.



3. RCF conducts regular safety audits to identify and rectify any safety-related issues. This helps RCF to maintain a safe working environment for its employees and prevent untoward incidents.
4. RCF provides regular safety training to its employees' / contract workers to educate them on the safe handling of chemicals, equipment, and machinery. The training covers topics such as hazard identification, risk management, emergency response, and use of personal protective equipment (PPE). Thus it is ensured that every individual is aware of the potential hazards associated with their work and how to mitigate them.
5. Improvement in Safety & environmental awareness amongst Employees, Contractors, Customers, Suppliers, Hazardous chemical transporting staff and neighbouring community by promoting learning through proactive communication, training, sharing of experience & best practices of HSE.
6. RCF has developed an "Emergency Response Plan" to deal with any untoward incidents. The plan includes procedures for evacuation, first aid, firefighting, and communication. RCF conducts regular drills to ensure emergency preparedness involving employees, CISF, MARG (Mutual Aid Response Group: Chembur-Trombay), Mumbai Police and NDRF.
7. Process Safety Mock drills are carried out in Process Plants at regular intervals to analyse the integrity of operating systems and processes handling hazardous substances so as to review the emergency preparedness plan of the organization and evaluate standard operating procedure.
8. Identification of Near miss incident & process near miss incidents reporting, prompt action to address all reported near miss incidents including root cause analysis done. The system also includes Weekly review of near miss incidents with senior officials.
9. Quarterly HSE Index audit is conducted for evaluating HSE system on the basis of well-defined checklist. Marks are allotted for positive/ constructive approach toward safety.
10. RCF provides its employees with appropriate State-of-art safety gadgets and PPEs. Regular training sessions and demonstrations are conducted.
11. RCF has implemented Process Safety Management (PSM) systems based on 29CFR1910.119 as developed by Occupational Safety and Health Administration (OSHA) to identify, evaluate, and control process hazards. This helps to prevent accidents and ensure the safe operation of the plant.
12. Compliance in accordance with the standards ISO 9001-2015, ISO 14001-2015 and ISO 45001-2018. (through Training, Documentation, Audits, Management Review and Annual Audits).
13. Time to time Revision of IMS Manual, Safety Manual, Fire Manual, Process Safety Plant Manuals, and Emergency Control Plan (ECP) for continual improvement, through procedures and Management Plan.
14. RCF has implemented Protect and Sustain Protocol under Product Stewardship initiative of International Fertilizer Association (IFA). Protect and Sustain protocol documentation is prepared, audited, surveillance audit and certification audit is done for Trombay Unit, Thal Unit, Marketing offices, Administrative offices and Security System. This is in line with our endeavour to encourage compliance to International norms pertaining to Health, Safety, Environment and Security of our business activities from source to end user.
15. RCF provides its employees with various health and wellness programs to promote physical and mental well-being.
16. RCF is committed to protecting the environment and has implemented various measures in line with MPCB/CPCB guidelines and statutes to minimize its impact on the environment.
17. RCF complies with all relevant safety and environmental regulations to ensure a safe and healthy work place.

Overall, RCF is committed to providing a safe and healthy work place for its employees and takes all necessary measures to achieve this goal.

**13. Number of Complaints on the following made by employees and workers:**

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	1159	74	--	1065	28	--
Health & Safety						

**14. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100 % (All the Plants, Workshops and stores were audited through External Safety Audits conducted by DISH certified external agency as well as Internal Safety Audits conducted by committee comprising concerned Plant/ Dept. head, all sectional heads, Civil dept. representative and Safety Dept. representative nominated by Sr. Management.
Working Conditions	

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

In the event of a significant incident, RCF (Rashtriya Chemicals and Fertilizers Limited) has a compensation and redressal policy in place to address the needs of affected individuals and prevent recurrence. The policy ensures that RCF takes responsibility for incidents and provides support to affected individuals while taking corrective action to prevent future incidents. RCF takes health and safety very seriously and is committed to providing a safe working environment for its employees. The Company regularly reviews its health and safety practices and working conditions to identify areas for improvement and take corrective action as necessary.

In case of any incident, RCF conducts a thorough investigation of the incident by formation of a technical committee to identify the root cause. The recommendations as suggested by the committee are implemented to prevent future recurrences.

**Leadership Indicators**

**1. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**

**Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

RCF has established a robust process for identifying stakeholders both internal as well as external. Accordingly, it has identified various internal stakeholders like employees and external stakeholders such as farmers, shareholders, debenture holder, suppliers/partners, communities, government & regulatory authorities.

RCF has instituted a governance structure to focus on embedding the ESG aspects within our strategy, organisational culture and business verticals. RCF identify stakeholders through key to our business through their impact on the organisation and the value we create for them in return. RCF have identified distinct stakeholders categories for our business.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channel of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, community, meetings, notice board, website), Other	Frequency of engagement (Annually/ half yearly / Quarterly / Others- please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholder	No	Email, Public Notification, Advertisement in newspapers & website etc.	Statutory and event based	Quarterly financial results, dividend, credit rating and new projects
Debenture holder	No	Email, Public Notification, & website etc.	Statutory and event based	Quarterly financial results, interest payment, credit rating and new projects
Farmers	No	Farmers Meet	Periodically	Procuring feedback from the customers and areas of improvement Quality & reliability of the products
Suppliers/ Partners	No	Email, SMS, Vendor meeting	Ongoing	Business related discussions, awareness and training programmes, timely payment, continuity of orders, workshops and seminars
Government & regulatory authorities	No	Compliance meetings, inspections, compliance reports, media releases	Ongoing	Regulatory requirements, compliance with national and local regulations, policy advocacy, changes in regulatory framework
Communities	No	CSR meet Stakeholder meet	Periodically	Understanding the expectations of communities with respect to CSR initiatives.

### Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Nil

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Nil

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

Nil

### PRINCIPLE 5 Businesses should respect and promote human rights

#### Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (C/D)
<b>Employees</b>						
Permanent	2655	226	8.51	2635	752	28.54
Other than permanent	-	-	-	-	-	-
<b>Total Employees</b>	<b>2655</b>	<b>226</b>	<b>8.51</b>	<b>2635</b>	<b>752</b>	<b>28.54</b>
<b>Workers</b>						
Permanent	-	-	-	-	-	-
Other than permanent	-	-	-	-	-	-
<b>Total Workers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	Equal to Minimum wage		More than Minimum wage		Total (D)	Equal to Minimum wage		More than Minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Permanent	2655	-	-	2655	100	2635	-	-	2635	100
Male	2447	-	-	2447	100	2436	-	-	2436	100
Female	208	-	-	208	100	199	-	-	199	100
Other than Permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
<b>Workers</b>										
Permanent	1323	-	-	1323	100	1337	-	-	1337	100
Male	1232	-	-	1232	100	1250	-	-	1250	100
Female	91	-	-	91	100	87	-	-	87	100
Other than Permanent	3847	1853	48.17	1994	51.83	1431	200	13.98	1231	86.02
Male	3574	1666	46.61	1908	53.39	1371	180	13.13	1191	86.87
Female	273	187	68.50	86	31.50	60	20	33.33	40	66.67

### 3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	2*	89.22 Lakh	1	69.46 Lakh
Key Managerial Personnel	1**	62.39 Lakh	-	-
Employees other than BoD and KMP	1204	23.44 Lakh	116	23.87 lakh
Workers	1224	15.68 Lakh	91	11.97 lakh

Notes:

- 1.\* Excluded 1 Superannuated Functional Director (Whole Time Director)
- 2.\*\* KMP means Company Secretary of the Company
3. Remuneration of BoD & KMP includes actuarial provisions & medical expenses incurred for the year.
4. PRP included on the basis of the year of payment.

### 4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. RCF has an internal committee in place

### 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

RCF has a structured Grievance Redressal policy to resolve the grievances of employees including grievances pertaining to human rights. The procedure starts with a complaint by the aggrieved employee in grievance monitoring system Portal.

RCF also ensures compliance with various provisions under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. To inculcate appropriate workplace behaviour and promote gender sensitization, Corporation has mandated all its executive employees to undergo awareness sessions through online courses and workshops conducted on the subject.

Internal Complaint Committees (ICC) of the Corporation have been reconstituted and detailed guidelines on procedures relating to the functioning of the ICC have been circulated.

### 6. Number of Complaints on the following made by employees and workers:

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	Nil	-	2	Nil	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/ Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-



**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

RCF has a Whistle-Blower Policy wherein the permanent management and non-management employees can report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Company’s code of conduct or ethics policy. The objective of this policy is to build and strengthen a culture of transparency and trust in the organization and to provide employees –officers and workmen with a framework / procedure for responsible and secure reporting of improper activities (whistle blowing) and to protect employees wishing to raise a concern about improper activity / serious irregularities within the Company.

The policy provides that the confidentiality of those reporting violations shall be maintained and they shall not be subjected to any discriminatory practice. The Whistle-Blower policy is hosted on the website of the Company.

RCF also ensures compliance with various provisions under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. To inculcate appropriate workplace behaviour and promote gender sensitization, Corporation has mandated all its executive employees to undergo awareness sessions through online courses and workshops conducted on the subject.

Internal Complaint Committees (ICC) of the Corporation have been reconstituted and detailed guidelines on procedures relating to the functioning of the ICC have been circulated.

**8. Do human rights requirements form part of your business agreements and contracts?(Yes/No)**

No There is no specific mention of human right requirement in business agreements and contracts (i.e. work orders) issued to concerned parties for execution of jobs. However, a clause regarding compliance of all applicable and governing laws, rules and regulations and by laws both of the Central and State Government and all other local authorities is included in the work order.

**9. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100
Others – please specify	-

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

No corrective action was required to be taken.

**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment**

**Essential Indicators**

**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Giga Joules

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A)	52,14,857	57,11,545
Total fuel consumption (B)	303,23,206	315,40,010
Energy consumption through other sources (Solar) (C)	50,501	54,279
<b>Total Energy consumption (A+B+C)</b>	<b>355,88,564</b>	<b>373,05,833</b>
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.000165902	0.00029117
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

No independent assessment/evaluate /assurance has been carried out by an external agency.

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

RCF continues to promote & prioritize effective energy utilisation and conservation. RCF three fertilizer productions unit are identified as designated Consumer (DC)s under PAT cycle. Under PAT Cycle-1, RCF achieved the targets in two out of two fertilizer production unit and were issued energy certificates. These certificates have been surrendered /sold in PAT Cycle-2. During the year, RCF has implemented energy saving projects at a cost of ₹ 40.48 crore. It is mentioned that for ongoing PAT Cycle, no notification has been issued for energy reduction in fertilizer sector.

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water (BMC Water for Trombay Unit and water supplied by Maharashtra Industrial Development Corporation (MIDC) for Thal Unit)	171,06,975	163,59,213
(iv) Seawater / desalinated water	NA	NA
(v) Others Water Produced in in-house two no. of Sewage Treatment Plants (STPs). Part of the Water generated in STPs is shared with M/s Bharat Petroleum Corporation Limited (BPCL)s	87,80,115	88,23,973
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	258,87,090	251,83,186
<b>Total volume of water consumption (in kilolitres)</b>	236,54,325	230,67,173
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>	0.000110	0.000180
<b>Water intensity (optional) – the relevant metric may be selected by the entity</b>	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

No independent assessment/evaluate /assurance has been carried out by an external agency.

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

RCF is exploring the possibility of setting up Zero Effluent Discharge (ZED) plant to treat the effluent generated and to recover & recycle the water in the process at Trombay unit. The objective of the scheme is to achieve Zero Liquid Discharge (ZLD) for RCF Trombay. The zero liquid effluent discharge projects consists of treatment of the various liquid effluent streams generated in the various plants at Trombay unit and converting the effluents in the raw water which shall be used in the process. Detailed Feasibility Report (DFR) received from Consultant. Estimated Project cost is ₹ 99.78 Crore. Project is expected to be completed by Sept. 2025.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
		Trombay	Thal	Trombay	Thal
NOx	µg/nm <sup>3</sup>	38	20	39	24
SOx	µg/nm <sup>3</sup>	16	12	14	8
Particulate matter (PM10)	µg/nm <sup>3</sup>	44	40	50	47
Particulate matter (PM2.5)	µg/nm <sup>3</sup>	22	20	24	24
Persistent organic pollutants (POP)	--	NA	NA	NA	NA
Volatile organic compounds (VOC)	--	NA	NA	NA	NA
Hazardous air pollutants (HAP)	--	NA	NA	NA	NA
Others- please specify	-	-	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

No independent assessment has been carried. However, RCF has provided all emissions parameters online as per CPCB guideline and all remain within prescribed norms of CPCB.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	37,27,538	36,97,528
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	1,67,960	2,30,885
<b>Total Scope 1 and Scope 2 emissions per crore rupee of turnover</b>		182	307
<b>Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity</b>		-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

i) GTG-HSRG project at Trombay and Thal has been commissioned leading to reduction of CO<sub>2</sub>, emission by 28%.

RCF has installed Gas Turbines Generators (GTG) with Heat Recovering Steam Generators each, at Trombay and Thal Unit. GTGs with co-generation of steam, have better efficiency compared to conventional turbo generator used for captive power generation and hence shall result in reduction in CO<sub>2</sub> emission by around 28%.

ii) Trombay Ammonia V Plant Revamp (KBR Scheme):

Ammonia-V revamp project is being implemented as a part of energy improvement schemes. The scheme is envisaged to result in energy saving of 0.25 Gcal/MT of Ammonia and shall lead to lower emissions. This will help to reduce around 20,000 TPA of CO<sub>2</sub> emission.

iii) **Thal Ammonia Plant revamp (HTAS Scheme):**

RCF has planned the revamping its Thal Ammonia plant (HTAS scheme) for energy saving of 0.4 Gcal/MT of Ammonia with an investment of ₹ 1038Cr. Reduction in energy consumption shall help in reducing around 55000 TPA of CO2 emissions.

8. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY2022-23 (Current Financial Year)	FY2021-22 (Previous Financial Year)
Plastic waste (A)	4,365.49	2,232
E-waste (B)	---	Air-Conditioners 50(nos.)
Bio-medical waste (C)	0.44556	158.85
Construction and demolition waste (D)	---	---
Battery waste (E)		
Radioactive waste (F)	NA	NA
Other Hazardous waste. Please specify, if any. (G)	Used oil-94.41 Catalyst-0.0 ETP Sludge-2760.75 Sulphur Sludge-32.997 <b>Total: 2,888.157</b>	Used oil-99.40+ Catalyst-0.54+ ETP Sludge-2510.62+ Sulphur Sludge-19.38+ <b>Total:</b>
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	Phosphogypsum-Nil Chalk-Nil	Phosphogypsum-Nil Chalk-Nil
<b>Total (A + B + C + D + E + F + G + H)</b>		
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	ETP sludge-2101.21 Sulphur sludge-10	ETP Sludge – 1149.87 Sulphur Sludge -10.25
(ii) Re-used	--	--
(iii) Other recovery operations	Sale to cement industry Gypsum-69743.090 Chalk- 4506.060	Sale to cement industry Gypsum-87143.96 Chalk- 343.20
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>	--	--
(i) Incineration	--	--
(ii) Landfilling	--	--
(iii) Other disposal operations	--	Used oil: 66.42 MT (sold to authorized recycler)
<b>Total</b>		66.42 MT

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

NO.

9. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

3R strategy (Reduce, Reuse and Recycle) is employed in the different processes for the effectively implementation of waste management system at RCF. In the course of Fertilizer and Chemical manufacturing, the wastes generated from process and from other activities are taken care with proper planning for storage, recycle and disposal.

Extensive work is being done in RCF for management of waste by R&D activities and through improvement plans for reduction in waste generation, selection of suitable raw material for minimizing waste, R&D on waste for recycling and its sale as a valuable product for the end users.

At Trombay unit, the sludge generated from ETP contains certain amount of phosphates. It is recycled for manufacture of complex fertilizer Suphala (NPK15:15:15) as a source of P2O5. Sulphur sludge is generated in Sulphuric Acid plant is recycled to complex fertilizer plant Suphala (15:15:15) as a source of “S” in the form of secondary nutrient. Also, recycling of off grade/spoiled Suphala from Silo and converting it into saleable product.

At both units of RCF, 100% of swept urea generated in Urea Bagging plants which are collected from floor & equipment cleaning is recycled back in Urea manufacturing.

Hazardous Wastes (HW) being generated in our industry are used catalyst, spent oil, and resin. As per HW rules, authorization has been taken for storage and disposal. Further HW storage has been clearly marked and all the storage of HW (till disposal) is done as per HW rules. Total monitoring of HW material is carried out and the same is disposed-off as per time lines for disposal of such waste. Proper record is kept and same is shared with statutory authorities.

Bio-medical waste and E-waste is disposed-off as per Bio-medical waste / e-waste management rules or through authorized external agencies.

**10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

S.No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Nil			

**11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
<b>Trombay Unit</b>					
New Nano Urea Fertilizer Plant	Proposal No. IA/MH/IND3/426519/2023; File No. IA-J-11011/216/2021-IA-II(I)]	May 2023	Yes	Yes	<a href="https://mpcb.gov.in/node/6417">https://mpcb.gov.in/node/6417</a>
<b>Thal Unit</b>					
NPK / DAP 1200 MTPD	EN-00258	May 22	Yes	Yes	<a href="https://mpcb.gov.in/node/6287">https://mpcb.gov.in/node/6287</a>

**12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Both units of RCF are compliant with the applicable law/regulations/guidelines				



## Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	Giga Joules	
	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>From renewable sources</b>		
Total electricity consumption (Solar) (A)	50,501	54,279
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>50,501</b>	<b>54,279</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	52,14,857	57,11,545
Total fuel consumption (E)	303,23,206	315,40,010
Energy consumption through other sources (F)	-	-
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>355,38,063</b>	<b>372,51,554</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

No independent assessment /evaluate /assurance has been carried out by an external agency.

2. Provide the following details related to water discharged:

Parameter	Giga Joules	
	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
<b>(i) To Surface water</b>	NA	NA
- No treatment		
With treatment – please specify level of treatment		
<b>(ii) To Groundwater</b>	NA	NA
- No treatment		
With treatment – please specify level of treatment		
<b>(iii) To Seawater</b>		
- No treatment		
With treatment – please specify level of treatment**	41,22,727	39,77,743
<b>(iv) Sent to third-parties</b>	NA	NA
- No treatment		
With treatment – please specify level of treatment		
<b>(v) Others</b>	NA	NA
- No treatment		
With treatment – please specify level of treatment		
<b>Total water discharged (in kilolitres)</b>	<b>41,22,727</b>	<b>39,77,743</b>

\*\*Effluent is treated in existing Effluent Treatment plant (ETP). ETP ensures that effluent discharged from the factory meets the statutory requirements laid down by the Pollution Control Board. Effluent Treatment plant consists of Physio-chemical Treatment, Nitrification and Denitrification treatment for removal of suspended particles, fluorides, ammonical nitrogen and nitrate nitrogen.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

No independent assessment /evaluate /assurance has been carried out by an external agency.

**3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

RCF does not have any of our plant in water stress areas.

**4. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	NA	NA
<b>Total Scope 3 emissions per rupee of turnover</b>		NA	NA
<b>Total Scope 3 emission intensity (optional)</b> – the relevant metric may be selected by the entity		NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

No independent assessment /evaluate /assurance has been carried out by an external agency.

**5. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
i)	Solar Power Generation facilities	<p>As part of achieving ecologically sustainable growth, RCF has forayed into solar power generation. RCF has set up a 2 MWp ground mounted Photovoltaic Solar power plant in Trombay Unit in January 2016. In addition to this, RCF has commissioned solar rooftop facilities at Thal and Trombay with an aggregate capacity of 2.17 MWp.</p> <p>The power generated is used for captive consumption, thereby reducing 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.</p> <p>During the year 2022-23, 4,217 MWh of solar power was generated.</p>	Use of renewable energy leading to lower greenhouse gas emissions
	Sewage Treatment Plants (STPs)	<p>RCF is operating Two Sewage Treatment Plants (STPs) at Trombay Unit each plant having capacity to treat around 22.75 Million Litres per Day (MLD) of sewage received from Municipal Corporation of Greater Mumbai (MCGM) which otherwise would have been drained in to the sea after preliminary treatment. The plant serves as a dual purpose, it not only solves the issue of treatment and disposal of sewage, but also relieves MCGM from the obligation of supply of 30 MLD of industrial water, and making equivalent amount of water available for the local community.</p> <p>During the year 2022-23, about 87,80,115 M3 of treated water was generated at both STP plants.</p>	Treating 45.5 MLD of sewage to generate 30 MLD treated water, helps in conserving important natural resource i.e. Water there by reducing waste water.

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
	Nano Urea Fertilizer Plant	RCF is setting-up a new Nano Urea Fertilizer Plant of capacity of 75 KL per day i.e. 1.5 Lakh Bottles per day of 500 ml capacity at RCF Trombay Unit.  Nano Urea is having more Nutrient Use Efficiency (NUE) as compared to conventional Urea that results in reduction of urea losses in to the soil. Higher Nutrient Use Efficiency (NUE) of Nano urea will reduce in consumption of conventional urea and emission associated with it. 500 mL of Nano Urea Bottle being equivalent to 1 bag (45 kg) of conventional Urea shall lead to reduction in the bulk of the transportation and hence the vehicular emission.	Resources utilisation for production of the conventional urea and Fuel requirement for transportation shall be reduced.

**6. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

As per guidelines of Directorate of Industrial Safety and Health, RCF has established Disaster Management Plan for management of onsite and offsite hazards at both Units of RCF. RCF identifies and assesses potential environment risks in existing plants & upcoming projects by conducting PSM audit, ISO audit, HSE index audit.

Disaster Prevention Measures:

The following activities are carried out for disaster prevention:

- Periodical Safety Audit / OHSAS Audits.
- Performance and condition monitoring.
- Predictive and Preventive maintenance programs.
- We have carried out GAP analysis for the entire complex.
- Process Safety Management system is adopted to ensure safety.

**PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

**1. a. Number of affiliations with trade and industry chambers/ associations.**

Six (6)

**b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	The Fertilizers Association of India	National
2.	Standing Conference of Public Enterprises	National
3.	IMC Chamber of Commerce and Industry	National
4.	National Safety Council	National
5.	Indian Chemical Council	National
6.	International Fertilizer Association	International

**2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority

Brief of the case

Corrective action taken

No adverse orders have been passed by the regulatory authorities related to anti competitive conduct.

## PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

### Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of Notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes/ NO)	Relevant web link
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Nil

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R & R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R & R	Amounts paid to PAFs in the FY (In INR)
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Nil

3. Describe the mechanisms to receive and redress grievances of the community.

The Company has an effective Grievance Redressal System. Any citizen having complaints in respect of the production or services rendered may directly approach the Company at convenient locations in the Area offices/Administration buildings at Trombay and Thal. Citizens can record their grievances in respect of matter like failure of the quality, prices, conduct of its officers and employees. For the public grievances, the company has initiated "Online Grievance Registration system" on the company's Website.

Any aggrieved citizen can approach the Company and address his/her Grievances to the Nodal Officer of the Company, who acts as Coordinating Officer for Redressal of the grievances. The name and address of the Nodal Officer are provided on RCF Corporate Website.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	₹ Crore	608.49	316.09
Sourced directly from within the district and neighbouring districts	₹ Crore		

### Leadership Indicators

1. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (in INR lakh)
1.	Maharashtra	Washim	31.35

2. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned / Acquired (Yes/No)	Benefit shared (Yes/ No)	Basis of calculating benefit share
1.	RCF has not filed any patent application covering traditional knowledge	Not Applicable	Not Applicable	Not Applicable

3. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the case	Corrective action taken
Not applicable		

4. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
1.	Promotion of Healthcare	534015	100*
2.	Rural Development	12000	
3.	Promotion of Education	60170	
4.	Skill Development and livelihood	300	
5.	Sustainable Development	400	
6.	Animal Care	500	

\*The above details are for CSR projects where beneficiaries are mapped. However, there are several community-based initiatives which have benefitted various sections of the society as whole.

**PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner**

**Essential Indicators**

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

RCF has provided a link to the Centralised Public Grievances Redress & Monitoring System (CPGRAMS), a web-enabled Grievance Redressal System of the Department of Administrative Reforms & Public Grievance (DARPG) to enable Public to submit their Grievance on the Portal. It is a single window application for various Ministries/Depts/Organization of the Govt of India to receive the grievances from various Channels and process them for their Redress with Stipulated Timelines.

Grievances submitted on the CPGRAMS portal is forwarded by Ministry of Chemicals and Fertilizers, Department of Fertilizers to the Nodal officer for Public Grievances in RCF for redressal. RCF has a citizen charter whose main objective is to improve the quality of public services. This is done by letting people know the mandate of the Company, how to reach Company's officials, what to expect in terms of services and how to seek a remedy in case of problem. The citizen's charter is hosted on the RCF corporate website.

RCF has also established Grievance Redressal and Monitoring System for the purpose of prompt redressal of employees grievances in a proactive manner in the Company's website at <http://grievances.rcfltd.com/>. It helps in achieving the objectives of employees satisfaction, enhancement within guidelines and is also develop trust/confidence in the system and department. SC/ST and PWBD employees have also special grievances Redressal System as per statutory requirements.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100
Safe and responsible usage	100
Recycling and/or safe disposal	100



**3. Number of consumer complaints in respect of the following:**

	FY 2022-23 (Current Financial Year)		Remarks	FY 2021-22 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	Nil	0	0	Nil
Advertising	0	0	Nil	0	0	Nil
Cyber-security	0	0	Nil	0	0	Nil
Delivery of essential services	0	0	Nil	0	0	Nil
Restrictive Trade Practices	0	0	Nil	0	0	Nil
Unfair trade Practices	0	0	Nil	0	0	Nil
Other	0	0	Nil	0	0	Nil

**4. Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	Nil	Nil
Forced recalls	Nil	Nil

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes RCF has implemented Information security management system and is certified for ISO 27001:2013.

<https://www.rcfltd.com/public/storage/cmspages/cmspdfFile/F1671539569-Information%20Security%20Policy%20Dec2021.pdf>

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

There were no complaints received w.r.t. cyber security and data privacy during the reporting year.

**Leadership Indicators**

**1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

**a) For general purpose**

Web link: <https://www.rcfltd.com/>

Information can be obtained from the RCF's toll free number 1800-22-3044 for farmers

RCF operates customer care service 022 25523044 for farmers

For Specific Products:

Name of products	Web Link
Fertilizers	<a href="https://www.rcfltd.com/product-fertilizer/fertilizer-1">https://www.rcfltd.com/product-fertilizer/fertilizer-1</a>
Industrial Products	<a href="https://www.rcfltd.com/product-media/ipd-1">https://www.rcfltd.com/product-media/ipd-1</a>

## 2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The entity is engaged in sale and marketing of agriculture inputs, hence periodic training is being organised in marketing territory for the consumers i.e. dealers/retailers and farmers for updating their knowledge on safe and responsible use of products.

In addition to this, the entity is also engaged in organising promotional campaigns and participation in Krishi Melas and Agricultural exhibitions organised by Agricultural Universities /state agriculture departments where products and services are displayed and related information is given to the consumers.

1. **Soil Sample Analysis:** 48,689 number of NPK and 13,718 number of Micro-nutrient analysis have been done and Soil Health Cards distributed.
  2. **Kisan Suvidha Kendras:** 100 Kisan Suvidha Kendras were operated at different districts of Maharashtra & Karnataka for educating & imparting Agricultural extension services to the farmers at the field level,
  3. **Farmer Training Centres** are operational at Thal and Nagpur for imparting residential training to farmers. A total of 44 programs were undertaken benefitting 2979 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:** 7.20 lakh copies of RCF Sheti Patrika (Marathi edition) covering the relevant subjects pertaining to Agriculture and allied fields were printed & 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:** 3218 Field Demonstrations, 209 Soil Testing Days, 460 Farmers' Meetings, 55 Krishi Melas, 10 Veterinary Camp/Rural Sports, 58 Exhibitions, etc. were organized for the benefit of the farmers.
  9. **Adoption of Villages for Promotion of City Compost:** 6 villages from Maharashtra & Karnataka were selected for promotion of City Compost.
3. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes

The information is displayed on the packing of products for judicious use as per the local laws. The entity conducts various periodical meetings with the consumers i.e. farmers to have the comprehensive feedback of the products and take the steps for continuous improvement in quantity and services.

The entity conducts various periodical meetings with the consumers i.e. farmers to have the comprehensive feedback of the products and take the steps for continuous improvement in quality and services.



## CORPORATE GOVERNANCE REPORT

### COMPANY'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 31.03.2023, the Board comprises Eight Directors out of which Three 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

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 2022-23	Number of Board Meetings attended in the financial year 2022-23	Whether attended last AGM (held on December 23, 2022)	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>A. EXECUTIVE DIRECTORS</b>									
*Shri S. C. Mudgerikar (DIN: 03498837)	Chairman & Managing Director	14	14	Yes	-	1	-	-	1. The Fertiliser Association of India
Shri K. U. Thankachen (DIN: 06946476) (upto 31.07.2022)	Director (Marketing)	4	4	N.A.	-	-	-	-	-
Ms Nazhat J. Shaikh (DIN 07348075)	Director (Finance) & CFO	14	14	Yes	-	1	-	-	Projects and Development India Limited
Shri Milind Madhukar Deo (DIN 08715250)	Director (Technical)	14	14	Yes	-	1	-	-	

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 2022-23, 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, fourteen [14] meetings were held by the Board viz. on May 11, 2022, May 27, 2022, June 14, 2022, July 29, 2022, August 12, 2022, August 12, 2022, September 27, 2022, October 13, 2022, November 12, 2022, November 29, 2022, January 16, 2023, February 7, 2023, February 27, 2023 & March 28, 2023.

Name of Directors	Category	Number of Board Meetings held during the financial year 2022-23	Number of Board Meetings attended in the financial year 2022-23	Whether attended last AGM (held on December 23, 2022)	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>B. NON-EXECUTIVE OFFICIAL DIRECTORS</b>									
Ms Apama S Sharma (DIN 07798544) (upto 12.11.2022)	Govt. Nominee Director	9	3	N.A.	-	-	-	1	
Shri Satendra Singh (DIN 05195060) (from 20.07.2022 to 18.10.2022)	Govt. Nominee Director	5	1	N.A.	-	-	-	-	-
Ms Aneeta C. Meshram (DIN 09781436) (from 13.11.2022)	Govt. Nominee Director	5	0	N.A.	-	-	-	-	Projects and Development India Limited
Shri Sanjay Rastogi (DIN 07722405) (From 21.02.2023)	Govt. Nominee Director	2	2	N.A.	-	-	-	-	Hindustan Organic Chemicals Limited
<b>C. NON-EXECUTIVE INDEPENDENT DIRECTORS</b>									
Smt. Shashi Bala Bharti (DIN 08770477)	Independent Director	14	14	Yes	-	-	-	-	-
Shri Chandra Bhushan Pandey (DIN 09407412)	Independent Director	14	14	Yes	-	-	-	-	-
Shri Kashee Nath Akela (DIN 09410361) Upto (12.08.2022)	Independent Director	4	4	N.A.	-	-	-	-	-
Shri Gopinathan Nair Anilkumar (DIN 09447818)	Independent Director	14	14	No	-	-	-	-	-

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

\* Department of Fertilizers, Ministry of Chemicals and Fertilizers, Government of India entrusted additional charge of the post of Director (Marketing) , to Shri S. C. Mudgerikar, Chairman & Managing Director for a period of 2 months w.e.f. 01.09.2022 till 31.10.2022; for a period of three months w.e.f. 01.11.2022 to 31.01.2023 & for a period of one year w.e.f. 01.02.2023 till posting of regular incumbent to the post or until further order whichever is earliest, subject to approval from DoPT(ACC).

#### Relationship between Directors

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

#### Number of shares held by the Directors

Ms Nazhat J. Shaikh, Director (Finance) & CFO) holds 100 equity shares of the Company. Except Ms Shaikh, none of the Directors were holding any shares/debentures in the Company as on March 31, 2023. 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/investors/1685941991.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 <sup>1</sup>
Shri S. C. Mudgerikar	Fertilizers and Chemicals, Agriculture and Rural Economy, Risk Management, Public Sector Undertaking, Costing, Research and Development & Business Management
Shri K. U. Thankachen (upto 31.07.2022)	Marketing, Agriculture and Rural Economy, Business Management & Public Sector Undertaking
Ms Nazhat J. Shaikh	Fertilizers and Chemicals, Finance, Public Sector Undertaking, Economics, Costing, Risk Management & General Administrative and Co-operation
Shri Milind Madhukar Deo	Fertilizers and Chemicals, Research and Development, Human Resources & Agriculture and Rural Economy
Ms Aparna S. Sharma (Upto 12.11.2022)	General Administrative and Co-operation, Finance, Fertilizers and Chemicals, Costing, Agriculture and Rural Economy & Public Sector Undertaking

Name of the Director	Expertise in specific functional area <sup>1</sup>
Shri Satendra Singh (from 20.07.2022 to 18.10.2022)	General Administrative and Co-operation, Finance, Fertilizers and Chemicals, Economics, Agriculture and Rural Economy & Public Sector Undertaking
Ms Aneeta C. Meshram (from 13.11.2022)	General Administrative and Co-operation, Finance, Fertilizers and Chemicals, Costing, Agriculture and Rural Economy & Public Sector Undertaking
Shri Sanjay Rastogi (from 21.02.2023)	General Administrative and Co-operation, Finance, Fertilizers and Chemicals, Economics, Agriculture and Rural Economy & Public Sector Undertaking
Smt. Shashi Bala Bharti	Law, General Administrative and Co-operation, Finance, Human Resources, & Agriculture and Rural Economy
Shri Chandra Bhushan Pandey	General Administrative and Co-operation, Finance, Human Resources, & Agriculture and Rural Economy
Shri Kashee Nath Akela (upto 12.08.2022 )	General Administrative and Co-operation, Finance, Human Resources, & Agriculture and Rural Economy
Shri Gopinathan Nair Anilkumar	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, the Company has not appointed a new Independent Director on the Board.

#### Cessation of Independent Directors

During the year, Shri Kashee Nath Akela, Independent Director of the Company ceased to be Director due to sad demise on August 12, 2022.

### BOARD COMMITTEES

The Board has constituted the following Committees



## Audit Committee

### Term of Reference

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

- (1) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (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 Smt. Shashi Bala Bharti, Independent Director as Chairperson, Shri Gopinathan Nair Anilkumar, Independent Director, Shri Kashee Nath Akela, Independent Director (Upto 12.08.2022), Ms Aparna



S. Sharma, Govt. Nominee Director (Upto 12.11.2022) and Ms Aneeta C. Meshram, Government Nominee Director (from 13.11.2022) as members. Director [Finance] and Chief Internal Auditor are the permanent invitees. The Company Secretary is the Secretary of the Committee. The Statutory Auditors and Cost Auditors are also invited for the meetings. Other Senior Executives are invited as and when required. The 44<sup>th</sup> AGM of the Company was held on December 23, 2022 was attended by Smt. Shashi Bala Bharti, Chairperson of the Audit Committee.

### Meetings and Attendance

During the year, the Audit Committee met Six [6] times on May 10, 2022, May 27, 2022, August 12, 2022, August 12, 2022, November 12, 2022 & February 7, 2023 and the attendance was as under:

Name of Director	Number of meetings required to attend	Number of meetings attended
Smt Shashi Bala Bharti	6	6
Shri Gopinathan Nair Anilkumar	6	6
Ms Aneeta C. Meshram (from 13.11.2022)	1	0
Ms Aparna S Sharma (upto 12.11.2022)	5	1
Shri Kashee Nath Akela (upto 12.08.2022)	2	2

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 2022-23, the Committee reviewed the audits conducted by Internal Audit Department, gave directions and sought further investigations and examinations, wherever necessary. The Committee also reviewed the financial statements before submitting to the Board and emphasized the importance of internal Control Systems. All the recommendations of the Audit Committee were accepted and implemented.

### Nomination and Remuneration Committee

#### Term of Reference

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

RCF being a Government company is exempted from applicability of provisions of the Companies Act, 2013, with regard to formulation of criteria for determining

qualifications, positive attributes, evaluation of Directors, their remuneration, etc.

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

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

### Composition of Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprising of Shri Gopinathan Nair Anilkumar, Independent Director as Chairperson, Shri Kashee Nath Akela, Independent Director, (upto 12.08.2022), Shri Chandra Bhushan Pandey, Independent Director, Ms Aparna S. Sharma, Govt. Nominee Director (upto 12.11.2022) & Ms Aneeta C. Meshram, Govt. Nominee Director (from 13.11.2022) as Member. The 44<sup>th</sup> AGM of the Company was held on December 23, 2022.

### Meetings and Attendance

During the year, the Committee met Five (5) times on July 29, 2022, October 13, 2022, November 12, 2022, February 7, 2023 & March 28, 2023 and the attendance is as under

Name of Director	Number of meetings required to attend	Number of meetings attended
Shri Gopinathan Nair Anilkumar	5	5
Shri Chandra Bhushan Pandey	4	4
Ms Aparna S Sharma (upto 12.11.2022)	3	1
Ms Aneeta C. Meshram (from 13.11.2022)	2	0
Shri Kashee Nath Akela (upto 12.08.2022)	1	1

### Stakeholders Relations Committee

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

The Stakeholders Relations Committee comprises of Shri Chandra Bhushan Pandey, Independent Director as Chairperson, Ms Nazhat J. Shaikh, Director (Finance) and Shri Milind M. Deo, Director (Technical) as Members of the Committee. The Company Secretary being the Compliance Officer is specifically entrusted with responsibility for redressal of investors complaints and report the same to the Committee. The 44<sup>th</sup> AGM of the Company was held on December 23, 2022 and was attended by Shri Chandra Bhushan Pandey, Chairperson of the Stakeholders' Relationship Committee.

#### Details of complaints received and redressed during the financial year 2022-23:

During the year, seven (7) complaints were received and eight complaints were resolved. One Complaint was carried forward from the year 2021-22. The Company also received and attended 6 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@rcf ltd.com exclusively for investors and for responding to their queries.

#### Meetings and Attendance

During the year 2022-23, the Committee met two [2] times on September 27, 2022 & March 28, 2023 and the attendance was as under:

Name of Director	Number of meetings required to attend	Number of meetings attended
Shri Chandra Bhushan Pandey	2	2
Ms Nazhat J. Shaikh	2	2
Shri Milind M. Deo	2	2

### Share Transfer Committee

The Share Transfer Committee looks into the following;

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

Share Transfer Committee comprising of Shri S. C. Mudgerikar, Chairperson, Ms Nazhat J. Shaikh & Shri Milind M. Deo, as Members.

#### Meetings and Attendance

During the year 2022-23, the Committee met three [3] times on September 28, 2022, October 17, 2022 & March 6, 2023 and the attendance was as under:

Name of Director	Number of meetings required to attend	Number of meetings attended
Shri S. C. Mudgerikar	3	3
Ms Nazhat J. Shaikh	3	2
Shri Milind M. Deo	3	3

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

### Committee on Corporate Social Responsibility (CSR)

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

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

The CSR Committee comprising of Smt. Shashi Bala Bharti, Independent Director as Chairperson, Ms Nazhat J. Shaikh, Director (Finance), Ms Aparna S Sharma, Govt. Nominee Director (upto 12.11.2022) & Ms Aneeta C. Meshram, Govt. Nominee Director (from 13.11.2022), as members.

#### Meetings and Attendance

During the year, the Committee met six (6) times on May 27, 2022, September 27, 2022, November 12, 2022, February 7, 2023, February 27, 2023 & March 28, 2023 and the attendance was as under:

Name of Director	Number of meetings required to attend	Number of meetings attended
Smt. Shashi Bala Bharti	6	6
Ms Aparna S Sharma (upto 12.11.2022)	3	2
Ms Aneeta C. Meshram (from 13.11.2022)	3	0
Ms Nazhat J. Shaikh	6	6

**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

Name of the Member	Designation
Shri Kashee Nath Akela (upto 12.08.2022)	Chairperson
Shri Chandra Bhushan Pandey	Member
Shri K. U. Thankachen (upto 31.07.2022)	Member
Ms Nazhat J. Shaikh	Member
Shri Milind M. Deo	Member

During the year, the committee met two (2) times on September 27, 2022 & March 20, 2023 and the attendance was as under:

Name of Director	Number of meetings required to attend	Number of meetings attended
Shri Kashee Nath Akela (upto 12.08.2022)	0	0
Shri Chandra Bhushan Pandey	2	2
Shri K. U. Thankachen (upto 31.07.2022)	0	0
Ms Nazhat J. Shaikh	2	2
Shri Milind M. Deo	2	2

**Empowered Committee for Procurement**

Empowered Committee is constituted to approve procurement of Fertilizer Raw Materials for captive consumption and Fertilizers for Trading purpose upto a value of ₹ 1000 Crore in case of each procurement. Further, the Empowered Committee of Functional Directors is empowered to take all decisions pertaining to policy of bags, pre-qualification of vendors, issue of NIT and procurement of bags for packing Fertilizers at Trombay, Thal and various ports for marketing for the value up to ₹ 300 Crores in each case.

Committee comprising Shri S. C. Mudgerikar, Chairman & Managing Director as Chairperson, Ms Nazhat J. Shaikh, Director (Finance), Shri Milind M. Deo, Director (Technical) and Shri K. U. Thankachen, Director (Marketing) (upto 31.07.2022) as members. During the year, the Committee met Thirty Three (33) times on April 13, 2022, May 11, 2022, May 20, 2022, May 28, 2022, June 17, 2022, June 21, 2022, July 4, 2022, July 13, 2022, July 19, 2022, August 9, 2022, August 11, 2022, August 19, 2022, September 1, 2022, September 2, 2022, September 26, 2022, October 6, 2022, October 13, 2022, October 15, 2022, November 4, 2022, November 11, 2022, December 20, 2022, December 21, 2022, December

30, 2022, January 11, 2023, January 16, 2023, January 21, 2023, January 30, 2023, February 10, 2023, February 24, 2023, March 4, 2023, March 6, 2023, March 14, 2023 & March 18, 2023 and the attendance was as under:

Name of Director	Number of meetings required to attend	Number of meetings attended
Shri S. C. Mudgerikar	33	33
Shri K. U. Thankachen (upto 31.07.2022)	33	33
Ms Nazhat J. Shaikh	33	33
Shri Milind M. Deo	33	33

**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 5,000 crore against each tender and to approve entering into MoU for import of Fertilizers for trading for a maximum of 5 lakh MT in a single MoU.

Committee comprising Shri S. C. Mudgerikar, Chairman & Managing Director as Chairperson, Ms Nazhat J. Shaikh, Director (Finance), Shri Milind M. Deo, Director (Technical) and Shri K. U. Thankachen, Director (Marketing) (upto 31.07.2022) & Smt Shashi Bala Bharti, Independent Director as members.

During the year, the Committee met two (2) times on May 19, 2022 & September 16, 2022 and the attendance was as under:

Name of Director	Number of meetings required to attend	Number of meetings attended
Shri S. C. Mudgerikar	2	2
Shri K. U. Thankachen (upto 31.07.2022)	1	1
Ms Nazhat J. Shaikh	2	2
Shri Milind M. Deo	2	2
Smt. Shashi Bala Bharti	2	2

**Debenture Allotment Committee**

Board in 45<sup>th</sup> meeting held on August 12, 2022 has constituted the Debenture Allotment Committee of the Board to decide and allot NCDs on private placement. Committee is comprising of Chairman & Managing Director as Chairperson and two whole time directors i.e. Director (Technical) or Director (Marketing) & Director (Finance) as members. No meeting was held during the year.

## 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	71.23	28.22	99.45
2.	Shri K. U. Thankachen Director (Marketing) (upto 31.07.2022)	85.15	9.55	94.70
3.	Ms. Nazhat J. Shaikh Director (Finance)	52.89	16.57	69.47
4.	Shri Milind M. Deo Director (Technical)	60.23	18.77	79.00

#### Note:

- The terms of appointment of the Functional Directors (Whole-time Directors including Chairman & Managing Director), as issued by the Government of India, provides that the appointment may, however, be terminated even during the period by either side on 3 months notice or on payment of three months salary in lieu therefore.
- Other benefits and perquisites includes contribution to Provident Fund, pension, medical expenses etc. and actual payments towards leave encashment, if any.
- Performance Related Payment are payable to the Functional Directors (Whole-time Directors including Chairman & Managing Director) as employees of the Company as per the policy applicable to all executives of the Company.

- During the year, no Stock Options were issued by the Company to Whole-time Directors.
- The remuneration to Functional Directors (Whole-time Directors including Chairman & Managing Director) does not include the provisions made for gratuity; leave encashment and post-retirement medical benefits as they are determined on an actuarial basis for the Company as a whole.

### Remuneration to Non- Executive Directors

The Independent Directors have been paid sitting fees of ₹30,000/- per meeting for attending meetings of the Board and ₹25,000 per meeting for attending meetings of the Committee. The sitting fees paid during the financial year 2022-23 is as follow:

Name of the Director	Sitting Fees (in Lakh)
Smt. Shashi Bala Bharti	8.00
Shri Chandra Bhushan Pandey	6.25
Shri Kashee Nath Akela (upto 12.08.2022)	1.70
Shri Gopinathan Nair Anilkumar	7.25

**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 28, 2023.



**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 2022-23

**(S. C. Mudgerikar)**  
Chairman & Managing Director

Place: Mumbai

Date: May 5, 2023

**General Body Meetings**

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

Financial Year	Time and Date	Venue
2021-22	3 p.m. on 23.12.2022	Meeting conducted through VC / OAVM pursuant to the MCA Circular
2020-21	3 p.m. on 28.10.2021	Meeting conducted through VC / OAVM pursuant to the MCA Circular
2019-20	3 p.m. on 30.12.2020	Meeting conducted through VC / OAVM pursuant to the MCA Circular

**Particulars of Special Resolution passed at the last three AGMs**

Financial Year	Time and Date	Venue	Special Resolutions Passed
2021-22	3 p.m. on 23.12.2022	Meeting conducted through VC / OAVM pursuant to the MCA Circular	1. Offer or invitation to subscribe to Secured or Unsecured Non-Convertible Debentures on private placement.
2020-21	3 p.m. on 28.10.2021	Meeting conducted through VC / OAVM pursuant to the MCA Circular	1. Offer or invitation to subscribe to Secured or Unsecured Non-Convertible Debentures on private placement.
2019-20	3 p.m. on 30.12.2020	Meeting conducted through VC / OAVM pursuant to the MCA Circular	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

Details of Resolution passed through Postal Ballot, the person who conducted the Postal Ballot exercise and details of voting pattern:

No item warranted the conducting of postal ballot as stipulated in the Companies Act, 2013. No Special resolution has been proposed to be conducted through postal ballot.

**Means of Communication**

The Company regularly interacts with the shareholders through multiple channels of communication such as publication of its results on quarterly, half yearly and annual basis in the main edition of national and vernacular newspapers such as Financial Express, Loksatta and the Company's website, i.e. www.rcfltd.com.

All Official Press Release are hosted on the website of the Company.

The quarterly results, shareholding pattern, corporate governance reports, intimation of Board meetings, etc. are filed with the stock exchanges through NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre.

The annual report, quarterly, half yearly and annual results, Corporate governance report, terms and conditions of appointment of Independent directors, details of various services provided to investors etc. are posted on the website of the Company, i.e. www.rcfltd.com.

The investors can also find on this website the Annual Reports, Quarterly Results, various policies of the Company, details of unpaid dividend, composition of various committees of the Board of Directors, terms and conditions for appointment of independent directors, details of various services being provided to investors, guidance and procedure to be followed by the investors for transfer, transmission and transposition of the securities, de-materialisation, re-materialisation of shares, details of shares to be transferred to Investor Education and Protection Fund, etc.

During the year, no presentations were made to institutional investors or to the analysts.

A Management Discussion and Analysis report is a part of this Annual Report

#### General Shareholder information:

##### Annual General Meeting

**Date :-** Wednesday, December 20, 2023

**Time:-** 3.00 p.m.

**Venue :-** The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020, December 28, 2022 and September 25, 2023 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

##### Financial Year : April 1 to March 31

For the financial year ended March 31, 2023, the financial results were announced on:

- August 12, 2022 : First Quarter
- November 12, 2022: Second Quarter
- February 07, 2023 : Third Quarter
- May 30, 2023 : Forth Quarter & Annual

##### Payment of dividend

The Board of Directors of your Company at their meeting held on November 29, 2022 has approved payment of an Interim Dividend of ₹ 1.60 per equity share for the financial year 2022-23 and dividend was paid to the shareholders on December 27, 2022.

The Board of Directors of your Company have recommended a final dividend of ₹ 3.70 per share for the financial year 2022-23 subject to the approval of the members at ensuing Annual General Meeting which will be paid after December 20, 2023.

#### 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)	25 <sup>th</sup> Floor, P J Towers, Dalal Street, Mumbai 400 001	524230	959872/ 973742
The National Stock Exchange of India Limited (NSE)	Exchange Plaza,C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai 400 051	RCF	INE027A07012 / INE027A08010

The Company has paid Listing fees in respect of its listed securities to both the stock exchanges for the financial year 2023-24.

In addition, Redeemable, Non-Cumulative, Taxable, Non-Convertible Debentures are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), on the Whole Sale Debt Market (WDM) Segment.

In addition, the Commercial Papers are listed on National Stock Exchange of India Limited (NSE).

#### Market Price Data

Monthly high and low prices and volumes of equity shares of the Company at BSE and NSE for the financial year ended March 31, 2023

Sl No.	Month	BSE Limited			The National Stock Exchange of India Limited		
		High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
1.	Apr-22	112.65	88.25	34840074	112.65	88.25	16416334
2.	May-22	103.85	80.75	18811711	103.90	81.00	6368730
3.	Jun-22	100.20	70.65	8926872	100.25	70.60	2910564
4.	Jul-22	88.45	76.15	5574127	88.45	76.10	1927439
5.	Aug-22	108.00	86.95	15774511	108.00	86.70	6954381
6.	Sep-22	109.40	90.75	11364608	109.45	90.50	4793873
7.	Oct-22	105.30	91.50	5006541	105.30	91.50	2433298
8.	Nov-22	128.30	97.40	13921407	128.40	97.50	7951518
9.	Dec-22	144.80	104.70	27120596	144.85	104.80	15090284
10.	Jan-23	140.30	111.65	16118320	140.25	111.55	7664687
11.	Feb-23	124.60	96.00	9201395	124.55	96.05	4382515
12.	Mar-23	106.40	89.50	5465183	106.45	89.50	3145747



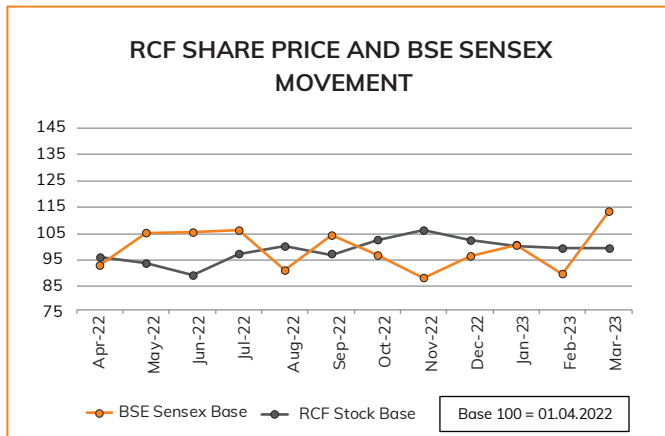
During the year, your Company's shares were actively traded on BSE and NSE. The shares were traded in the range of a maximum of ₹ 144.80 [on 15.12.2022 ] and minimum of ₹ 70.65 [on 20.06.2022] at BSE.

**Stock Price Performance in comparison to broad-bases indices**

During the year 2022-23, the share price of the Company opened at ₹ 89.35 on 01.04.2022 and closed at ₹ 95.36 on 31.03.2023 on the BSE thereby increasing by 6.73%. During the same period, BSE sensx opened at 58,530.73 on 01.04.2022 and closed at 58991.52 on 31.03.2023 thereby increasing by 0.79% during the same period, NSE Nifty opened at 17436.90 on 01.04.2022 and closed at 17359.75 on 31.03.2023 thereby decreasing by 0.44%.

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

The relative performance (on base of 100 as on 01.04.2022) of the monthly closing price of the Company's share vis-a-vis BSE Sensex during the year 2022-23 is given below:



**Corporate Identity Number (CIN) of the Company: L24110MH1978GOI020185**

**Share Transfer Agent**

Link Intime India Private Limited,  
Address : C-101, 247 Park, L B S Marg  
Vikhroli West, Mumbai 400 083  
Phone No.022 49186000  
Email: rnt.helpdesk@linkintime.co.in

The Share Transfer Agents have also service centres at Delhi, Kolkata, Coimbatore, Ahmedabad, Pune and Vadodara where also the transfer deeds and other correspondence are accepted. All requests received for transfer through the investors' Depository Participants (DP) are processed through NSDL/CDSL and downloaded periodically by the Registrar and records updated. Requests for transfer in physical form received are effected within a fortnight.

**Distribution of Shareholding**

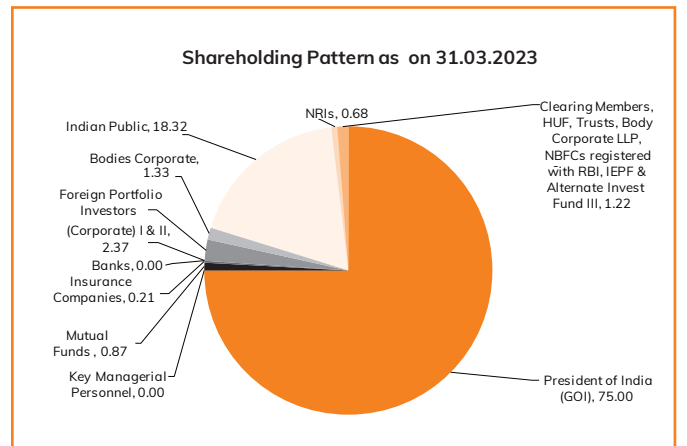
The shareholding distribution of equity shares of nominal value of ₹ 10/- each as on March 31, 2023 is as under:

Sl. No	No. of Shares held	No. of shareholders	% of total	Share amount [₹]	% of total
1.	1 - 5000	205506	86.20	245923960	4.46
2.	5001 - 10000	16823	7.06	138958620	2.52
3.	10001 – 20000	8102	3.40	125449940	2.27
4.	20001 – 30000	2879	1.21	74615060	1.35
5.	30001 – 40000	1197	0.50	43509440	0.79
6.	40001 – 50000	1159	0.49	55416120	1.00
7.	50001 – 100000	1587	0.66	118752090	2.15
8.	100001 - and above	1148	0.48	4714255770	85.46
<b>Total</b>		<b>238401</b>	<b>100.00</b>	<b>5516881000</b>	<b>100.00</b>

**Shareholding Pattern**

The shareholding pattern of the company as on March 31, 2023 is as follows:-

Category	No. of Shares	% of Holding
President of India (GOI)	413769483	75.00
Key Managerial Personnel	100	0.00
Mutual Funds	4774657	0.87
Insurance Companies	1141975	0.21
Banks	9778	0.00
Foreign Portfolio Investors (Corporate) I & II	13070457	2.37
Bodies Corporate	7349949	1.33
Indian Public	101082786	18.32
NRIs	3749286	0.68
Clearing Members, HUF, Trusts, Body Corporate LLP, NBFCs registered with RBI, IEPF & Alternate Invest Fund -III	6739629	1.22
<b>Total</b>		<b>100.00</b>



### 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, 2023, out of the total 55,16,88,100 equity shares, 55,06,72,510 shares, i.e., 99.82% are in demat segment and only 10,15,590 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 2022-23

Total exposure of the Company to commodities: ₹ 12,122.44 crore

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

Commodity Name	Exposure in INR towards the particular commodity ( in Crore)	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic Market		International Market		Total
			OTC	Exchange	OTC	Exchange	
Natural Gas	12,122.44	7,23,95,301.80 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 2022-23 and how they have been managed

Natural Gas is the major raw material for manufacture of Urea, NPK fertilizers and some Industrial Chemicals. Based on the basket of gases sourced by the Company, the prices of Natural Gas are linked to international crude oil/gas prices and it varies with the fluctuation in the prices of crude oil/gas, demand supply pattern, etc. and also price as determined as

per applicable Government formula for Domestic gas.

The Company is not affected by price volatility of natural gas with respect to quantity of gas consumed in Urea as the cost of natural gas is pass through under the subsidy policies of Government of India for manufacture of Urea. However, in respect of consumption in NPK fertilizers and Industrial chemicals it is exposed to risk of volatility in prices. The Company did not enter into any transaction for hedging the fluctuations in the prices of natural gas and is in the process of formulation of a policy for covering the exposure towards commodity risk and hedged exposure etc.

### Foreign Exchange Risk

The foreign exchange risk of the Company arises mainly out of import of fertilisers, raw materials for fertilizers and foreign currency borrowings. Company has a Board approved Policy for management of foreign currency risks and the Board is apprised of the impact of the same on a quarterly basis.

In order to mitigate the foreign exchange risk, the Company continuously monitors its foreign exchange exposure and hedges its foreign exchange risk in this regard, to the extent considered necessary, through forward contracts, other derivative products etc. The details of foreign currency risk and hedging activities are also given in the Notes to Financial Statements.

### Plant Location

Your Company has two manufacturing units located at :-

- Trombay Unit: Mahul Road, Trombay, Mumbai-400 071;
- Thal Unit: Alibag, Thal, Raigad, 402208, Maharashtra.

Your Company markets its products through various marketing offices located throughout the Country.

### Registered Office/Address for Correspondence:

The Company Secretary  
Rashtriya Chemicals and Fertilizers Limited  
"Priyadarshini",  
Eastern Express Highway, Sion,  
Mumbai 400 022.  
India.  
Tel. 022 2404 5024  
e-mail: investorcommunications@rcfltd.com

### ISIN of the Company

The Company's International Securities Identification Number (ISIN) for Equity is INE027A01015.

The Company's International Securities Identification Number (ISIN) for NCD is INE027A07012.



The Company's International Securities Identification Number (ISIN) for NCD is INE027A08010.

### Credit Ratings

The details of the Credit Ratings assigned to the Company as on March 31, 2023 are as under:

Type of Facility/ Programme	Amount (₹ in Crore)	Credit Rating Agency	Rating Assignment
Commercial Paper	3000	ICRA	ICRA A1+
Commercial Paper	3000	CARE	CARE A1+
Long Term Bank Lines	5100	ICRA	ICRA AA
Short Term Bank Lines	16000	CRISIL	CRISIL A1+
NCD	1000	ICRA	ICRA AA
NCD	1000	India Ratings	IND AA

### Utilisation of funds raised through issue of Non-convertible Debentures

During the year 2020-21, the Company had issued 5,000, 6.59% Listed, Secured, Rated, Redeemable, Taxable, Non-Convertible Bonds in the nature of Debentures (NCDs) of face value of ₹10,00,000/- (Rupees Ten Lakh only) each, aggregating to ₹ 500 crores (Rupees Five Hundred Crores only) on private placement basis for cash at par, in dematerialized form (ISIN: INE027A07012). 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.

During the year 2021-22, the Company had issued 3,000, 6.59% Listed, Unsecured, Rated, Redeemable, Taxable, Non-Convertible Bonds in the nature of Debentures (NCDs) of face value of ₹10,00,000/- (Rupees Ten Lakh only) each, aggregating to ₹ 300 crores (Rupees Three Hundred Crores only) on private placement basis for cash at par, in dematerialized form (ISIN: INE027A08010). The funds raised through issuance of NCDs have been utilised for augmentation of long-term working capital of the company, capital expenditure including recoupment of capital expenditure already incurred.

### Debenture Trustee

SBICAP Trustee Company Limited

Register Office :

202, Maker Tower,

'E', Cuffe Parade,

Colaba, Mumbai 400005

Website : www.sbicaptrustee.com

### Unclaimed Dividend

In case of non-receipt of dividend, shareholders may write to the Company Secretary or to Link Intime India Private Limited [R&T Agent] furnishing the particulars of the dividend not received, quoting the folio number/client ID particulars in case of dematerialized shares. On verification of the records, if the dividend warrants remain unpaid in the records of the Company after expiry of the validity period, duplicate dividend warrants will be issued.

Pursuant to the provisions of Section 124 of the Companies Act, 2013, dividend for the financial year ended March 31, 2016 which remains unclaimed on October 28, 2023 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 31.03.2023	Last date for claiming unpaid dividend
1.	31.3.2016	23.09.2016	11,07,303.80	28.10.2023
2.	31.3.2017	21.09.2017	14,59,792.40	26.10.2024
3.	31.3.2018	26.09.2018	8,79,717.60	31.10.2025
4.	31.03.2019	24.09.2019	9,67,872.43	29.10.2026
5.	31.03.2020	30.12.2020	41,83,542.20	03.02.2027
6.	31.03.2021 (Interim)	05.02.2021	13,95,210.80	13.03.2028
7.	31.03.2021 (Final)	28.10.2021	20,56,587.78	04.12.2028
8.	31.03.2022 (Interim)	10.11.2021	11,11,461.70	15.01.2029
9.	31.03.2022 (Final)	23.12.2022	0.50	27.01.2030
10.	31.03.2023 (Interim)	29.11.2022	5,90,559.40	03.01.2030

The details of unclaimed shares transferred to IEPF during year 2022-23:

Sl. No.	Financial year	Number of shares transferred to IEPF
1.	2014-15	19,876

The details of unclaimed dividend transferred to IEPF during year 2022-23:

Sl. No.	Financial year	Amount of unclaimed dividend transferred to IEPF (₹ in Lakh)
1.	2014-15	16.79 lakh

### Nodal Officer for Investor Education and Protection Fund

In compliance with Companies Act, 2013 and The Investor Education and Protection Fund Authority (Accounting,



Audit, Transfer and Refund) Rules, 2016, Shri J. B. Sharma, Company Secretary of the Company has been appointed as Nodal Officer for the purpose of coordination with IEPF Authority.

#### Calendar of events:

Sl. No.	Event	Likely date
(i)	Announcement of 1 <sup>st</sup> Quarterly (unaudited) financial result for FY 2023-24	August 11, 2023
(ii)	Book Closure for the purpose of Dividend and AGM.	Thursday, December 14, 2023 to Wednesday, December 20, 2023 (both days inclusive)
(iii)(a)	AGM for 2022-23 : Date	Wednesday, December 20, 2023 at 3 p.m.
(iii)(b)	AGM for 2022-23: Venue	The Company is conducting meeting through VC / OAVM pursuant to the MCA Circulars dated May 5, 2020, December 28, 2022 & September 25, 2023 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 2023-24	November 10, 2023
(v)	Announcement of 3 <sup>rd</sup> quarterly (unaudited) financial result for FY 2023-24	on or before February 14, 2024
(vi)	Announcement of Audited results for FY 2023-24	on or before May 30, 2024

#### 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 & NSE had waived off the fines levied for the quarters ended - September 2018 till September 2021. Further, the Company has made an application to BSE & NSE for waiver of fine levied for quarter ended December, 2021 to March 2023.

NSE has levied fines against the Company for the period February 2021, March 2021, May 2021, August 2021 and December 2021 under Para 2.4 of Annexure II of SEBI Circular dated October 22, 2019 and Para 8.4 of Chapter XVII of SEBI Operational Circular dated August 10, 2021, aggregating to ₹ 33,18,160/-. NSE vide letter dated June 19, 2023 has waived off the said fines levied.

NSE & BSE has levied fines against the Company for period August 2021 under Regulation 60(2) of the Listing Regulations aggregating to ₹ 11,800/- each. NSE vide letter dated June 19, 2023 has waived off the said fines levied. The Company has made an application to BSE for waiver of said fine levied

NSE & BSE has levied fines against the Company for period March 2021 under Regulation 52(7)) of the Listing Regulations aggregating to ₹ 12,980/- each. The Company has made an application to BSE & NSE for waiver of said fine levied

##### 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 ₹20 lakh.

**Policy for determining material subsidiaries**

The policy for determining material subsidiaries is disclosed on the

<https://www.rcfltd.com/public/storage/cmspages/cmspdfFile/F1629960833-POLICY%20FOR%20DETERMINING%20MATERIAL%20SUBSIDIARIES.pdf>

**Policy on dealing with related party transaction**

The policy on dealing with related party transaction is disclosed on the

[https://www.rcfltd.com/public/storage/cmspages/cmspdfFile/F1629960623-Policy\\_on\\_RPT.pdf](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](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 2022-23.

The fees paid to the Statutory Auditors during the year 2022-23, on consolidated basis is as under:

(₹ in Crore)

Sr. No.	Particulars	Year ended 31.3.2023
1.	Audit fees for the year	0.40
2.	Audit fees for Limited review	0.03
3.	Audit fees for Consolidated Financial Statements	0.02

Sr. No.	Particulars	Year ended 31.3.2023
4.	Certification Fees	0.15
5.	Reimbursement of other expenses	0.05

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

- Number of complaints filed during the financial year : 1
- Number of complaints disposed of during the financial year: 2
- Number of complaints pending as on end of the financial year : Nil

#### Non mandatory requirements

Besides the mandatory requirements as mentioned in preceding pages, the status of compliance with non-mandatory requirements of Reg. 27(1) of SEBI (LODR) Regulations, 2015 read with Part E of Schedule-II are produced below:

- The Board:** The Company is headed by an Executive Chairman.
- Shareholder Rights:** The quarterly Financial Results of the Company are published in leading newspapers and also posted on company's website (www.rcfild.com). These results are not separately circulated to the shareholder.
- Audit Qualification / Modified Opinions in audit report:** It is always Company's endeavor to present an unqualified financial statement.
- 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, Gol had appointed one person as C&MD of the company.
- Reporting of Internal Auditor:** Internal Audit reports directly to Chief Executive Officer of the Company. The external/internal auditor appointed by the company submit their report to concerned HoD at places where they are conducting audit. These reports are reviewed by the Audit Committee.

#### Compliance certificate regarding compliance of conditions of corporate governance

As required by Schedule V of the SEBI (LODR), the compliance certificate regarding compliance of conditions of Corporate Governance issued by a Practising Company Secretary is annexed.

#### Trading in your Company's shares by Directors and designated Employees:

None of the Directors holds shares in your Company except Ms Nazhat J. Shaikh, Director (Finance) holds 100 equity shares in the Company.

#### Guidelines on Corporate Governance by DPE

Your Company is complying with the all the requirements of the DPE Guidelines on Corporate Governance except in respect of composition of the Board of Directors with regard to 50% independent Directors. Your Company, being a Government Company, is pursuing with the Government of India to induct requisite number of Independent Directors.

No items of expenditure have been debited in books of accounts, which are not for the purpose of business. No expenses, which are of personal nature, have been incurred for the Board of Directors and top management.

Further, the administrative and office expense constitute 0.65 % of total expense for financial year 2022-23 as against 0.49 % in the previous year 2021-22.

#### Disclosure with respect to demat suspense account / unclaimed suspense account

No shares are lying in the demat suspense account or unclaimed suspense account.

#### Compliance Officer

Shri J. B. Sharma, Executive Director (Admn., Legal & Company Secretary), is the Compliance Officer of the Company.

#### Prevention of Insider Trading

The Company has adopted a Code of Conduct for prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary of the company is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.



## CEO/ CFO CERTIFICATION

### FOR THE FINANCIAL YEAR ENDING ON MARCH 31, 2023

This is to certify that:

- A. We have reviewed financial statements for the financial year ended March 31, 2023 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 2022-23;
  2. There has not been any significant change in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  3. There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Nazhat J. Shaikh**  
Director [Finance] & CFO

Place: Mumbai  
Date: May 30, 2023

**S. C. Mudgerikar**  
Chairman & Managing Director

Place: New Delhi  
Date: May 30, 2023

## DIRECTORS' 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 K. U. Thankachen, Director (Marketing) (Upto 31.07.2022)

Shri K. U. Thankachen has taken over as Director (Marketing) of Rashtriya Chemicals and Fertilizers Limited on 11<sup>th</sup> December, 2018.

He is MBA with specialisation in Marketing from Department of Commerce & Management Studies, University of Calicut in the year 1986. Shri Thankachen is a seasoned professional in the field of logistics and warehousing with over 31 years of experience. He started his career with Airports Authority of India in the year 1987 and joined Container Corporation of India Ltd. in the year 1995. He has held various important positions in Marketing, Commercial and Operations functions within CONCOR. He was posted as Chief General Manager, Central Region of CONCOR at Nagpur having jurisdiction of 5 terminals at Nagpur, Bhusawal, Aurangabad, Raipur and Mandideep from September, 2010 to April, 2012. Thereafter, he was posted as head of the largest Inland Container Depot in Asia at Tughlakabad, New Delhi from April, 2012 to September, 2013.

Prior to joining Director (Marketing), Shri Thankachen was Managing Director of Central Railside Warehouse Company Limited. He attended a one year international management programme organised by International Centre for Promotion of Enterprises, Ljubljana, Slovenia.

### Ms Nazhat J. Shaikh, Director (Finance)

Ms Nazhat J. Shaikh has been appointed as Director (Finance) with effect from 1<sup>st</sup> December 2021. She holds a Bachelor's degree in Commerce from Mumbai University and is a qualified Chartered Accountant. She is a certified SAP FI Consultant. She started her career with RCF in the year 1989 as Accounts Officer. She was selected as Director (Finance) in National Film Development Corporation, a CPSE under the administrative Ministry of Information & Broadcasting and joined on 24<sup>th</sup> November 2015, after taking lien from Rashtriya Chemicals & Fertilizers Ltd. She re-joined RCF as Executive Director Finance on 1<sup>st</sup> August, 2019.

She was entrusted with various responsibilities relating to Finance in Trombay, Fertilizer Marketing & Corporate during her service period in RCF. She was also given charge of IT responsibilities during the crucial period of SAP ERP implementation/upgrade. She has been a member of Women's Cell and Complaints Committee for prevention of Sexual Harassment and during the tenure also served as Chairperson of the Committee briefly. She was facilitator for conduct of Gender audit in RCF.

As ED (Finance), she was responsible for the entire finance, accounting, taxation and related reporting and compliances, treasury function and financial concurrence of all proposals. She has a rich experience of more than 29 years in the fertilizer industry. At NFDC, she was holding additional charge of the responsibilities of Managing Director of NFDC for a brief period. Being one of the two Functional Directors, she got an exposure to the non-finance areas including media & production business, film festivals and promotion in addition to HR, legal & administrative functions.

She was awarded Best Woman Employee Award in Executive Category (3<sup>rd</sup> place) instituted by Forum of Woman in Public Sector (under the aegis of SCOPE) in February 2014 and the CFO100 Next Award 2013 instituted by the CFO institute.

### Shri Milind Madhukar Deo, Director (Technical)

Shri Milind Madhukar Deo is appointed as Director (Technical) on the Board of Rashtriya Chemicals and Fertilizers Limited (RCF) w. e. f. 27<sup>th</sup> December, 2021.

Shri Deo is a Bachelor of Chemical Engineering from Institute of Chemical Technology, Mumbai (earlier known as UDCT, Mumbai), 1984 batch. He is an Energy Auditor, certified by Bureau of Energy Efficiency (BEE). He was also a Lead Auditor for ISO 14001, OHSAS 18001, ISO 9001 and had conducted internal IMS and safety audits.





Prior to elevation to the Director (Technical), he was Executive Director (Coordination). He joined the Company in July 1984 as a Management Trainee. In his long career spanning more than 37 years, he has worked in various capacities in Ammonia and Urea Plants, Complex Fertilizer Plant, Group of Chemical Plants, Steam Generation Plants, Methanol and Nitric Acid Plants, Product Handling Plant, Technical Services, Health, Safety & Environment Management, Energy Management and Coordination of Performance Improvement Schemes.

He was actively involved in commissioning and performance guarantee test run of Urea plants in India and abroad. He was a member of the team deputed to Bangladesh for commissioning of Jamuna Fertilizer Project, undertaken by M/s Mitsubishi Heavy Industries, Japan on turn-key basis. He played a key role in implementing optimization scheme in all three Thal Urea Plants, mainly for reducing energy consumption through updating process technology.

He is the recipient of first prize for the best article in production and technology (2002-2003) on 'BFW Production from Urea Process Condensate through MP Hydrolysis', co-written in 'Fertilizer News' (August 2003 issue) of Fertilizer Association of India. He has also presented technical papers on Safety Practices and Energy Schemes in the national level seminars.

Apart from technical knowledge and expertise, he loves literature and was honoured with PhD by Mumbai University in the year 2000 for his thesis related to Marathi literature and philosophy.

#### **Shri Sanjay Rastogi, Government Nominee Director (from 21.02.2023)**

Shri Sanjay Rastogi, IAS is Government Nominee Director on the Board of the Company w.e.f. 21<sup>st</sup> February, 2023.

Shri Sanjay Rastogi (55 Years) is an IAS of 1991 batch of Odisha cadre. He is B.Tech in Electrical Engineering and M Tech in Electronics & Communication, IIT – Delhi. He had served as CMD, Odisha State Road Transport Corporation, Principal Secretary – Commerce & Transport, CMD, Orissa Milk Federation (OMFED), CVO – Projects Equipments Corporation Limited (PEC), Ministry of Commerce & Industry, Zonal Jt. DG, DGFT, Export Commissioner, Ministry of Commerce and as Development Commissioner for Handlooms in Ministry of Textiles, Government of India.

He is currently working as Additional Secretary and Financial Adviser in the Ministry of Chemicals and Fertilizers, Government of India, New Delhi.

#### **Ms Aneeta C Meshram, Government Nominee Director**

Ms Aneeta C Meshram, IAS is Government Nominee Director on the Board of the Company w.e.f. 13<sup>th</sup> November, 2022.

Ms Meshram a 1996 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 Uttar Pradesh and Government of India. She has varied and rich experience in Government, in different positions, and has great managerial capabilities.

#### **Ms Aparna S, Sharma, Government Nominee Director (upto 12.11.2022)**

Ms Aparna S. Sharma is appointed as Government Nominee Director on the Board of the Company w.e.f. September 1, 2020. Ms Aparna S. Sharma, Joint Secretary, Department of Fertilizers, Ministry of Chemicals and Fertilizers, Govt. of India. She is a post graduate in English Literature from Delhi University and a 1990 batch CSS Officer. She has over 32 years of work experience in various Ministries of Government of India including Department of Higher Education, Health and Family Welfare, Personnel and Training. Finance and Urban Development. She has handled a range of subjects while handling portfolios of varied nature relating to intellectual property rights, infrastructure development, policy formulation, scheme implementation, drafting legislation and work of regulatory nature. She has written several articles and made presentations at national and international workshops as part of official duties.

#### **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<sup>th</sup> June, 2020. Smt Shashi Bala Bharti holds a degree of Master of Arts from Agra University and Bachelor of Education from Kanpur University.

She is an eminent parliamentarian and was former member of Uttar Pradesh Legislative Assembly. She has been associated with social activities and also associated with women welfare for the last 27 years. Currently, she is a Member of Uttar Pradesh State Commission for Women from September 2018.

#### **Shri Chandra Bhushan Pandey, Independent Director**

Shri Chandra Bhushan Pandey appointed as Independent Director on the Board of Company w.e.f November 29, 2021.

Shri Chandra Bhushan Pandey holds a degree of Master of Science (Gold Medalist) from Allahabad University.

Shri Pandey has served as MP PCS and UP PCS till 2008. He is a social worker and through his work established Mission 'Water for Tomorrow,' established Green Earth Ashram in Prayagraj, launched 'Ashta Tree Plantation' campaign, established UP development foundation (UPDF) which is dedicated to goal developed UP with the help of group of expert and citizen through committee of experts, dedicated to organic farming campaign through 'Living Soil Program', agitating for the development and conservation of ponds through 'Aao Talab Chalen' campaign.

He was a founder member of the farmers' organization Rashtriya Kisan Panchayat. He was editor of magazine viz

“Bagwani” and “Naukarshahi. He has dedicated his whole life to the society.

**Shri Kashee Nath Akela, Independent Director (upto 12.08.2022)**

Shri Kashee Nath Akela appointed as Independent Director on the Board of company w.e.f. December 1, 2021.

Shri Kashee Nath Akela holds a Graduation degree from Varanasi University.

Shri Akela has been President of Azad Sporting Club, Co-convener of Goswami Tulsidas Memorial Committee, Adi Ramlila, Convener of Latbhairav, President of Baba Baluaveer Management Committee. From 1995 to 2000, Hon'ble Governor was appointed as a councilor in Varanasi Municipal Corporation. Shri Akela is involved in various social work and educating farmers.

**Shri Gopinathan Nair Anilkumar, Independent Director**

Shri Gopinathan Nair Anilkumar has been appointed as Independent Director on the Board of Company w.e.f. December 27, 2021.

Shri Gopinathan Nair Anilkumar holds LLB Degree from Andhra University. Shri Gopinathan Nair Anilkumar is natural rubber exporter since 1990. He has been awarded four times by Rubber Board, Government of India for natural rubber exporter.

He is two-time Nation's first largest exporter of Natural Rubber Sheets and Two Times Second largest exporter. He is also Assessing Officer for Rubber Skill Development Council approved by Skill India Project



## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,  
The Members,  
**Rashtriya Chemicals and Fertilizers Limited,**  
"Priyadarshini", Eastern Express Highway,  
Sion, Mumbai - 400 022.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Rashtriya Chemicals And Fertilizers Limited having C.I.N: L24110MH1978GOI020185 and having Registered Office at "Priyadarshini", Eastern Express Highway, Sion, Mumbai - 400 022 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C 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](http://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, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in the Company
1.	Mr. Shriniwas Chandrashekar Mudgerikar	03498837	01.10.2019
2.	Ms. Nazhat J. Shaikh	07348075	01.12.2021
3.	Mr. Milind Madhukar Deo	08715250	27.12.2021
4.	Mr. Sanjay Rastogi	07722405	21.02.2023
5.	Ms. Aneeta C Meshram	09781436	13.11.2022
6.	Ms. Shashi Bala Bharti	08770477	25.06.2020
7.	Mr. Chandra Bhushan Pandey	09407412	29.11.2021
8.	Mr. Gopinathan Nair Anilkumar	09447818	27.12.2021

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

For **Bhandari & Associates**

**Company Secretaries**

Firm Registration No: P1981MH043700

**S. N. Bhandari**

Partner

FCS No: 761; C P No.: 366

Mumbai | August 11, 2023

ICSI UDIN: F000761E000770464

## CERTIFICATE OF COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To  
The Members,  
**Rashtriya Chemicals and Fertilizers Limited**

We have examined the compliance of conditions of Corporate Governance by Rashtriya Chemicals and Fertilizers Limited ("the Company") for the year ended on 31<sup>st</sup> March, 2023, as stipulated in Chapter IV of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"].

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations subject to the following:

1. The Company did not have requisite number of Independent Directors on its Board as prescribed under Regulation 17(1) of the Listing Regulations.
2. The Company did not have requisite number of directors and independent directors in Nomination and Remuneration Committee for the period from August 12, 2022 upto September 27, 2022, as required under Regulation 19(1)(a) and 19(1)(c) of the Listing Regulations.
3. The gap between two consecutive meetings of Risk Management Committee was beyond the prescribed timelines under Regulation 21 of the Listing Regulations.
4. The Company, being an equity and high value debt listed entity, the disclosure of related party transactions for half year ended March 31, 2022 as required under Regulation 23(9) of the Listing Regulations was not given along with the disclosure of financial results. Thus, the disclosure was given beyond the timelines specified under the said 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**  
Firm Registration No: P1981MH043700

**S. N. Bhandari**  
Partner  
FCS No: 761; C P No.: 366  
Mumbai | August 11, 2023  
ICSI UDIN: F000761E000770475



# 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, 2023, 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, 2023 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, 2023 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 – Property, Plant and Equipment: Title deeds of Immovable properties:**

In respect of immovable properties other than land, i.e. building and other structures situated at its Trombay and Thal units, the Company has self-constructed properties on the land owned by the Company as evidenced by property cards/title deeds of land.

The Company has contested that major portion of the immovable assets became vested with the Company as a result of Government of India reorganizing certain fertilizers companies in the past. Based on the legal opinion obtained, the company is of the view that it has clear title to the same and also initiated the process of obtaining evidence of title towards self-constructed properties.

Apart from such properties, immovable properties, including land for which title deeds are not in the name of the Company is mentioned in the standalone Ind AS financial statements.

**b) Note No. 50 – Gas pooling applicable to Fertilizer (Urea) sector:**

During the year 2022-23, the Company has recognized a receivable of ₹ 79.84 crores recoverable from Department of Fertilizers on account of pooled price differential for the Year 2021-22 and for the period December 2022 to February 2023 raised by GAIL India Limited on account of substitution of EPMC and Spot gas used for Urea operations with cheaper market priced gas.

**c) Note No. 67 – Exceptional Item:**

Pursuant to the Ministry of Petroleum & Natural Gas (MoPNG) order No. L-13013/3/2012-GP-I, dated: 16<sup>th</sup> December 2015, GAIL had sought a differential levy on usage of gas for non-fertilizer/non-Urea operations, amounting to ₹ 1457.92 crores for the period commencing from 1<sup>st</sup> July 2006 till 30<sup>th</sup> June, 2019 by initiating arbitration proceedings before Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD). The Liability pertaining to period 1<sup>st</sup> July 2006 till 31<sup>st</sup> March 2016 was settled and excess provision of ₹ 147.00 crores were reported as an exceptional item in Year 2021-22. During the current year 2022-23, the liability from Financial Year 2016-17 onwards is

crystalized and ₹ 30.15 crores excess provision is not considered necessary has been derecognized and reported as an exceptional item.

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 standalone Ind AS financial statements of the current period.

These matters were addressed in the context of our audit of the Standalone Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in our audit are:

1. Revenue Recognition and measurement in respect of subsidy income.
2. Estimation of Provision & Contingent Liabilities.
3. Information Technology General Control.

Sr. No.	Key Audit matter	Response to Key Audit Matter
1.	<p><b>Revenue recognition and measurement in respect to subsidy income.</b></p> <p>Recognition of subsidy is generally made on the basis of in principle recognition/approval /settlement of claims from Government of India/Fertilizer Industry Co-ordination Committee while finalizing the standalone Ind AS financial statements.</p> <p>During the year, Subsidy adjusted on account of the escalations/de-escalations basis for the year amounts to ₹ 114.53 Crore refundable to FICC/DOF (PY ₹ 1588.30 Crore receivable).</p> <p>Such adjustments have been done for escalations/de-escalations in the cost of inputs and other costs, as estimated by the management based on the prescribed norms in line with known policy parameters.</p> <p>MRP of Urea being fixed by Government of India, the Company is entitled for subsidy wherein certain inputs costs are a pass through and compensation for production beyond a level of production known as Reassessed capacity is restricted to lower of Import Parity Price (IPP) of Urea plus other incidental charges which the government incurs on imported Urea, or its own concession price, as determined under extant policies for Urea. Further subsidy income is net of adjustments of recoveries towards sale/transfer for surplus ammonia or non-conversion of entire ammonia into Urea.</p> <p>Since there is a time lag between actual expenditure incurred and notification of concession rates for the year, Management exercises significant judgement in arriving at the income entitlement on account of same for the year.</p> <p>Therefore, there is a risk of revenue being misstated on account of errors in estimation of concession/IPP rates yet to be notified, due to absence of notification available and change in methodology/ calculation, if any for arriving at price concession.</p>	<p><b>Our Procedure included:</b></p> <p><b>Accounting policies and principles:</b></p> <p>We have reviewed the Company's accounting policies for Subsidy on Urea as mentioned under "Note A. Statement of Significant Accounting policies III) D) Revenue Recognition" of the standalone Ind AS financial statements and the same is compared with the applicable Ind AS.</p> <p><b>Tests of controls:</b></p> <p>We have evaluated the design, implementation and operating effectiveness of key controls over recognition of subsidy income.</p> <p><b>Tests of details:</b></p> <p>We have verified the supporting documentation for determining that the subsidy was recognized in the correct accounting period and as per notified rates.</p> <p>In absence of notified rates, we have verified calculation of estimated rates based on information available with the Company for such costs which are a pass through.</p> <p>In case estimation of income is based on other parameters like IPP of Urea etc. The verification of the same is based on available information in public domain.</p> <p>Testing reasonability of assumptions based on past trends, consistency in application and changes in the same owing to change in Government policies.</p> <p>Performing substantive analytical procedures: -</p> <p>Ascertainment and analysis of variations with respect of amounts estimated and actually entitled upon notification with respect to previous years.</p> <p>We also assessed as to whether the disclosures in respect of revenue were adequate.</p>

Sr. No.	Key Audit matter	Response to Key Audit Matter
2.	<p><b>Estimation of Provision &amp; Contingent Liabilities</b></p> <p>In the recognition and measurement of provisions, there is uncertainty about the timing or amount of the future expenditure required to settle the liability.</p> <p>In respect of contingent liabilities, there are estimates and assumptions made to determine the amount to be disclosed.</p> <p>As at the year ended 31 March 2023, the amounts involved are significant. There is a high degree of judgement required for the recognition and measurement of provisions and disclosure of contingent liabilities.</p> <p>There is a risk of material misstatement that the estimates are incorrect and that the provisions or contingent liabilities are materially misstated.</p>	<p><b>Internal enquiry:</b></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><b>Tests of details:</b></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><b>Enquiry and confirmation of lawyers:</b></p> <p>In respect of matters which are under dispute, we have assessed opinion of the Company's in-house Legal Department / external lawyers wherever necessary.</p>
3.	<p><b>Information Technology Controls</b></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"> <li>- We extended our testing to identify whether there had been unauthorized or inappropriate access or changes made to critical IT systems and related data;</li> <li>- Where automated procedures were supported by systems with identified deficiencies, we extended our procedures to identify and test alternative controls; and</li> <li>- Where required, we performed a greater level of testing to validate the integrity and reliability of associated data and reporting.</li> </ul> <p>Further, We have relied on provisional observations of independent consultant's past reports and the Company's replies to the observations raised by the consultants.</p>

### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the standalone Ind AS financial statements and our auditor's report thereon. The Company's Annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



## Management and Board of Directors' Responsibilities for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, the financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS Financial Statements.

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

- Identify and assess the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
  2. As required by Section 143 (5) of the Act, we give in "Annexure B" the directions and sub-directions issued by the Comptroller and Auditors General of India (CAG), the action taken thereon and its impact on the accounts and the standalone Ind AS 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 44.1.3 to the standalone Ind AS Financial Statements)*
  4. (A) As required by section 143(3) of the Act, we report that:
    - a) We have sought and obtained all the information and explanations which to
- the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Standalone Balance sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flow dealt with by this report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
  - e) The Company being a government company, the provision of section 164(2) is not applicable in accordance with the Notification No. GSR 463 (E) dated June 5, 2015 issued by Ministry of Corporate Affairs. Accordingly, no reporting regarding Clause 3(g) of section 143 is required.
  - f) With respect to the adequacy of the internal financial controls with reference to the standalone Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure C".
- (B) In accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements – Refer Note 44 to the Standalone Ind AS financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. There is no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or





- loaned or invested (either from borrowed funds or share premium or any kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
  - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under clause (iv) (a) and (iv) (b) contain any material mis-statement.
- v. The dividend declared or paid during the year by the Company is in compliance with section 123 of the Act.
- (C) With respect to the other matters to be included in the Auditor's Report as per section 197 (16) of the Act:
- In accordance with requirements of section 197 (16) of the act as amended: As per notification number G.S.R. 463 (E) dated June 5, 2015 issued by Ministry of Corporate Affairs, Section 197 of the Act as regards the managerial remuneration is not applicable to the Company, since it is a Government Company.
- (D) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

**For M M Nissim & Co LLP**

Chartered Accountants  
Firm Regn. No.107122W/W100672

**N. Kashinath**

Partner  
Membership No. 036490  
UDIN: 23036490BGXRYV2718

Place: Mumbai  
Dated: May 30, 2023

**For Gokhale & Sathe**

Chartered Accountants  
Firm Regn. No. 103264W

**Atul Kale**

Partner  
Membership No. 109947  
UDIN: 23109947BGVVQE8885

## 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, 2023.)

### Statement on Matters specified in paragraphs 3 & 4 of the Companies (Auditor’s Report) Order, 2020:

- (i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment with original cost and depreciation written off in respect of identifiable units of assets and where such information for identifiable units of assets is not available, the records show the cost and depreciation written off in respect thereof as a group or class. The items of assets in respect of which quantitative details are not linked with the cost or book value are of small value acquired prior to April 1978 and are fully depreciated particularly in respect of movable items acquired from Fertilizers Corporation of India Limited.
- B. The Company has maintained proper records showing full particulars of Intangible assets.
- (b) The Company has a regular program for physical verification of its Property, Plant and Equipment by which its Property, Plant and Equipment are verified in a phased manner by the management and the Company’s internal auditors. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its Property, Plant and Equipment. No material discrepancies were noticed on such verification.
- (c) Based on our examination of the registered sale deed / transfer deed / conveyance deed / property tax paid documents (which evidences title) provided to us and with reference to Note 48 to the standalone Ind AS Financial Statements, we report that, the title in respect of self – constructed buildings and title deeds of all other immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the standalone Ind AS financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date, except:-

Sr. No.	Total No. of Cases	Type of assets	Gross Block as at March 31, 2023 (₹ Crore)	Held in Name of	Whether promoter, director or their relative or employee	Period held	Remarks
1.	2	Free Hold Land –Thal (1,824,903 Sq. Mtr. of land)	1.60	Government of India (incl. Central Railways) and private land owners	NO	44 Years	The Company is in the process of obtaining transfer of the title deeds.
2.	1	Free Hold Land -Trombay (375,826 Sq. Mtr. of land)	0.24	The Fertilizer Corporation of India	NO	44 Years	The Company is in the process of obtaining transfer of the title deeds.
3.	1	Building – Thal Kihim Township	3.09	Not applicable	NO	38 Years	The Company is in the process of obtaining evidence of title / permissions / approvals.

- (d) The Company has not revalued any of its property, Plant and Equipment (including of right-of-use assets) or intangible assets or both during the year. of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at 31<sup>st</sup> March 2023 for holding any benami property under the Benami Transaction (Prohibition) Act, 1988, as amended and rules made thereunder.
- (e) According to the information and explanations given to us and on the basis of our examination



(ii) (a) The physical verification of inventory (excluding stocks outside the factory premises) has been conducted at reasonable intervals by the Management with the help of independent outside agency (Internal auditors and technical consultants) during the year and, in our opinion, the coverage and procedures of such verification by Management is appropriate.

In respect of inventory lying outside the factory premises are taken as per warehousing certificates for material stored in godowns and third-party confirmations where material is lying with third party (job-worker, agents etc.) respectively.

In respect of inventories of stores and spares, the management conducts physical verification with help of an independent outside agency in a phased program so as to complete the verification of all items over a period.

The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) The Company has been sanctioned working capital limits in excess of ₹5 crores, in aggregate, at any point of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns (FFR -I and QRR-I) and other stipulated financial information filed by the Company with such banks are in agreement with the unaudited books of account of the Company for the first three quarters and with the audited books of account in respect of fourth quarter ending 31<sup>st</sup> March 2023 and there are no material discrepancies.

(iii) The Company has investments in companies and Joint Venture entities. The Company has not provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships

(b) According to the information and explanation given to us and the records examined by us, there are no material dues of Income tax, Sales tax, Service tax, Duty of customs, Duty of excise, Value added tax outstanding on account of any dispute, except for the following:

Sr. No.	Name of the Statute	Nature of dues	Amount (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
1.	Customs Act, 1962	Demand of Differential Customs Duty on import of Urea, MOP & DAP (Marketing)	80.77	FY 2009-10	Assistant Commissioner of Customs, Dharamtar, Alibaug

or any other parties during the year. However the Company has given a financial guarantee in prior year.

(a) The Company has not provided any loans or advances in the nature of loans or stood guarantee or provided security to any other entity during the year and hence reporting under clauses (iii)(a), (c), (d), (e) and (f) of the order are not applicable.

(b) In our opinion, the investments in companies/joint venture entities, financial guarantee given to FACT-RCF Building Products Limited, and loans given to FACT Limited (a joint venture partner) in prior years are, *prima facie*, not prejudicial to the Company's interest.

(iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it, as applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Rules framed there under to the extent notified.

(vi) We have broadly reviewed the books of account and records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Act, and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained.

(vii) (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Customs Duty, Duty of Excise, Value Added Tax, Goods and Service Tax, Cess and any other material statutory dues with the appropriate authorities. There are no arrears of outstanding statutory dues in respect of above as on the last day of the financial year for a period of more than six months from the date they became payable.

Sr. No.	Name of the Statute	Nature of dues	Amount (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
2.	Customs Act, 1962	Demand of Differential customs duty on import of Potash (Marketing)	0.16	FY 2012-13	Commissioner of Customs, Mangalore
3.	Income Tax Act, 1961	Disallowance of additional depreciation claimed	0.97	AY 2013-14	Commissioner of Income Tax (Appeals)
4.	Income Tax Act, 1961	Demand of Tax for Short Deduction / non deduction of TDS	1.12	AY 2008-09 to AY 2020-21	Commissioner of Income Tax (Appeals)
5.	Income Tax Act, 1961	Disallowance of additional depreciation claimed	9.04	AY 2017-18	Commissioner of Income Tax (Appeals)
6.	Income Tax Act, 1961	Disallowances of P.F, sale of scrap & other disallowances	0.19	AY 2020-21	Commissioner of Income Tax (Appeals)
7.	Income Tax Act, 1961	Rectification Application towards adjustments made.	8.57	AY 2019-20	Assessing Officer
8.	Central Excise Act, 1944	Demand of Central Excise duty, Interest & Penalty in respect of Naphtha procured at concessional rates used for products which are not exempted (Thal Unit)	2.67	FY 1996-2001	Supreme Court
			3.54	Period from March 2005 to October 2005	Mumbai High Court
			18.61	Period from November 1996 to February 2005 (Interest)	Supreme Court
			17.89	Period from July 2007 to August 2009	Commissioner of Central Excise and Service Tax, Mumbai
			8.93	FY 2010-14	Central Excise and Service Tax Appellate Tribunal, Ahmedabad
			19.32	FY 2011-2017	Central Excise and Service Tax Appellate Tribunal, Mumbai
9.	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
10.	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
11.	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



Sr. No.	Name of the Statute	Nature of dues	Amount (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
12.	Central Excise Act, 1944	Demand of Service Tax on wrong availment of CENVAT credit in respect of input services used in the manufacture of exempted goods (Trombay Unit)	2.32	April 2011 to June 2017	Central Excise & Service Tax Appellate Tribunal, Mumbai
13.	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
14.	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
15.	Service Tax	Demand of Service Tax on Dispatch Money (Mktg.Dept.)	0.024	FY 2016-2017	Asst. Commissioner of CGST & C.X. Division-1, Mumbai
16.	Service Tax	Demand of Service Tax on LD (Corporate Dept.)	0.78	FY 2012-2015	Central Excise & Service Appellate Tribunal, Mumbai
17.	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
18.	Service Tax	Demand of Service Tax on Handling Charges	0.01	Period from April 2006 to March 2008	Superintendent Service Tax, Aurangabad
19.	Service Tax	Demand of Service Tax on supply of wagon to Central Railway (Thal Unit)	3.62	Period from April 2008 to June 2017	Central Excise & Service Appellate Tribunal, Mumbai
20.	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	Central Excise & Service Appellate Tribunal, Mumbai
21.	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
22.	Service Tax	Demand on Dispatch Money (Corporate Unit)	0.54	Period from September 2012 to March 2015	Asst. Commissioner of Central Excise & Service Tax
23.	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
24.	Service Tax	Demand on LD(Trombay Unit)	3.60	Period from September 2012 to March 2015	Customs Excise & Service Tax Appellate Tribunal, Mumbai
25.	Service Tax	Demand on Despatch Money (Trombay Unit)	2.92	Period from September 2012 to March 2015	Customs Excise & Service Tax Appellate Tribunal, Mumbai
26.	Service Tax	Service Tax on CS Deputation Manpower	0.10	2008-2014	Asst. Commissioner of Central Excise & Service Tax



- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender during the year.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone Ind AS financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone Ind AS financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its Joint Ventures.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its Joint Ventures.
- (x) (a) The Company has not raised any moneys by way of Initial public offer or further Public offer (Including debt instruments), during the year and hence reporting under Clause (x) (a) of Para 3 of the order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of share or fully convertible debentures (fully, partially or optionally convertible) during the year and accordingly provisions of clause (x)(b) of Para 3 of the Order are not applicable to the Company.
- (xi) (a) On the basis of our examination and according to the information and explanations given to us, no fraud by the Company or any material fraud on the Company has been noticed or reported during the year, nor have we been informed of any such case by the management.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and accordingly provisions of clause (xii) of Para 3 of the order are not applicable to the Company.
- (xiii) The Company has complied with sections 177 and 188 of the Act w.r.t. transactions with related parties, wherever applicable. Details of the transactions with the related parties have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) Based on information and explanation provided to us and our audit procedure, in our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) The Company has not entered into any non-cash transactions with the directors or persons connected with him. Hence the provisions of Section 192 of the Act are not applicable.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, hence the provisions of paragraph 3 (xvi)(a) of the Order are not applicable.
- (b) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) (b) of the order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the Regulations made by the Reserve Bank of India and accordingly the provisions of clause (xvi)(c) of Para 3 of the Order is not applicable to the Company.
- (d) According to the information and explanation provided to us during the course of audit, the group does not have any CIC as a part of the group and accordingly reporting under clause (xvi)(d) of Para 3 of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses during the Financial Year covered by our audit and in the immediately preceding Financial Year.



(xviii) There has been no resignation of the statutory auditors of the Company during the year. Accordingly, clause 3(viii) of the order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone Ind AS financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state

that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has during the year spent the amount of Corporate Social Responsibility as required under subsection (5) of Section 135 of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under Clause 3(xxii) of the Order is not applicable in respect of audit of standalone Ind AS financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

**For M M Nissim & Co LLP**

Chartered Accountants

Firm Regn. No.107122W/W100672

**N. Kashinath**

Partner

Membership No. 036490

UDIN: 23036490BGXRYV2718

**For Gokhale & Sathe**

Chartered Accountants

Firm Regn. No. 103264W

**Atul Kale**

Partner

Membership No. 109947

UDIN: 23109947BGVVQE8885

Place: Mumbai

Dated: May 30, 2023

## 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, 2023.)

**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 the standalone Ind AS financial statement of the Company under Section 143(5) of the Act:**

### A. DIRECTIONS

**1. Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.**

**Reply: Yes.**

Most of the important functional areas of the organization like Financial Accounting, Sales Accounting, Human Resources Information, Payroll, Material/Inventory Management etc. have been computerized. The Company has implemented SAP during 2005-06 in order to make information processing fully integrated and centralized. Following modules have been implemented in SAP ERP wherein transactions are processed in an integrated manner.

- Finance & Costing (FI-CO)
- Asset Management (AM)
- Production Planning (PP)
- Plant Maintenance (PM)
- Materials Management (MM)
- Sales & Distribution (SD)
- Cost Object & Profitability Analysis (CO-PA)
- Business Warehouse (BW)
- Environment Health & Safety (EHS)
- Township Management
- HR & Pay Roll (HCM- Implemented during the year 2006-07)

In 2010, along with an upgrade of the existing SAP business applications, following new solutions were also implemented:

- SAP Enterprise Portal (Employee Self Service/ Manager Self Service)
- Governance, Risk and Compliance

In 2020-21, Company has upgraded to SAP HANA system.

Attendance recording system is another subsidiary system specifically developed to meet the requirements of the Company for recording attendance of unionized category employees of the Company. The attendance data from this system is directly uploaded in SAP for payroll processing.

The IT system has been also configured to meet the compliance and business requirements as mandated by applicability of Ind AS and Goods and Services Act.

Thus, the IT system enables integrated processing of most of the accounting transactions. However certain accounting transactions relating to subsidy income, recording of transactions relating to borrowings, payment of interest etc., corporate taxes, valuation of finished goods inventory as per principles of Ind AS and certain year end provisions are processed directly in the Finance module of the SAP IT system as these transactions are standalone to finance. Such transactions and balances are adequately supported by relevant documents maintained / calculations maintained in Excel workbooks. A maker-checker protocol is also followed to check the calculations and the effect of the entries are posted in SAP system.

Further based on the information processed in SAP system, such data is extracted for preparation and presentation of the standalone Ind AS 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. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for the statutory auditor of lender company)**

**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.

Further loan given by the Company is not restructured during the year. The Company is in receipt of principal and interest regularly.

3. **Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.**

**Reply: N.A.**

As per information and explanations given to us, Company has not received any funds for specific schemes from Central/State agencies during the year.

## B. SUB-DIRECTIONS

- i. **State the impact of revision of subsidies for fertilizers products in valuation of fertilizers product closing stock.**

**Reply: Yes**

As per explanation and information given to us, the summary of impact is stated as follows:

As per the Company's accounting policy, finished goods inventories are valued at lower of Cost and Net Realizable Value (NRV). In respect of Urea and other fertilizers which are subsidized/are sold at prices lower

As on 31<sup>st</sup> March 2023, closing stock of fertilizers are valued as under:-

Product	Quantity (in MT) (A)	Cost Per MT (B)	NRV Per MT (C)	Rate of subsidy per MT considered in NRV (D)	Stock valuation Rate (B) or (C) whichever is lower (E)	Total Closing Stock Valuation (A) * (E) ₹ Crore (F)
Trom Urea- RAC- SILO	462.750	54,656.70	52,110.39	47,184.36	52,110.39	2.41
Trom Urea- RAC- Bagged in factory	56.87	55,392.15	52,938.14	48,012.11	52,938.14	0.30
Trom Urea- RAC- Marketing godowns	44.19	56,838.83	54,671.59	49,378.93	54,671.59	0.24
Thal Urea- BRAC- SILO	3,474.785	44,986.63	46,444.54	42,091.92	44,986.63	15.63
Thal Urea- BRAC- Bagged in factory	0.00	45,987.20	48,260.43	42,439.24	45,987.20	0.00
Thal Urea- RAC- Marketing godowns	18,381.95	47,798.43	50,167.69	44,875.03	47,798.43	87.86
Thal Urea –up to BRAC Marketing godowns	1,826.79	47,798.43	49,319.50	44,027.50	47,798.43	8.73
Suphala – SILO	3,210.01	45,520.20	46,027.47	19,131.13	45,520.20	14.61
Suphala – Bagged	1,162.31	46,368.49	46,911.34	20,015.00	46,368.49	5.39
Suphala - Marketing godowns	40,637.55	47,939.13	48,771.49	21,321.49	47,939.13	194.81
DAP – Bulk	34,904.65	70,356.01	57,280.86	32,133.65	57,280.86	199.94
DAP – Marketing godowns	2044.50	72,208.00	59,133.27	34,090.48	59,133.27	12.09
20-20-0-13 – Marketing godowns	1167.65	57,961.71	51,564.28	25,228.22	51,564.28	6.02
10-26-26 – Bulk	37,182.85	51,367.42	49,128.39	21,968.55	49,128.39	182.67
10-26-26 – Marketing godowns	29.15	54,308.58	52,069.56	24,909.71	52,069.56	0.15

than cost, subsidy being a component of revenue is included while arriving at the net realizable value.

While arriving at the net realizable for valuation of stock, the lowest selling prices and the applicable subsidy realizable on such stocks is considered. Accordingly, such revisions are factored while arriving at the Net realization of fertilizer stocks.

In case of Urea, the realizations of Urea are different as per extant policies for production upto reassessed capacity (RAC) and beyond reassessed capacity (BRAC). While the realization from the market is constant, the applicable rate of subsidy differs for stock quantities which are from production upto RAC and for production beyond RAC. Further, such realizations are adjusted for escalations/de-escalations in cost of inputs on estimated basis in accordance with known policy parameters.

In respect of P&K fertilizers, Government of India periodically notifies subsidy rates under Nutrient Based Subsidy scheme from time to time to ensure that such fertilizers are made available to farmers at affordable prices.

As finished goods are valued at lower of cost and Net realizable value, revision in subsidies impact the financial statements only for such stocks which are valued at Net realizable value.

Considering the steep decrease in prices of NPK nutrients, Government of India, accordingly, notified revised rates of subsidy as applicable from 1<sup>st</sup> April 2023, under Nutrient Based Subsidy scheme for P&K fertilizers on 18<sup>th</sup> May 2023, and the same has been considered for arriving at Net realizable value for Inventory valuation.

The impact of the difference between the rates for subsidy in respect of closing stocks of DAP, 20-20-0-13 and 10-26-26 which has been valued at NRV, at rates prevalent as on 31-3-2023 and revised rates effective from 1<sup>st</sup> April 2023, works out to ₹ 57.61 crore. However, only for the purpose of response to this additional sub direction; a separate computation for determining the notional impact of revision of subsidies for fertilizers products in valuation of such closing stock as at March 2023 has been done. The said impact has accordingly been quantified at ₹ 110.50 Crores using the subsidy value as at March 2022 as the base.

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

Sr. No.	Para	Compliance/ Action Taken
1.	Revenue from operation included an additional incentive of ₹ 50 per MT for acknowledging receipt and reporting the stock in MFMS which was not being passed on to the retailer by RCF citing OM no 14011/44/2017 DBT dated 18.05.2018. Clarification regarding non-payment of incentive of ₹ 50 per month to the retailers perpetually on account of adjustment of expenditure on PoS machine as per OM dated 18.05.18 needs to be obtained from the ministry to ensure correct booking of revenue from operation.	The Company has replied that accounting is in Order. However, this being an interpretation issue, the Company had given an assurance to audit that they shall seek clarification in this regard. Accordingly, the Company has approached the Department of Fertilizer ("the DOF") for seeking a clarification on the said matter.  However, clarification is still awaited from the DOF.
2.	O.M No 10212/20/2007-FPP dated 04.09.2017 stipulated charging of 5% on MRP by the Urea manufacturers for Neem coating on every 45 kg bag with no change in existing MRP of Urea i.e ₹ 5360per MT. RCFs contention that MRP for urea was subsequently fixed at ₹ 242 per 45 kg bag needs to be clarified by the Ministry to clear the ambiguity in interpretation of O M dated 04.09.2017and ensuring the correct booking of Revenue from operation.	The Company had given an assurance that they shall also seek clarification from DOF for said matter. Accordingly, the matter has been taken up with the DOF for seeking a clarification in this regard. However, clarification is still awaited from the DOF.
3.	Subsidy income should have been calculated based on annual average water charges for the year claimed in the Annual Escalation Claim submitted to FICC for the financial year instead of calculating on the basis of water charges allowed in the retention price notified.	The Company has complied with the audit observations.
4.	Rent received from investment property should have been shown as cash flow from investing activities instead of cash flow from operating activities.	The Company has complied with the audit observation.
5.	Company needs to adopt a unified estimated useful life policy for same type of asset class.	The Company has complied with the audit observation.
6.	Along with value and quantity of Carbon Emission Certificates (CER) and Renewable Energy Certificates (REC) disclosed, for better understanding RCF should also disclose movement of REC credits in future.	The Company has complied with the audit observation.

**For M M Nissim & Co LLP**

Chartered Accountants  
Firm Regn. No.107122W/W100672

**N. Kashinath**

Partner  
Membership No. 036490  
UDIN: 23036490BGXRYV2718

Place: Mumbai

Dated: May 30, 2023

**For Gokhale & Sathe**

Chartered Accountants  
Firm Regn. No. 103264W

**Atul Kale**

Partner  
Membership No. 109947  
UDIN: 23109947BGVVQE8885





## 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, 2023.)

### Report On The Internal Financial Controls Under Clause (l) 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, 2023 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 based on the internal financial controls with reference to the Standalone Ind AS Financial Statements 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 reference to the standalone Ind AS financial statements and such internal financial controls were operating effectively as at March 31, 2023, based on the internal control with reference to the

standalone Ind AS 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.

### For M M Nissim & Co LLP

Chartered Accountants  
Firm Regn. No.107122W/W100672

### N. Kashinath

Partner  
Membership No. 036490  
UDIN: 23036490BGXRYV2718

Place: Mumbai

Dated: May 30, 2023

### For Gokhale & Sathe

Chartered Accountants  
Firm Regn. No. 103264W

### Atul Kale

Partner  
Membership No. 109947  
UDIN: 23109947BGVVQE8885



## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF RASHTRIYA CHEMICALS & FERTILIZERS LIMITED FOR THE YEAR ENDED 31 MARCH 2023

The preparation of financial statements of Rashtriya Chemicals & Fertilizers Limited for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is/are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 May 2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Rashtriya Chemicals & Fertilizers Limited for the year ended 31 March, 2023 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

#### Profit for the year ₹ 967.15 crore

**A.1** In accordance with the decision of Committee of Secretaries under Administrative Mechanism for Resolution of Disputes dated 17 June 2021 and MoP&NG guidelines (December 2015). GAIL raised a demand (24 February 2023) of ₹ 15.17 crore for differential price of domestic gas used for non-urea products. But instead of creating a provision for this liability, the Company disclosed the same as contingent liability stating that they had requested GAIL to re-calculate claims on an annual basis rather than on monthly basis. GAIL has

not accepted the contention of the Company, therefore a provision should have been made in the accounts.

The non-provision has resulted in overstatement of profit for the year by ₹ 15.17 crore with consequent understatement of liabilities by same amount.

**A.2** Para 2.4 of the policy relating to surplus ammonia from urea units approved (August 2008) by the Ministry of Chemicals and Fertilizers, the Import Parity Price (IPP) for a particular year will be the lower of – (i) the actual weighted average CIF price of Ammonia in India during the period of 12 months starting from the last month of the preceding year and including the first 11 months of the current year and (ii) the average (IPP) (CIF) reported in three fertilizer magazines<sup>1</sup> for the similar period. The exchange rate will be considered for the similar period as in case of average Reported price of ammonia for arriving at the price of INR.

The Company has not followed the above principle and instead considered the rates of 12 months of current year from one magazine (Fertilizer Week by British Sulphur, UK) and taken it as 867 USD. Whereas considering the rate of three magazines as prescribed by the above policy, it worked out to 899.90 USD. As 35 per cent of the gain is required to be shared with the Government, revenue of the Company is overstated with consequent understatement of liability (payable to Government) both by ₹ 11.87 crore<sup>2</sup>.

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

Place: New Delhi  
Date: 27.09.2023

(S. Ahladini Panda)  
Principal Director of Audit  
(Agriculture, Food & Water Resources)

1. (a) Fertiliser Market Bulletin, UK (FMB)  
(b) Fertiliser Week by British Sulphur, UK (CRU) and  
(c) Fertecon Weekly Nitrogen Fax, UK (FERTECON)
2. {35% of (Average rate of three magazines (899.90 USD) - Rate of CRU Magazine (867.26 USD))\* 80.39 INR}\* 129222.64 Ammonia Quantity}

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

Sr. No.	Comments issued by CAG	Management Reply
A.1	<p>In accordance with the decision of Committee of Secretaries under Administrative Mechanism for Resolution of Disputes dated 17 June 2021 and MoP&amp;NG guidelines (December 2015). GAIL raised a demand (24 February 2023) of ₹ 15.17 crore for differential price of domestic gas used for non-urea products. But instead of creating a provision for this liability. The Company disclosed the same as contingent liability stating that they had requested GAIL to re-calculate claims on an annual basis rather than on a monthly basis. GAIL has not accepted the contention of the Company, therefore, a provision should have been made in the accounts.</p> <p>The non-provision has resulted in overstatement of profit for the year by ₹ 15.17 crore with consequent understatement of liabilities by same amount.</p>	<p>The matter relating to usage of Domestic gas in non-urea products was settled under Administrative Mechanism for Resolution of Disputes (AMRD) with GAIL (I) Ltd. was settled for the period upto 15<sup>th</sup> May 2016.</p> <p>The gas allocation and consumption in Urea/ non-urea products is in accordance with MoP&amp;NG guidelines dated 16<sup>th</sup> December 2015 which is also reviewed by FICC subsequent to which Urea concession prices have been notified. Thus in line with AMRD directives, such information as to allocation of gas has been submitted to GAIL.</p> <p>However, GAIL(I) Ltd. has raised a claim of ₹ 15.17 crore being the market price differential towards usage of Domestic gas supplied by them in non-urea products relating to the month of January 2019 and June 2019.</p> <p>The Urea concession prices and final pooled price of gas have been settled based on annual calculations considering full use of APM/Domestic gas for Urea operations only by FICC and thus there is no consumption of such gas in non-urea products. Company has taken up the matter with GAIL (I) Ltd. to withdraw their claim as the same is not tenable.</p> <p>As the Company has complied with MoP&amp;NG guidelines (December 2015), it does not expect any liability towards the same warranting recognition of provision.</p> <p>However, being disputed matter, the same has been reported under contingent liabilities.</p> <p>Thus there is neither an overstatement of profit nor an understatement of current liabilities, as observed by audit.</p>
A.2	<p>Para 2.4 of the policy relating to surplus ammonia from urea unit approved (August 2008) by the Ministry of Chemicals and fertilizers. The Import Parity Price (IPP) for a particular year will be the lower of – (i) the actual weighted average CIF price of Ammonia in India during the period of 12 months starting from the last month of the preceding year and including the first 11 months of the current year and (ii) the average IPP (CIF) reported in three fertilizer magazines for the similar period. The exchange rate will be considered for the similar period as in case of average reported price of ammonia for arriving at the price of INR.</p> <p>The Company has not followed the above principle and instead considered the rates of 12 months of current year from one magazine (fertilizer week by British sulphur. UK) and taken it as 867 USD. Whereas considering the rate of three magazines as prescribed by the above policy, it worked out to 899.90 USD.</p>	<p>As per Company's accounting policy 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 (FICC).</p> <p>As per Surplus Ammonia Policy, Company is required to share the gain on surplus ammonia with Government of India which is based on the Import Parity Price (IPP) of Ammonia. Since there was generation of surplus ammonia and based on the prevalent IPP of Ammonia, Company is expected to be subjected to gain sharing as applicable and a provision towards the same has been reckoned. However, the same was based on indicative rates from a single magazine as against average of the rates published in the 3 specified magazines which has resulted in overstatement of revenue of ₹ 11.87 crore as observed by audit.</p>



Sr. No.	Comments issued by CAG	Management Reply
	<p>As 35 percent of the gain is required to be shared with the government. Revenue of the company is overstated with consequent understatement of liability (payable to government) both by ₹ 11.87 crore.</p>	<p>A provision has been recognized in accordance with applicable accounting standards and accounting policies which allows the Company to apply best estimates and further the same has been done on a consistent basis.</p> <p>Further as per Company's stated accounting policy "Uncertainty about assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods and any revision to the accounting estimates are recognized prospectively when revised, in current and future periods".</p> <p>As per Surplus Ammonia Policy the Import Parity Price (IPP) for a particular year will be the lower of – (i) the actual weighted average CIF price of Ammonia in India during the period of 12 months starting from the last month of the preceding year and including the first 11 months of the current year and (ii) the average IPP (CIF) reported in three fertilizer magazines for the similar period. This final rate would be arrived at by FICC for effecting such recovery in future, when it notifies the final concession price of urea for FY 2022-23.</p> <p>Thus the observation of audit relates to only change in estimates and thus is not an overstatement of revenue.</p> <p>As the accounting treatment is in line with extant accounting standards and accounting policies and further the amount as observed by audit is also not material to its financial statements there is no overstatement of revenue as observed by audit.</p>

Sd/-  
**(Nazhat J. Shaikh)**  
Director (Finance)  
(DIN : 07348075)

Place: Mumbai  
Dated : November 10, 2023

Sd/-  
**(S. C. Mudgerikar)**  
Chairman & Managing Director  
(DIN: 03498837)



## Balance Sheet as at 31<sup>st</sup> March 2023

		₹ Crore	
Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
<b>ASSETS</b>			
<b>1. NON CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	1	2522.18	2115.22
(b) Capital Work in Progress	1.4	211.48	512.93
(c) Right of Use Assets	2	15.02	11.69
(d) Investment Property	3	4.99	5.18
(e) Intangible Assets	4	0.43	1.60
(f) Financial Assets			
(i) Investments	5	1002.39	933.88
(ii) Trade Receivables	6	-	-
(iii) Loans	7	5.10	10.22
(iv) Others	8	-	-
(g) Other Non-Current Assets	9	304.62	187.56
		<b>4066.21</b>	<b>3778.28</b>
<b>2. CURRENT ASSETS</b>			
(a) Inventories	10	2585.41	2327.61
(b) Financial Assets			
(i) Investments	11	-	8.04
(ii) Trade Receivables	12	2608.82	3026.73
(iii) Cash and Cash Equivalents	13	11.30	1099.73
(iv) Bank Balances other than (iii) above	14	53.23	64.53
(v) Loans	15	5.13	5.18
(vi) Others	16	147.18	69.14
(c) Other Current Assets	17	235.54	158.94
		<b>5646.61</b>	<b>6759.90</b>
<b>TOTAL ASSETS</b>		<b>9712.82</b>	<b>10538.18</b>
<b>EQUITY AND LIABILITIES</b>			
<b>A. EQUITY</b>			
(a) Equity Share Capital	18	551.69	551.69
(b) Other Equity	19	4046.63	3337.54
		<b>4598.32</b>	<b>3889.23</b>
<b>B. LIABILITIES</b>			
<b>1. NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	20	1034.98	1120.41
(ii) Lease Liabilities	21	9.25	7.53
(iii) Other Financial Liabilities	22	33.98	29.98
(b) Provisions	23	191.08	193.95
(c) Deferred Tax Liabilities(Net)	24	236.90	214.07
(d) Other Non-Current Liabilities	25	27.78	30.93
		<b>1533.97</b>	<b>1596.87</b>



Particulars	Note No.	₹ Crore	
		As at 31.03.2023	As at 31.03.2022
<b>2. CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	26	827.67	1847.81
(ii) Lease Liabilities	27	4.71	2.77
(iii) Trade Payables	28	0.00	0.00
(A) Total Outstanding Dues of Micro Enterprises and Small Enterprises.		57.13	36.55
(B) Total Outstanding Dues of Creditors Other than Micro Enterprises and Small Enterprises.		1954.16	2306.54
(iv) Other Financial Liabilities	29	446.05	518.56
(b) Other Current Liabilities	25	119.09	178.32
(c) Provisions	30	171.72	123.14
(d) Current Tax Liabilities (Net)	31	-	38.39
		<b>3580.53</b>	<b>5052.08</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9712.82</b>	<b>10538.18</b>
Statement of Significant Accounting Policies	A		
Notes forming part of Financial Statements	1 - 95		

For and on behalf of the Board of Directors  
**RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED**

**(S. C. Mudgerikar)**  
Chairman & Managing Director  
DIN : 03498837  
Place: New Delhi

**(Nazhat Shaikh)**  
Director (Finance)  
DIN : 07348075

**(J. B. Sharma )**  
Company Secretary  
Membership No: FCS5030  
Dated : 30<sup>th</sup> May, 2023.  
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 : 30<sup>th</sup> May, 2023.  
Place: Mumbai

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

**(Atul Kale)**  
Partner  
Membership No: 109947

## Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2023

		₹ Crore	
Particulars	Note No.	Year Ended 31.03.2023	Year Ended 31.03.2022
I Revenue from Operations	32	21451.54	12812.17
II Other Income	33	143.30	136.45
<b>III Total Income(I+II)</b>		<b>21594.84</b>	<b>12948.62</b>
<b>IV Expenses:</b>			
Cost of Materials Consumed	34	8839.60	5469.83
Purchases of Stock in Trade	35	3047.43	1742.21
Changes in Inventories of Finished Goods and Stock in Trade	36	252.96	(859.69)
Employee Benefits Expense	37	692.37	653.78
Finance Costs	38	223.86	125.89
Depreciation and Amortization Expense / Impairment	39	212.12	183.55
Other Expenses	40	7145.99	4816.77
<b>Total Expenses</b>		<b>20414.33</b>	<b>12132.34</b>
<b>V Profit Before Exceptional Items (III-IV)</b>		<b>1180.51</b>	<b>816.28</b>
VI Exceptional Items	41	(93.47)	(127.63)
<b>VII Profit Before Tax (V-VI)</b>		<b>1273.98</b>	<b>943.91</b>
<b>VIII Tax Expense</b>	69		
(1) Current Tax		327.33	267.11
(2) Deferred Tax		21.53	(8.63)
(3) Taxation Adjustment of Earlier Years Excess(-)/Short(+)		(42.03)	(18.93)
<b>IX Profit/ (loss) for the Period (VII-VIII)</b>		<b>967.15</b>	<b>704.36</b>
<b>X Other Comprehensive Income</b>	42		
(i) Items that will not be reclassified to profit or loss			
Remeasurements of Defined Benefit Plans		(39.32)	(12.28)
Fair Value Equity Instruments		5.19	13.41
(ii) Income tax relating to items that will not be reclassified to profit or loss			
Income Tax on Remeasurement of Defined Benefit Plans		3.56	3.09
Deferred Tax on Fair Value Equity Instruments		(1.30)	(3.37)
<b>Other Comprehensive Income for the Year (X)</b>		<b>(31.87)</b>	<b>0.85</b>
<b>XI Total Comprehensive Income for the Year (IX+X)</b>		<b>935.28</b>	<b>705.21</b>
<b>XII Earnings Per Equity Share</b>	60		
(i) Basic Earnings Per Share (₹)		17.53	12.77
(ii) Diluted Earnings Per Share (₹)		17.53	12.77
Statement of Significant Accounting Policies	A		
Notes forming part of Financial Statements	1 - 95		

For and on behalf of the Board of Directors

**RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED**

**(S. C. Mudgerikar)**

Chairman & Managing Director

DIN : 03498837

Place: New Delhi

**(Nazhat Shaikh)**

Director (Finance)

DIN : 07348075

**(J. B. Sharma )**

Company Secretary

Membership No: FCS5030

Dated : 30<sup>th</sup> May, 2023.

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 : 30<sup>th</sup> May, 2023.

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 31<sup>st</sup> March 2023****A. EQUITY SHARE CAPITAL**

₹ Crore

Balance as at 01.04.2022	Changes in equity share capital during the year	Balance as at 31.03.2023	Balance as at 01.04.2021	Changes in equity share capital during the year	Balance as at 31.03.2022
551.69	-	551.69	551.69	-	551.69

**B. OTHER EQUITY****FOR THE YEAR ENDED 31ST MARCH 2023**

₹ Crore

Particulars	Reserves and Surplus		Items of Other Equity Instruments through Other Comprehensive Income	Total
	General Reserve	Retained Earnings		
Balance as at 01.04.2022	3268.66	-	68.88	3337.54
Profit for the year	-	967.15	-	967.15
Other Comprehensive Income (Net of Tax)	-	(35.76)	3.89	(31.87)
<b>Total Comprehensive Income for the year</b>	-	<b>931.39</b>	<b>3.89</b>	<b>935.28</b>
Dividend paid Refer note no. 19A	-	(226.19)	-	(226.19)
Transfer to General Reserve	705.20	(705.20)	-	-
Balance as at 31.03.2023*	3973.86	-	72.77	4046.63

**FOR THE YEAR ENDED 31ST MARCH 2022**

₹ Crore

Particulars	Reserves and Surplus		Items of Other Equity Instruments through Other Comprehensive Income	Total
	General Reserve	Retained Earnings		
Balance as at 01.04.2021	2746.17	-	58.84	2805.01
Profit for the year	-	704.36	-	704.36
Other Comprehensive Income (Net of Tax)	-	(9.19)	10.04	0.85
<b>Total Comprehensive Income for the year</b>	-	<b>695.17</b>	<b>10.04</b>	<b>705.21</b>
Dividend paid Refer note no. 19A	-	(172.68)	-	(172.68)
Transfer from General Reserve	522.49	(522.49)	-	-
Balance as at 31.03.2022*	3268.66	-	68.88	3337.54

\* The closing balance in General Reserve is arrived after adjustment of Remeasurement of Defined Benefit Plans amounting to ₹ 35.76 crore (P.Y. ₹ 9.19 crore) during the year net of current tax amounting to ₹ 3.56 crore (P.Y. ₹ 3.09 crore)

**Nature and purpose of reserves**

- General Reserve:** General reserve represents appropriation of profits. This represents a free reserve and is available for dividend distributions. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to the statement of profit and loss.
- Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- Equity Instruments through Other Comprehensive Income Reserve:** This reserve represents the cumulative gains and losses arising on the revaluation of equity and debt instruments on the balance sheet date measured at fair value through other comprehensive income. The reserves accumulated will be reclassified to retained earnings and profit and loss respectively, when such instruments are disposed.

For and on behalf of the Board of Directors

**RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED****(S. C. Mudgerikar)**Chairman & Managing Director  
DIN : 03498837  
Place: New Delhi**(Nazhat Shaikh)**Director (Finance)  
DIN : 07348075**(J. B. Sharma )**Company Secretary  
Membership No: FCS5030Dated : 30<sup>th</sup> May, 2023.

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: 036490Dated : 30<sup>th</sup> May, 2023.

Place: Mumbai

**For GOKHALE & SATHE**Chartered Accountants  
Firm Regn. No. 103264W**(Atul Kale)**Partner  
Membership No: 109947

## Cash Flow Statement for the year ended 31<sup>st</sup> March 2023

₹ Crore

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
<b>A Cash Flow From Operating Activities</b>		
Net Profit Before Tax	1273.98	943.91
Adjustments for :		
Share of (Profit) / Loss from Joint Ventures		
Exceptional Items - (Income)/ Expenses	(93.47)	(127.63)
Depreciation/Amortisation/Loss on Impairment of Assets	212.44	183.84
Provision / (Reversal) of Obsolescence on Raw Materials	-	(1.11)
(Profit) / Loss on Sale of Property, Plant and Equipment / Intangible Assets	0.50	(7.76)
Interest Income	(10.28)	(27.72)
Dividend Income	(0.40)	(0.27)
Rental Income Derived from Investment Properties	(32.21)	(36.39)
Gain / (Loss) on Sale of Current Investments	(1.63)	(4.58)
Interest and Finance Charges	223.86	125.89
Provision for Bad/Doubtful Debts	1.49	0.64
Provision for Obsolescence Stores	1.97	2.88
Provision Written Back	(0.56)	(4.06)
Unrealised Foreign Exchange (Gain) /Loss	13.91	1.11
	<b>315.62</b>	<b>104.84</b>
<b>Operating Profit Before Working Capital Changes</b>	<b>1589.60</b>	<b>1048.75</b>
Adjustments for :		
Trade Receivables and Other Assets	181.67	(1355.54)
Inventories	(259.55)	(1540.00)
Trade Payables and Other Liabilities	(346.97)	1472.70
	(424.85)	(1422.84)
<b>Cash Generated / (Used) from Operations</b>	<b>1164.75</b>	<b>(374.09)</b>
Direct Taxes Paid (Net of Refunds)	(377.74)	(218.00)
<b>Net Cash Generated / (Used) from Operating Activities A</b>	<b>787.01</b>	<b>(592.09)</b>
<b>B Cash Flow from Investing Activities</b>		
Additions to Property, Plant and Equipment / Intangible Assets (Net of Trade Credit)	(384.64)	(169.95)
Sale of Property, Plant and Equipment / Intangible Assets	0.11	9.94
Purchase of Current Investments	(4,444.73)	(8,588.62)
Investments in Joint Ventures	-	(270.00)
Sale of Current Investments	4454.40	8585.16
Inter Corporate Advances / Repayments	5.10	6.00
Interest Received	10.44	28.11
Dividend Received	0.40	0.27
Rental Income Derived from Investment Properties	32.21	36.39
Margin Money Deposits Matured / (Placed) with Banks	11.18	(15.97)
	-	(378.67)
<b>Net Cash Generated / (Used) from Investing Activities B</b>	<b>(315.53)</b>	<b>(378.67)</b>



**Cash Flow Statement for the year ended 31<sup>st</sup> March 2023**

₹ Crore

Particulars	Year Ended 31.03.2023		Year Ended 31.03.2022	
<b>C Cash Flow from Financing Activities</b>				
Net Proceeds /Repayment of Working Capital Facilities and Short Term Loans	(876.91)		783.10	
Proceeds from Term loans / Non Convertible Debentures	-		640.68	
Repayments of Term loans	(228.66)		(526.72)	
Interest Paid	(222.81)		(121.40)	
Dividend Paid	(226.31)		(172.24)	
Repayment of Lease liabilities	(5.22)	(1559.91)	(4.16)	599.26
<b>Net Cash Generated / (Used) from Financing Activities C</b>		<b>(1559.91)</b>		<b>599.26</b>
<b>Net Increase/Decrease(-) in Cash and Cash Equivalent (A+B+C)</b>		<b>(1088.43)</b>		<b>(371.50)</b>
Cash and Cash Equivalents as at 1 <sup>st</sup> April (Opening Balance)		1099.73		1471.23
Cash and Cash Equivalents as at 31 <sup>st</sup> March (Closing Balance)		11.30		1099.73
<b>Components of Cash and Cash Equivalents</b>				
Cash on Hand		-		0.01
Balance With Scheduled Banks				
in Current Accounts		11.30		114.72
in Term Deposits with Less Than 3 Months Maturity		-		985.00
		11.30		1099.73

**Note:**

- The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows and presents cash flows by operating, investing and financing activities.
- Refer note no. 75 for movement in financial liability.
- Refer note no. 68 for amount spent during the years ended March 31, 2023 and 2022 on constructions / acquisition of any asset and other purpose relating to CSR Activities.
- Figures of the previous year have been regrouped / rearranged wherever necessary to make it comparable to the current year presentation.
- The cash credit facilities availed from bank are part of financing activity which do not form part of cash and cash equivalents for Cash Flow Statement purpose.

For and on behalf of the Board of Directors  
**RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED**

**(S. C. Mudgerikar)**  
Chairman & Managing Director  
DIN : 03498837  
Place: New Delhi

**(Nazhat Shaikh)**  
Director (Finance)  
DIN : 07348075

**(J. B. Sharma )**  
Company Secretary  
Membership No: FCS5030  
Dated : 30<sup>th</sup> May, 2023.  
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 : 30<sup>th</sup> May, 2023.  
Place: Mumbai

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

**(Atul Kale)**  
Partner  
Membership No: 109947

## Statement of significant Accounting Policies forming part of Financial Statements for the year ended 31<sup>st</sup> March 2023

### I) Corporate information

The Company is a public company domiciled in India and is incorporated under provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The registered office of the Company is located at Priyadarshini, Eastern Express Highway, Sion Mumbai 400022.

The Company is engaged in the manufacturing and marketing of fertilizers and industrial chemicals.

The standalone financial statements are approved for issue by the Company's Board of Directors on May 30<sup>th</sup>, 2023

### II) Basis of preparation

- a. The standalone financial statements of the Company have been prepared in accordance with accounting standards prescribed under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act. The Company has consistently applied accounting policies to all periods.
- b. The standalone financial statements have been prepared under the historical cost and on accrual basis, except for the following: -
  - Certain financial assets and liabilities (including Derivative financial instruments) measured at fair value. (Refer to policy at item no "O")
  - Certain provisions recognized using actuarial valuation techniques. (Refer to policy at item no "S")
  - Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. (Refer to policy at item no "Q")
  - Transferable Development Rights (TDRs) received upon surrender of rights on open land which are measured at fair value. (Refer to policy at item no "O")
- c. The standalone financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest crores (₹ 00,00,000), except when otherwise indicated.
- d. The Company changes the presentation or classification of items in its Financial Statements upon being material and further reclassifies comparative amounts, unless impracticable. No such material reclassification has been made during the year.
- e. Significant accounting judgements, estimates and assumptions
  - 1.1 The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities as at the Balance Sheet date.
  - 1.2 Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Any revisions to the accounting estimates are recognized prospectively when revised, in current and future periods.

Some of the significant judgements and assumptions exercised are given as under:-

#### 1.2.1 Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow (DCF) model. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different Cash Generating Units (CGUs), including a sensitivity analysis, are disclosed separately.



## Statement of significant Accounting Policies forming part of Financial Statements for the year ended 31<sup>st</sup> March 2023

### 1.2.2 Taxes

The Company's tax jurisdiction is in India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

### 1.2.3 Defined benefit plans

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

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

The mortality rate is based on publicly available mortality tables as defined by LIC. Future salary increases is based on Company's assessment based on past trends.

### 1.2.4 Subsidy Income

As per extant policies covering subsidy of Urea, major inputs like cost of energy, water etc. are a pass through in the same. Since the notified rates of subsidy of urea incorporating actual revision takes time, recognition of subsidy is generally made on the basis of in principle recognition/approval /settlement of claims from Government of India/Fertilizer Industry Co-ordination Committee while finalising the financial statements. As per management estimates, there is reasonable certainty based on Government of India policies and past experience that claims will be notified in due course.

### 1.2.5 Provisions for Obsolescence

Provisions towards obsolete/surplus inventory are recognized as per management estimates under the assumption that they may fetch 5% of their book value upon disposal.

### 1.2.6 Fair value measurements of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Changes in assumptions could affect the reported value of fair value of financial instruments.

### 1.2.7 Application of Discount rates

Estimates of rates of discounting are done for measurement of fair values of certain financial assets and liabilities, which are based on prevalent bank interest rates and the same are subject to change.

### 1.2.8 Estimates of Useful lives of Assets/Components

Company has identified significant components of plant and machinery and provides for depreciation over their useful lives as per its technical assessment.

### 1.2.9 Operating Lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement, is or contains a lease is fulfilment of

## Statement of significant Accounting Policies forming part of Financial Statements for the year ended 31<sup>st</sup> March 2023

the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly not specified in an arrangement.

Lease arrangements in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

The Company has applied Ind AS 116 –Leases for ascertainment of the same.

### 1.2.10 Interest Income from Department of Fertilizer towards import of Urea

Interest income includes interest as estimated by the Company towards delayed settlement of dues by Government of India, as per terms of MoU entered for carrying out import of Urea on behalf of Government of India.

## III) Significant accounting policies

### A) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

The classification of an asset either current or non-current has been made applying the criteria of realization of such assets within a period of 12 months after the reporting date.

Where assets have been fully provided for as doubtful, the same are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

### B) Foreign Currencies

The standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency.

#### a. Transactions and Balances

Foreign Currency transactions are accounted at the rates prevailing on the date of transaction. Year-end monetary assets and liabilities are translated at the exchange rate prevailing on the date of the Balance sheet.

Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit and loss for the period in which they arise, except for the following:-

- Exchange differences on Long term foreign currency borrowings relating to assets under construction for future productive use (i.e. Capital Work in progress), are included in the cost of those assets when they are regarded as an adjustment on account of interest costs on those foreign currency borrowings.



## Statement of significant Accounting Policies forming part of Financial Statements for the year ended 31<sup>st</sup> March 2023

- 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.



## Statement of significant Accounting Policies forming part of Financial Statements for the year ended 31<sup>st</sup> March 2023

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 towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts offered by the Company as part of the contract, goods and service tax and amounts collected on behalf of third parties. 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 applicable Concession rates as notified by the Government of India under Nutrient Based Subsidy Scheme from time to time and settled during the year.

Subsidy on imported Urea is recognized based on lump sum compensation, and other charges receivable from the Government of India, as per terms of agreement.

Uniform freight subsidy on Urea, P&K fertilizers and Imported Urea has been accounted in accordance with the parameters and notified rates.

Subsidy on City Compost is recognized based on rates, as notified by the Government of India.

Subsidy income is recorded based on the quantity sold i.e. when control of goods has been transferred to the buyer during the financial year.

Other Operating revenue/other income are recognized on accrual basis.

### Interest Income

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability.

For interest due from customers, vendor's etc. interest income is recognized when no significant uncertainty as to its realization exists and is accounted on time proportion basis at contracted rates.

### Dividends

Dividend income is recognized when the Company's right to receive the payment is established.

### Commission Income

For certain arrangements, Company acts as an agent. The role of the Company either as an agent or a principal is determined based on evaluation of its role as a primary obligor, has the pricing latitude in the said arrangements, its exposure to inventory risks and credit risks, on case to case basis. Commission income is recognized as per the terms of agreement when such amounts become entitled.



## Statement of significant Accounting Policies forming part of Financial Statements for the year ended 31<sup>st</sup> March 2023

### 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.

## Statement of significant Accounting Policies forming part of Financial Statements for the year ended 31<sup>st</sup> March 2023

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 up to the date of commissioning of the assets.

In accordance with Ind AS 16- Property, Plant and Equipment commissioning expenses directly attributable to project is recognized under Capital Work in Progress (CWIP).

Subsequent to initial recognition, property, plant and equipment other than freehold land are measured at cost less accumulated depreciation and any accumulated impairment losses. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Spares costing (Unit value of ₹10 lacs and above), and other components which are required to be replaced at intervals, meeting the recognition criteria have been classified as Plant and Equipment and are depreciated separately based on their specific useful lives.

When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in Statement of Profit and loss as incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Catalysts which are used in commissioning of new projects/plants are capitalized and are amortized based on the estimated useful life of 1 to 9 years, as technically assessed. Subsequent issues of catalysts, if any, are treated as inventory.

Projects under which assets are not ready for their intended use are shown as Capital work in progress.

Freehold / Leasehold improvements are considered as property plant and equipment.

### Depreciation

Depreciation is calculated on a Straight-line basis over the estimated useful lives of each item of property, plant and equipment as estimated by the management and charged to Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013.

Depreciation on additions/deletions to Gross Block is calculated on pro-rata basis from the date of such additions and upto the date of such deletions.



## Statement of significant Accounting Policies forming part of Financial Statements for the year ended 31<sup>st</sup> March 2023

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 for certain assets/asset classes wherein it is considered to be nil.

The estimate of useful life of the assets has been assessed based on technical evaluation which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc.

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

The estimated useful life of items of property, plant and equipment is mentioned below:

S.no.	Assets	Useful Lives (In Years)
1.	Plant and Equipments	1 to 25
2.	Office Equipments	1 to 10
3.	Furniture and Fixtures	1 to 10
4.	Electrical Equipments	1 to 25
5.	Factory Building and Other Buildings	1 to 60
6.	Vehicles	8
7.	Information Technology Equipments	3 to 6
8.	Other Miscellaneous Equipments	1 to 25

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

After recognition of impairment loss, the revised carrying amount less residual value of the impaired asset would be depreciated on systematic basis over the remaining useful life of the asset. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

Depreciation on each item of an asset costing less than ₹ 5,000 are depreciated at 100% in the year of capitalization.

The residual values and, useful life 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.

## Statement of significant Accounting Policies forming part of Financial Statements for the year ended 31<sup>st</sup> March 2023

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.

The 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.





## Statement of significant Accounting Policies forming part of Financial Statements for the year ended 31<sup>st</sup> March 2023

### 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 up to the date when such assets are ready for their intended use or sale, as part of the cost of the asset.

All other borrowing costs are expensed in the period in which they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

General Borrowings cost incurred in connection with qualifying assets are capitalized by applying the Capitalization rate on the quantum of such borrowings utilized for such assets.

### K) Leases

The Company evaluates each contract or arrangement at inception, whether it qualifies as lease as defined under Ind AS 116- Leases. i.e., if the contract conveys the right to control the use of asset for a period of time in exchange for consideration.

#### The Company as a lessee

The Company assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves–

- (a) the use of an identified asset,
- (b) the right to obtain substantially all the economic benefits from use of the identified asset, and
- (c) the right to direct the use of the identified asset.

The Company at the inception of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets.

#### Right of use assets

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

The Right to use assets are also subject to impairment as described in the policies with respect to the impairment of non-financial assets.

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in the statement of Profit and loss.

## Statement of significant Accounting Policies forming part of Financial Statements for the year ended 31<sup>st</sup> March 2023

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

Lease payments are classified in the Cash flow statement as cash flows relating to Financing activities.

### Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases are recognised on straight line basis as per lease terms over the period of lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the lease asset and recognised over the lease term. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases.

Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

## L) Inventories

### a. Assessment of Inventory

Raw Materials, Intermediary Products, By-Products and Finished Products inside factory premises, in bulk form, are assessed by survey method on a date as close as possible to the Balance Sheet date and the shortages /excesses in the quantities as compared to book stocks are adjusted in the books. Finished goods and other inventory stored outside the factory premises are taken as per warehousing certificates and third party confirmation respectively.

### b. Mode of Valuation

Inventory is valued at lower of cost and net realizable value except in case of by-products, which are valued at, net realizable value. However, materials and other items held for use in the production of finished goods are not written down below cost if the finished products in which they will be incorporated /consumed are expected to be sold at or above cost.

Gases and slurries, if any, in pipelines at different stages of process are not valued as the same is not practicable.

Certified Emission Reductions (Carbon credits), Renewable Energy Certificates are valued at lower of cost and net realizable value.

### c. Basis of Cost

The cost of manufactured finished goods, traded goods 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.



## Statement of significant Accounting Policies forming part of Financial Statements for the year ended 31<sup>st</sup> March 2023

### Cost of Manufactured goods

Cost of Manufactured Goods comprises of direct cost, variable production overheads and fixed production overheads on absorption costing method. Catalysts issued are charged off over their estimated useful lives as technically assessed ranging from 1 to 9 years. Variable production overheads are allocated based on actual production. Variable overheads related to movement of finished products are allocated based on actual dispatches. Fixed overheads are allocated based on higher of the actual production level or normal production level on a consistent basis. Average handling and transportation costs incurred to bring the material in its present location and condition is included in valuing stocks in field warehouses and in transit.

### Cost of Traded Fertilizers

It comprises of Cost of Purchases as defined under para L) (d) plus bagging, handling and transportation costs incurred to bring the material in its present location and condition.

### Net Realizable Value

Price of urea is administered by the Government of India by which selling price is fixed for the buyer. The net realizable value for manufactured urea is taken at the applicable price concession (selling price net of dealers' margin plus the applicable subsidy from Government of India) net of variable selling and distribution cost. Net realizable value of off-spec urea is taken at 40% of MRP excluding subsidy.

The net realizable value of phosphatic and potassic fertilizers is taken at the applicable selling prices expected to be realized, net of dealers' margin and variable selling and distribution costs, plus the concession as fixed/to be fixed by Government. Net realizable value of off-spec phosphatic and potassic fertilizers is taken at selling price net of dealers' margin and estimated cost of re-processing including transportation cost to factory. The net realizable value of off-spec traded phosphatic and potassic out fertilizers is at 30% of MRP excluding subsidy.

Average freight incurred on despatches from silo/factory/ port to godown and other products handling costs is reduced for arriving at the net realizable value in respect of stocks of fertilizers in silo/factory/port.

The net realizable value of non-fertilizer products is taken at lowest selling prices net of variable selling and distribution costs, expected to be realized in future.

## M) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When a provision is expected to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

## N) Contingencies

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises where a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognized but are disclosed where an inflow of economic benefits is probable. The estimation of financial effect in respect of contingent liabilities and contingent assets wherever not practicable, is not disclosed and such fact is accordingly stated.

## Statement of significant Accounting Policies forming part of Financial Statements for the year ended 31<sup>st</sup> March 2023

### 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, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial assets. However, trade receivables that do not contain a significant financing component are measured at transaction price.

##### Subsequent Measurement

Financial assets presently held by the Company are classified as under:-

- Debt instruments at amortized cost
- Debt instruments, TDRs and derivatives at Fair Value Through Profit or Loss (FVTPL)
- Equity instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI)

#### i. Debt Instruments at Amortized Cost

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

- (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the statement of profit or loss. This category generally applies to trade and other receivables.

#### ii. Debt Instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit or loss.

#### iii. Equity Investments

All equity investments in scope of Ind AS 109 - Financial Instruments are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may decide to classify the same as at FVTOCI. The Company makes such election on an instrument-by-instrument basis upon on initial recognition and same is irrevocable.

Upon classification of equity instruments as at FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investments. The Company may transfer the cumulative gain or loss within equity.



## Statement of significant Accounting Policies forming part of Financial Statements for the year ended 31<sup>st</sup> March 2023

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit or loss.

Investments in Joint ventures, subsidiaries and associates are recognized at cost.

#### iv. Derivative Financial Instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest and foreign exchange rate risks, like foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognized at fair value on the date the derivative contracts are entered into and are subsequently re-measured to their fair value (Mark to Market) at the end of each reporting period. The resulting gain or loss is recognized in the Statement of profit and loss. Company does not designate any of its derivative instruments as hedge instruments. Derivatives are carried as financial assets when fair value is positive and as financial liabilities when the fair value is negative.

Transaction costs incurred for such derivative instruments are charged off to Statement of Profit and Loss on initial recognition.

#### Derecognition

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### Impairment of Financial Assets

In accordance with Ind AS109 – Financial Instruments, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- i. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- ii. Lease receivables
- iii. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 – Revenue From Contracts with Customers.
- iv. Financial guarantee contracts which are not measured as at FVTPL

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. All cash shortfalls) discounted at the original effective interest rate.



## Statement of significant Accounting Policies forming part of Financial Statements for the year ended 31<sup>st</sup> March 2023

While estimating cash flows, Company considers all contractual terms of financial instrument over the expected life of the financial instrument including cash flows from the sale of collateral held that are integral to contractual terms.

In case of Trade receivables, the Company has used a practical expedient as permitted under Ind AS 109 – Financial Instruments. This expected credit loss allowance is computed based on a provision matrix which takes in account historical credit loss experience with adjustments for collaterals available and forward looking information, if required.

ECL allowance is not recognized on Subsidy receivables since they are due from Government of India and also on other receivables which are largely due from Government agencies, as the Company does not perceive any risk of default which would be material.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The Balance Sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, trade receivables and lease receivables.
- ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet.
- The allowance reduces the net carrying amount, until the asset meets write-off criteria.
- Trade receivables, other receivables, loans and advances are also fully provided for as doubtful upon review on case to case basis, to the extent of such loss considered as incurred.

### b. Financial Liabilities

#### Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition as loans and borrowings, payables, derivatives and financial liabilities at fair value through profit or loss. The Company's financial liability consists of trade and other payables, loans and borrowings, bank overdrafts, financial guarantee contracts and derivative financial instruments.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs, if any.

#### Subsequent Measurement

The subsequent measurement of financial liabilities of the Company depending on their classification is described below:-

#### i. Loans and Borrowings Including Bank 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.



## Statement of significant Accounting Policies forming part of Financial Statements for the year ended 31<sup>st</sup> March 2023

### ii. Financial Guarantee Contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder of the guarantee for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109- Financial Instruments and the amount recognized less cumulative amortization.

### Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

### P) Cash and cash equivalents

Cash and cash equivalents comprise of cash at banks and on hand and short-term deposits with a maturity of three months or less. For the purpose of the cash flow statement, cash and cash equivalents include cash on hand, in banks, demand deposits with banks and other short term highly liquid investments, net of outstanding overdrafts that are repayable on demand and are considered part of the Company's cash management system.

### Q) Non – Current Assets Held for Sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

### R) Government Grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in statement of profit and loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate and are presented within Other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they become receivable.

Government grants relating to purchase of property, plant and equipment are included in Other non-current liabilities and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

In the event of such property, plant and equipment being disposed off before completion of its estimated useful life, the outstanding amount of such capital grant is fully credited to profit or loss in the year of its disposal.

### S) Employee Benefits

#### a. Short Term Employee Benefits:

All employee benefits payable within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

## Statement of significant Accounting Policies forming part of Financial Statements for the year ended 31<sup>st</sup> March 2023

### 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.



## Statement of significant Accounting Policies forming part of Financial Statements for the year ended 31<sup>st</sup> March 2023

### 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 expenses up to ₹1,00,000 is not considered in classifying prepaid expenses.

### V) Research and Developments expenses

Revenue expenditure on Research activity is recognized separately and charged to Statement of Profit and Loss. Expenditure on development activities is capitalized when its future economic benefits can reasonably be regarded as assured.

### W) Earnings per Share (EPS)

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

Upon discontinuation of an operation the basic and diluted amount per share for the discontinued operation is separately reported, as applicable.

### X) Cash Dividend

The Company recognizes a liability to make cash distributions to shareholders when the distribution is authorized and the same is no longer at the discretion of the Company. A corresponding amount is recognized directly in equity.

## IV) Exemptions applied

Ind AS101- First Time Adoption of Indian Accounting Standards, allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions.

Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition measured as per Indian GAAP and use that as its deemed cost as at date of transition. The same is applicable even for Investment property, intangible assets and its investments in Joint venture, associates and subsidiaries.

Company has also reviewed the necessary adjustments required to be done in accordance with paragraph D21 this standard (i.e. adjustments arising on account of decommissioning or restoration liabilities) and has accordingly considered the impact of the same wherever applicable.

The Company has designated unquoted equity instruments held at 1 April 2015 as fair value through OCI.

## Statement of significant Accounting Policies forming part of Financial Statements for the year ended 31<sup>st</sup> March 2023

### V) Recent Pronouncements:

The Ministry of Corporate Affairs (MCA) on 31<sup>st</sup> March 2023 through Companies (Indian Accounting Standards) Amendment Rules, 2023 has notified the following amendments to IND AS which are applicable for the annual periods beginning on or after 1<sup>st</sup> April, 2023.

- a) **IND AS 1 – Presentation of Financial Statements** – This amendment requires the Company to disclose its material accounting policies rather than their significant accounting policies.

The Company will carry out a detailed review of accounting policies to determine material accounting policy information to be disclosed going forward.

The Company does not expect this amendment to have any material impact in its financial statements.

- b) **IND AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors** - This amendment has changed the definition of a “change in accounting estimates” to a definition of “accounting estimates”. The amendment clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates.

The Company does not expect this amendment to have any material impact in its financial statements.

- c) **IND AS 12 – Income Taxes** - This amendment has done away with the recognition exemption on initial recognition of assets and liabilities that give rise to equal and offsetting temporary differences.

The Company does not expect this amendment to have any material impact in its financial statements.

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

### NOTE NO. 1 PROPERTY, PLANT & EQUIPMENT

AS AT 31.03.2023

₹ Crore

Sr. No.	Description	DEEMED COST / COST		DEPRECIATION		IMPAIRMENT LOSS		NET BOOK VALUE	
		AS.AT 01.04.2022	Of Additions/ Adjustments *	UPTO 01.04.2022	Provided during the year	UPTO 01.04.2022	Provided during the year	AS.AT 31.03.2022	AS.AT 31.03.2022
a.	Land (Freehold)	10.74	-	-	-	-	-	10.74	10.74
b.	Buildings	274.38	14.76	55.63	11.37	0.70	-	221.42	218.05
c.	Plant & Machinery	2689.27	579.41	892.92	171.22	10.47	5.86	2187.87	1785.88
d.	Furniture & Fixtures	15.34	2.71	9.44	1.41	-	-	7.14	5.90
e.	Vehicles	4.29	0.13	2.92	0.25	-	-	1.25	1.37
f.	Office Equipments	35.12	6.61	24.38	3.56	-	-	13.69	10.74
g.	Others								
j)	Roads & Culverts	21.38	2.60	11.47	2.38	-	-	10.13	9.91
ii)	Railway Sidings	20.31	2.61	8.22	1.12	-	-	13.58	12.09
iii)	Water System, Sewerage & Drainage	21.70	-	8.19	1.38	-	-	12.13	13.51
iv)	Miscellaneous Equipments	103.13	5.32	56.10	8.05	-	-	44.23	47.03
	<b>TOTAL</b>	<b>3195.66</b>	<b>614.15</b>	<b>1069.27</b>	<b>200.74</b>	<b>11.17</b>	<b>5.86</b>	<b>2522.18</b>	<b>2115.22</b>

AS AT 31.03.2022

₹ Crore

Sr. No.	Description	DEEMED COST / COST		DEPRECIATION		IMPAIRMENT LOSS		NET BOOK VALUE	
		AS.AT 01.04.2021	Of Additions/ Adjustments *	UPTO 01.04.2021	Provided during the year	UPTO 01.04.2021	Provided during the year	AS.AT 31.03.2022	AS.AT 31.03.2021
a.	Land (Freehold)	10.74	-	-	-	-	-	10.74	10.74
b.	Buildings	259.67	14.88	44.65	10.84	0.70	-	218.05	214.32
c.	Plant & Machinery	2587.17	105.02	745.35	149.37	10.47	-	1785.88	1831.35
d.	Furniture & Fixtures	13.31	2.08	8.12	1.34	-	-	5.90	5.19
e.	Vehicles	4.14	0.15	2.65	0.27	-	-	1.37	1.49
f.	Office Equipments	33.65	1.61	21.06	3.44	-	-	10.74	12.59
g.	Others								
j)	Roads & Culverts	15.52	5.86	9.29	2.18	-	-	9.91	6.23
ii)	Railway Sidings	19.45	0.86	7.16	1.06	-	-	12.09	12.29
iii)	Water System, Sewerage & Drainage	20.98	0.72	6.85	1.34	-	-	13.51	14.13
iv)	Miscellaneous Equipments	98.62	4.87	47.67	8.71	-	-	47.03	50.95
	<b>TOTAL</b>	<b>3063.25</b>	<b>136.05</b>	<b>892.80</b>	<b>178.55</b>	<b>11.17</b>	<b>-</b>	<b>2115.22</b>	<b>2159.28</b>



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

1.1 \* Additions/Adjustments in PPE include the following

Item of Asset	₹ Crore	
	AS AT 31.03.2023	AS AT 31.03.2022
Exchange Differences	-	-
Borrowing Costs	-	5.60
<b>TOTAL</b>	<b>-</b>	<b>5.60</b>

1.2 Land at Thal included in Gross Block (at cost) at ₹ 4.43 Crore (area measuring 50,52,476 Sq. Mtr.) is subject to final revision in price.

1.3 Assets offered as security for loans have been provided in Note No 20

1.4 Capital work in progress (Refer Note No. 79)

	₹ Crore	
	AS AT 31.03.2023	AS AT 31.03.2022
Opening Balance	512.93	406.35
Additions	312.69	242.08
Capitalisations	614.14	135.50
<b>Closing Balance</b>	<b>211.48</b>	<b>512.93</b>

### NOTE No. 2 NON-CURRENT ASSETS - RIGHT OF USE ASSETS (ROU)

AS AT 31.03.2023

Description	DEEMED COST / COST		DEPRECIATION		IMPAIRMENT LOSS		NET BOOK VALUE	
	AS,AT 01.04.2022	Of Additions/ Adjustments * Deductions/ Adjustments	UPTO 01.04.2022	Provided during the year	UPTO 01.04.2022	Provided during the year	AS-AT 31.03.2022	AS-AT 31.03.2022
Land ( Leasehold ) ROU	10.39	-	2.40	0.80	-	-	7.18	7.99
Buildings ROU	3.11	0.65	1.44	0.88	-	-	1.44	1.67
Vehicles ROU	6.95	7.18	4.92	2.81	-	-	6.40	2.03
<b>TOTAL</b>	<b>20.45</b>	<b>7.83</b>	<b>8.76</b>	<b>4.49</b>	<b>-</b>	<b>-</b>	<b>15.02</b>	<b>11.69</b>

AS AT 31.03.2022

Description	DEEMED COST / COST		DEPRECIATION		IMPAIRMENT LOSS		NET BOOK VALUE	
	AS,AT 01.04.2021	Of Additions/ Adjustments * Deductions/ Adjustments	UPTO 01.04.2021	Provided during the year	UPTO 01.04.2021	Provided during the year	AS-AT 31.03.2022	AS-AT 31.03.2022
Land ( Leasehold ) ROU	10.39	-	1.60	0.80	-	-	7.99	8.79
Buildings ROU	2.71	0.88	1.08	0.84	-	-	1.67	1.63
Vehicles ROU	6.46	0.77	3.29	1.89	-	-	2.03	3.17
<b>TOTAL</b>	<b>19.56</b>	<b>1.65</b>	<b>5.97</b>	<b>3.53</b>	<b>-</b>	<b>-</b>	<b>11.69</b>	<b>13.59</b>

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

### NOTE NO. 3 NON-CURRENT ASSETS - INVESTMENT PROPERTY

AS AT 31.03.2023

Description	DEEMED COST / COST		DEPRECIATION		IMPAIRMENT LOSS		NET BOOK VALUE			
	AS.AT 01.04.2022	Of Additions/ Deductions/ Adjustments *	AS.AT 31.03.2023	Provided during the year	UPTO 01.04.2022	UPTO 31.03.2023	Provided during the year	UPTO 01.04.2022	AS.AT 31.03.2022	AS.AT 31.03.2023
Land (Freehold)	0.01	-	0.01	-	-	-	-	-	0.01	0.01
Buildings	6.34	0.02	6.32	0.17	1.17	1.34	-	-	4.98	5.17
<b>TOTAL</b>	<b>6.35</b>	<b>0.02</b>	<b>6.33</b>	<b>0.17</b>	<b>1.17</b>	<b>1.34</b>	<b>-</b>	<b>-</b>	<b>4.99</b>	<b>5.18</b>

AS AT 31.03.2022

Description	DEEMED COST / COST		DEPRECIATION		IMPAIRMENT LOSS		NET BOOK VALUE			
	AS.AT 01.04.2021	Of Additions/ Deductions/ Adjustments *	AS.AT 31.03.2022	Provided during the year	UPTO 01.04.2021	UPTO 31.03.2022	Provided during the year	UPTO 01.04.2021	AS.AT 31.03.2022	AS.AT 31.03.2022
Land ( Freehold )	0.01	-	0.01	-	-	-	-	-	0.01	0.01
Buildings	7.04	0.05	6.34	0.19	1.14	1.17	-	-	5.17	5.90
<b>TOTAL</b>	<b>7.05</b>	<b>0.05</b>	<b>6.35</b>	<b>0.19</b>	<b>1.14</b>	<b>1.17</b>	<b>-</b>	<b>-</b>	<b>5.18</b>	<b>5.91</b>

3.1 The Company's investment properties consist of commercial/residential properties located at Mumbai, Alibaug and Lucknow. The management has determined that the investment properties consist of two classes of assets – land and building.

3.2 Information regarding income and expenditure of Investment Property

	AS AT 31.03.2023	AS AT 31.03.2022
Rental income derived from investment properties	32.21	36.39
Less: Direct operating expenses (including repairs and maintenance) generating rental income	2.99	2.87
Less: Direct operating expenses (including repairs and maintenance) that did not generate rental income	0.05	0.04
Profit arising from investment properties before depreciation and indirect expenses	29.17	33.48
Less: Depreciation	0.17	0.19
<b>Profit arising from investment properties before indirect expenses</b>	<b>29.00</b>	<b>33.29</b>

3.3 The Company undertakes expenditure towards Maintenance for upkeep of its properties which also covers the portion relating to Investment Property. The same being not material, no separate disclosure of contracts entered into for maintenance of investment property is given.

3.4 As at 31 March 2023, the fair values of the properties is ₹ 875.19 crore (₹ 893.88 crore as on 31.03.2022). These valuations are based on valuations performed by M/s M.A. Toke, an accredited independent valuer and has worked out the value of the property based on the information and a study of the micro market in discussions with industry experts, local brokers and regional developers.

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

3.5 Fair value disclosures for investment properties is detailed below

Reconciliation of Fairvalue	₹ Crore	
	AS AT 31.03.2023	AS AT 31.03.2022
<b>LAND</b>		
Opening balance	267.53	251.33
Fair Value	269.64	267.53
Fair value difference	2.11	16.20
Purchases / Transfers	-	-
<b>Closing balance</b>	<b>269.64</b>	<b>267.53</b>
<b>BUILDING</b>		
Opening balance	626.35	677.13
Fair Value	641.19	716.84
Fair value difference	14.84	39.71
Purchases / Transfers	(35.64)	(90.49)
<b>Closing balance</b>	<b>605.55</b>	<b>626.35</b>
<b>TOTAL</b>		
Opening balance	893.88	928.46
Fair Value	910.83	984.37
Fair value difference	16.95	55.91
Purchases / Transfers	(35.64)	(90.49)
<b>Closing balance</b>	<b>875.19</b>	<b>893.88</b>

### NOTE No. 4 NON-CURRENT ASSETS - INTANGIBLE ASSETS

Description	DEEMED COST / COST		AMORTISATION		IMPAIRMENT LOSS		NET BOOK VALUE		
	AS.AT 01.04.2022	Of Additions/ Adjustments * 16.99	Of Deductions/ Adjustments 16.99	AS.AT 31.03.2023	UPTO 01.04.2022	Provided during the year	UPTO 31.03.2023	AS.AT 31.03.2023	AS.AT 31.03.2022
Computer Software	16.79	0.20	-	16.99	15.39	1.18	0.01	16.56	16.56
<b>TOTAL</b>	<b>16.79</b>	<b>0.20</b>	<b>-</b>	<b>16.99</b>	<b>15.39</b>	<b>1.18</b>	<b>0.01</b>	<b>16.56</b>	<b>16.56</b>
<b>AS AT 31.03.2022</b>									
Description	DEEMED COST / COST		AMORTISATION		IMPAIRMENT LOSS		NET BOOK VALUE		
	AS.AT 01.04.2021	Of Additions/ Adjustments * 16.79	Of Deductions/ Adjustments 0.20	AS.AT 31.03.2022	UPTO 01.04.2021	Provided during the year	UPTO 31.03.2022	AS.AT 31.03.2022	AS.AT 31.03.2022
Computer Software	16.79	0.20	-	16.99	13.81	1.57	(0.01)	15.39	15.39
<b>TOTAL</b>	<b>16.79</b>	<b>0.20</b>	<b>-</b>	<b>16.99</b>	<b>13.81</b>	<b>1.57</b>	<b>(0.01)</b>	<b>15.39</b>	<b>15.39</b>

**Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023****NOTE NO. 5 "NON-CURRENT ASSETS" "FINANCIAL ASSETS -INVESTMENTS"**

₹ Crore

	AS AT 31.03.2023	AS AT 31.03.2022
<b>A. Investments in Equity Instruments:</b>		
<b>a. Joint Ventures at Cost</b>		
FACT-RCF Building Products Ltd. ( 23,57,000 equity shares (P.Y.NIL) of ₹10 each)	2.36	-
Less:- Provision for Diminution in the value of investment	(2.36)	-
	-	-
Talcher Fertilizers Limited (Formerly known as Rashtriya Coal Gas Fertilizers Limited) ( 80,54,80,826 equity shares (P.Y. 80,54,80,826 equity shares) of ₹10 each) (Under lock in period for 5 year from date of commercial operation)	805.48	805.48
	<b>805.48</b>	<b>805.48</b>
<b>b. Investment Designated at Fair Value Through OCI</b>		
<b>Indian Potash Limited*</b> (Refer Note No. 72) (6,73,200 equity shares (P.Y.6,73,200 equity shares) of ₹10 each)	97.28	92.09
<b>B. Other Investments (Unquoted) Designated at Fair Value Through P&amp;L</b>		
Transferable Development Rights (Refer Note No. 67)	99.63	36.31
<b>TOTAL</b>	<b>1002.39</b>	<b>933.88</b>
*Reconciliation of fair value measurement of the investment in unquoted equity shares of Indian Potash Limited (IPL)		
	<b>31.03.2023</b>	<b>31.03.2022</b>
Opening Balance	92.09	78.68
Total Gains and Losses Recognised in OCI	5.19	13.41
Closing Balance	<b>97.28</b>	<b>92.09</b>
<b>Company has adopted the carrying amount as per IGAAP as its deemed cost of its investment in joint ventures.</b>		
<b>The deemed cost of the investments has been arrived as under:</b>		
<b>a. FACT-RCF Building Products Ltd.</b> ( 3,28,70,000 equity shares(P.Y.3,28,70,000) of ₹10 each)	32.87	32.87
Less:- Provision for Diminution in the value of investment	(32.87)	(32.87)
Carrying Value	-	-
<b>b. Urvarak Videsh Ltd.</b> (1,80,002 equity shares(P.Y.1,80,002) of ₹10 each )	0.18	0.18
Less:- Provision for Diminution in the value of investment	(0.18)	(0.18)
Carrying Value	-	-

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

### NOTE NO. 6 “NON-CURRENT ASSETS” “FINANCIAL ASSETS - TRADE RECEIVABLES”

₹ Crore

	AS AT 31.03.2023	AS AT 31.03.2022
<b>Trade Receivables (Refer Note No. 77)</b>		
Credit Impaired	1.95	1.98
Less: Provision for Doubtful Debts	(1.95)	(1.98)
<b>TOTAL</b>	<b>-</b>	<b>-</b>

### NOTE NO. 7 “NON-CURRENT ASSETS” “FINANCIAL ASSETS - LOANS”

₹ Crore

	AS AT 31.03.2023	AS AT 31.03.2023
i. Secured Considered Good : Loans- Employees	-	0.02
ii. Unsecured Considered Good : Loan- Other CPSE	5.10	10.20
iii. Significant Increase in Credit Risk	-	-
iv. Credit Impaired	-	-
<b>TOTAL</b>	<b>5.10</b>	<b>10.22</b>

### NOTE NO. 8 “NON-CURRENT ASSETS” “FINANCIAL ASSETS - OTHERS”

₹ Crore

	AS AT 31.03.2023	AS AT 31.03.2022
<b>(i) Advances to Related Parties</b>		
Considered Doubtful (Refer Note No. 58.1)	36.50	36.50
Less: Provision	(36.50)	(36.50)
	-	-
<b>(ii) Advance Against Equity Pending Allotment (Refer Note No. 58.1)</b>		
Less: Provision Towards Diminution in Value	-	2.36
	-	(2.36)
	-	-
<b>(iii) Others</b>		
Receivables Towards Rent / Services Provided		
Unsecured - Considered Doubtful	1.57	0.66
Less: Provision for Doubtful Receivables	(1.57)	(0.66)
	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

### NOTE NO. 9 “NON-CURRENT ASSETS” “OTHER NON-CURRENT ASSET”

	₹ Crore	
	AS AT 31.03.2023	AS AT 31.03.2022
<b>(i) Capital Advances</b>		
Unsecured -Considered Good	33.67	43.01
<b>(ii) Advances other than Capital Advances</b>		
<b>a. Loans (Material Given on Refundable Basis) to Related Parties</b>		
Considered Doubtful (Refer Note No. 56.1)	1.37	1.37
Less: Provision	(1.37)	(1.37)
	-	-
<b>b. Other Advances</b>		
Unsecured -Considered Good		
<b>i. VAT Receivable</b>		
Unsecured -Considered Good	22.11	22.11
<b>ii. Other Advances Considered Doubtful</b>	2.93	2.93
Less: Provision for Doubtful Advances	(2.93)	(2.93)
	-	-
<b>iii. Advance Income Tax (Net of Provision) (Refer Note No. 69.b)</b>	172.83	96.33
<b>iv. Deposits with Customs, Port Trust etc.</b>		
Unsecured -Considered Good (Refer Note No. 44.1.2)	74.35	23.19
Unsecured -Considered Doubtful	2.06	2.06
Less: Provision	(2.06)	(2.06)
	74.35	23.19
<b>v. Prepaid expenses</b>	1.65	2.90
	<b>270.94</b>	<b>144.53</b>
<b>(iii) Others</b>		
Employee Benefit Asset	0.01	0.02
<b>TOTAL</b>	<b>304.62</b>	<b>187.56</b>

### NOTE NO. 10 “CURRENT ASSETS” “INVENTORIES”

	₹ Crore	
	AS AT 31.03.2023	AS AT 31.03.2022
<b>i. Raw Materials</b>	864.76	719.51
Raw Materials-in-Transit	265.60	-
Raw Materials (Sub Total)	1130.36	719.51
Less: Impaired Stock (Refer Note No. 54)	(3.35)	(3.35)
Raw Materials (Total)	1127.01	716.16
<b>ii. Finished Goods</b>	269.74	89.58
Finished Goods-in-Transit	97.08	93.69
Finished Goods (Total)	366.82	183.27
<b>iii. Stock in Trade/Bought Out Products</b>	409.77	624.02
Stock in Trade/Bought Out Products-in-Transit	105.35	364.07
Stock in Trade/Bought Out Products (Total)	515.12	988.09



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

	₹ Crore	
	AS AT 31.03.2023	AS AT 31.03.2022
iv. Intermediary Products	74.07	37.43
v. By Products	2.77	2.90
vi. Stores & Spares, Packing Materials and Petroleum products	525.20	423.54
Less: Provision for Obsolescence etc./Loss under Investigation (Refer Note No. 54)	(25.91)	(24.16)
	<b>499.29</b>	<b>399.38</b>
vii. Certified Emission Reduction Credits (CER) / Renewable Energy Certificates (REC) / E-Certs (Refer Note No. 63)	0.33	0.38
<b>TOTAL</b>	<b>2585.41</b>	<b>2327.61</b>
<b>Inventory Includes:</b>		
<b>Stores and Spares</b>		
a) Under Inspection	41.91	3.74
b) Platinum & Rhodium stolen in earlier year and under investigation which is not available for verification	-	0.21
c) With Fabricators	2.03	56.67
Cost of Inventories Recognised as Expense	8966.10	5623.69
Write down of Inventories Charge to P&L (Difference Between Cost & NRV)	63.00	12.76
Reversal of Write downs	-	-

### NOTE NO. 11 "CURRENT INVESTMENTS"

	₹ Crore	
	AS AT 31.03.2023	AS AT 31.03.2022
<b>Current Investments - Unquoted</b>		
Investments in Mutual Funds (Refer Note No. 72)	-	8.04
	-	<b>8.04</b>

### NOTE NO. 12 "CURRENT ASSETS" "FINANCIAL ASSETS - TRADE RECEIVABLES"

	₹ Crore	
	AS AT 31.03.2023	AS AT 31.03.2022
<b>Subsidy Receivable (Unsecured - Considered Good)</b>	2097.17	2793.95
<b>Trade Receivables</b>		
Secured - Considered good	185.54	126.22
Unsecured - Considered good	326.65	106.97
Significant Increase in Credit Risk	0.15	0.03
	<b>512.34</b>	<b>233.22</b>
Less : Provision for Expected Credit Loss *	(0.69)	(0.44)
Total - Trade Receivables	511.65	232.78
<b>TOTAL</b>	<b>2608.82</b>	<b>3026.73</b>

**Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023**

₹ Crore

	AS AT 31.03.2023	AS AT 31.03.2022
(Refer Note No.77)		
* 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.		
<b>ECL % - Ageing</b>		
Not Due	0.07	0.10
00 - 90 days	1.69	2.92
91 - 180 days	29.44	30.26
181 - 365 days	87.06	78.46
> 365 days (fully secured)	-	-
<b>Age of Receivables (₹ Cr)</b>		
Receivable from Gol (Not tested for ECL)	12.59	7.65
Not Due - Other Trade Receivables	484.50	219.15
00 - 90 days	14.90	6.14
91 - 180 days	0.07	-
181 - 365 days	0.07	0.05
> 365 days (fully secured)	0.21	0.23
	<b>512.34</b>	<b>233.22</b>
Movement in ECL allowance (₹Cr)		
Balance at Beginning of the year	0.44	0.73
Movement	0.24	(0.29)
Balance at End of the year	0.69	0.44

Out of the Total Trade Receivables, Trade Receivables amounting to ₹ 185.54 Crore as on 31.03.2023 (PY ₹ 126.22 Crore) are secured against collaterals in form of Deposits / Bank Guarantees received and held by the company

**NOTE NO. 13 "CURRENT ASSETS" "FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS"**

₹ Crore

	AS AT 31.03.2023	AS AT 31.03.2022
<b>Cash and Cash Equivalents</b>		
i. Balances with Bank	11.30	114.72
ii. Cash on Hand	-	0.01
iii. Deposits with Original Maturity less than 3months	-	985.00
<b>TOTAL</b>	<b>11.30</b>	<b>1099.73</b>

The above cash and cash equivalent have not been pledged

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

### NOTE NO. 14 "CURRENT ASSETS" "FINANCIAL ASSETS - OTHER BANK BALANCES"

₹ Crore

	AS AT 31.03.2023	AS AT 31.03.2022
i. Margin Money Deposit / Bond Money Received from Employees	51.85	63.03
ii. Deposits with original maturity more than 3 months but less than 12 months *	-	-
iii. In Unpaid Dividend Account *	1.38	1.50
<b>TOTAL</b>	<b>53.23</b>	<b>64.53</b>

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

### NOTE NO. 15 "CURRENT ASSETS" "FINANCIAL ASSETS - LOANS"

₹ Crore

	AS AT 31.03.2023	AS AT 31.03.2022
i. Secured Considered Good Loans- Employees	0.03	0.08
ii. Unsecured Considered Good Loan- Other CPSE	5.10	5.10
iii. Significant Increase in Credit Risk	-	-
iv. Credit Impaired	-	-
<b>TOTAL</b>	<b>5.13</b>	<b>5.18</b>

### NOTE NO. 16 "CURRENT ASSETS" "FINANCIAL ASSETS - OTHERS"

₹ Crore

	AS AT 31.03.2023	AS AT 31.03.2022
i. Fairvalue of Derivatives (Refer Note No. 72)	8.19	12.05
ii. Interest Receivable	0.89	1.05
iii. Receivables towards Rent / Services provided *	138.10	56.04
<b>TOTAL</b>	<b>147.18</b>	<b>69.14</b>

\* Expected Credit Loss-NIL

\* Includes an amount of ₹ 62.32 Crore Receivable from Government of India towards Import of Urea on Government Account (P.Y. ₹ 27.11 crore)

**Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023****NOTE NO. 17 "CURRENT ASSETS" "OTHER CURRENT ASSETS"**

₹ Crore

	AS AT 31.03.2023	AS AT 31.03.2022
<b>i. Advances other than Capital Advances</b>		
<b>Security Deposits</b>		
Unsecured -Considered Good	1.01	0.69
<b>ii. Other Advances</b>		
<b>Unsecured -Considered Good</b>		
i. Contractors	25.94	22.18
ii. Employees	0.35	0.26
iii. GST Receivable	176.80	115.20
iv. Prepaid Expenses	31.42	20.58
<b>Total Other Advances</b>	<b>234.51</b>	<b>158.22</b>
<b>iii. Employee Benefit Asset</b>	0.02	0.03
<b>TOTAL</b>	<b>235.54</b>	<b>158.94</b>

**NOTE NO. 18 "EQUITY" "EQUITY SHARE CAPITAL"**

₹ Crore

	AS AT 31.03.2023	AS AT 31.03.2022
<b>Authorised</b>		
80,00,00,000 Equity Shares of ₹10/- each.	800.00	800.00
<b>Issued, Subscribed and Paid Up</b>		
55,16,88,100 Equity shares of ₹10/- each fully paid up.	551.69	551.69
<b>TOTAL</b>	<b>551.69</b>	<b>551.69</b>

**RECONCILIATION OF SHARES OUTSTANDING AT THE BEGINNING AND END OF THE REPORTING PERIOD**

Particulars	31.03.2023		31.03.2022	
	No.	₹ Crore	No.	₹ Crore
<b>EQUITY SHARES</b>				
At the beginning of the year	551688100	551.69	551688100	551.69
Issued during the year				
Outstanding at the end of the year	<b>551688100</b>	<b>551.69</b>	<b>551688100</b>	<b>551.69</b>

**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.

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

### DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY

Particulars	31.03.2023		31.03.2022	
	% age of shareholding	No.	% age of shareholding	No.
President of India	75.00	413769483	75.00	413769483

### DETAILS OF SHAREHOLDING OF PROMOTERS IN THE COMPANY

Particulars	31.03.2023		31.03.2022		% change during the year
	% age of shareholding	No.	% age of shareholding	No.	
President of India	75.00	413769483	75.00	413769483	0.00

Particulars	31.03.2022		31.03.2021		% change during the year
	% age of shareholding	No.	% age of shareholding	No.	
President of India	75.00	413769483	75.00	413769483	0.00

### NOTE NO. 19 "EQUITY" "OTHER EQUITY"

				₹ Crore	
		Note No.	AS AT 31.03.2023	AS AT 31.03.2022	
<b>i. Other Reserves</b>					
General Reserve					
	Opening Balance		3268.66	2746.17	
	Add: Transferred from Retained Earnings		705.20	522.49	
	<b>Closing Balance</b>		<b>3973.86</b>	<b>3268.66</b>	
<b>Equity Instruments through Other Comprehensive Income Reserve</b>					
	Opening Balance		68.88	58.84	
	Add: Other Comprehensive Income for the Year (Net of Tax)		3.89	10.04	
	<b>Closing Balance</b>		<b>72.77</b>	<b>68.88</b>	
<b>ii. Retained Earnings</b>					
	Opening Balance / Adjustments		-	-	
	Profit for the Year		967.15	704.36	
	Adjustment for Remeasurement of Defined Benefit Plans (Net of Tax)		(35.76)	(9.19)	
	Less: Dividends Paid	19 A	(226.19)	(172.68)	
	Less: Transfer to General Reserve		(705.20)	(522.49)	
	Closing Balance		-	-	
<b>TOTAL</b>			<b>4046.63</b>	<b>3337.54</b>	

For FY 2022-23, The Board of Directors have recommended a final dividend of ₹ 3.70 per equity share (P.Y. ₹ 2.50 per equity share) which is subject to approval by shareholders of the Company. This is in addition to the interim dividend of ₹ 1.60 per equity share (P.Y. 1.35 per equity share) paid by the Company.



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

### NOTE NO. 19A "DIVIDEND"

₹ Crore

	AS AT 31.03.2023	AS AT 31.03.2022
<b>Dividends on Equity Shares paid during the year</b>		
Final Dividend for the FY 2021-22 [₹ 2.50 (P.Y. ₹ 1.78) per equity share of ₹ 10 each]	137.92	98.20
Interim Dividend for the FY 2022-23 [₹ 1.60 (P.Y. ₹ 1.35) per equity share of ₹ 10 each]	88.27	74.48
<b>TOTAL</b>	<b>226.19</b>	<b>172.68</b>

### NOTE NO. 20 "NON-CURRENT LIABILITIES" "FINANCIAL LIABILITIES - BORROWINGS"

₹ Crore

	As at 31.03.2023		As at 31.03.2022	
	Non-current	Current	Non-current	Current
<b>SECURED</b>				
<b>Non Convertible Debentures (NCDs)</b>				
<b>6.59% Listed Secured Non Convertible Debentures (RCF Series I -2020)</b>	499.78	-	499.70	-
Listed Secured Non Convertible Debentures(NCDs) (RCF Series I -2020) in Nos. 5000 have been issued at an interest rate of 6.59% per annum for a tenure of 5 years having face value of ₹ 10 lakhs each on 05 <sup>th</sup> August 2020 which are redeemable on 05 <sup>th</sup> 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 Medium Pressure (MP) and High Pressure (HP) Nitric Acid Plant situated at Trombay.				
	<b>499.78</b>	<b>-</b>	<b>499.70</b>	<b>-</b>
<b>Term Loan from Banks</b>				
<b>1 Rupee Loan from Banks</b>				
<b>a. Kotak Mahindra Bank Limited</b>	88.64	27.27	115.91	27.27
A loan of ₹150 crore availed from Kotak Mahindra Bank is secured by first pari passu charge by way of hypothecation on movable plant and machinery of any plant located at Trombay (excluding movable fixed assets of the Medium Pressure (MP) and High Pressure (HP) Nitric Acid Plant situated at Trombay) to the extent of 1.25 times of the loan amount. The rate of interest is linked to Repo Rate plus fixed spread of 1.99% per annum . Repayment of the said loan would fall due for ₹ 27.27 crore in F.Y. 2023-24, ₹ 27.27 crore in F.Y. 2024-25, ₹ 27.27 crore in F.Y. 2025-26, ₹ 27.27 crore in F.Y. 2026-27, ₹ 6.82 crore in F.Y. 2027-28.				
	<b>88.64</b>	<b>27.27</b>	<b>115.91</b>	<b>27.27</b>



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

₹ Crore

	As at 31.03.2023		As at 31.03.2022	
	Non-current	Current	Non-current	Current
<b>2 Foreign Currency Loan / External Commercial Borrowings (ECB)</b>				
<b>a. Yes Bank Limited</b>	-	-	-	6.22
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. The said loan has been fully repaid during the year.				
<b>b. State Bank of India</b>	-	37.85	35.76	35.75
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 ₹ 37.85 crore in F.Y. 2023-24.				
<b>c. State Bank of India</b>	146.66	32.47	169.19	30.62
ECB of EURO 25.00 million availed by the Company from State Bank of India, New York Branch, under RBI Loan Registration no. 202011111 is secured by way of first pari-passu charge on movable assets (both present and future) located at Thal and Trombay (excluding movable fixed assets of the Medium Pressure (MP) and High Pressure (HP) Nitric Acid Plant situated at Trombay) to the extent of 1.25 times of the loan amount. The rate of interest is 6 months EURIBOR plus margin of 1.40% per annum. Repayment of the said loan would fall due for ₹ 30.89 crore in F.Y. 2023-24, ₹ 32.47 crore in F.Y. 2024-25, ₹ 32.55 crore in F.Y. 2025-26, ₹ 32.60 crore in 2026-27, ₹ 32.65 crore in F.Y. 2027-28 crore and ₹ 16.35 crore in F.Y. 2028-29.				
	146.66	70.32	204.95	72.59



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

₹ Crore

	As at 31.03.2023		As at 31.03.2022	
	Non-current	Current	Non-current	Current
<b>UNSECURED</b>				
<b>Non Convertible Debentures (NCDs)</b>				
<b>6.59% Listed Unsecured Non Convertible Debentures (RCF Series I -2022)</b>	299.90	-	299.85	-
Listed Unsecured Non Convertible Debentures(NCDs) (RCF Series I -2022) in Nos. 3000 have been issued at an interest rate of 6.59% per annum for a tenure of 3 years having face value of ₹ 10 lakhs each on 31 <sup>st</sup> January 2022 which are redeemable on 31 <sup>st</sup> January 2025.				
	<b>299.90</b>	<b>-</b>	<b>299.85</b>	<b>-</b>
<b>Term Loan from Banks</b>				
<b>HDFC Bank</b>	-	-	-	140.96
A loan of ₹ 281.92 crore is availed from HDFC Bank at a rate of interest linked to Repo Rate plus fixed margin of 0.70% per annum. The said loan has been fully repaid during the year.				
	-	-	-	140.96
Amount disclosed under the head "CURRENT BORROWINGS" (Refer Note No. 26)		(97.59)		(240.82)
<b>TOTAL</b>	<b>1034.98</b>	<b>(0.00)</b>	<b>1120.41</b>	<b>-</b>
<b>Details of Borrowings and Transaction Costs</b>				
<b>A External Commercial Borrowings</b>				
Total External Commercial Borrowings	147.11	70.78	205.86	66.87
Less: Transaction Costs	0.45	0.45	0.91	0.50
<b>Carrying value of External Commercial Borrowings</b>	<b>146.66</b>	<b>70.32</b>	<b>204.95</b>	<b>66.37</b>
<b>B Non-Convertible Debentures</b>				
i 6.59% Listed Secured Non Convertible Debentures (RCF Series I -2020)	500.00	-	500.00	-
Less: Transaction Costs	0.22	-	0.30	-
<b>Carrying value of Non-Convertible Debentures</b>	<b>499.78</b>	<b>-</b>	<b>499.70</b>	<b>-</b>
ii 6.59% Listed Unsecured Non Convertible Debentures (RCF Series I -2022)	300.00	-	300.00	-
Less: Transaction Costs	0.10	-	0.15	-
<b>Carrying value of Non-Convertible Debentures</b>	<b>299.90</b>	<b>-</b>	<b>299.85</b>	<b>-</b>

### NOTE NO. 21 "NON-CURRENT LIABILITIES" "FINANCIAL LIABILITIES - LEASE LIABILITIES"

₹ Crore

	AS AT 31.03.2023	AS AT 31.03.2022
Lease Liabilities	9.25	7.53
<b>TOTAL</b>	<b>9.25</b>	<b>7.53</b>

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

### NOTE NO. 22 “NON-CURRENT LIABILITIES” “FINANCIAL LIABILITIES - OTHERS”

₹ Crore

	AS AT 31.03.2023	AS AT 31.03.2022
Security Deposit from Vendors	33.98	29.98
<b>TOTAL</b>	<b>33.98</b>	<b>29.98</b>

### NOTE NO. 23 “NON-CURRENT LIABILITIES” “PROVISIONS”

₹ Crore

	AS AT 31.03.2023	AS AT 31.03.2022
Provision for Employee Benefits		
i. Leave Salary Encashment	63.41	78.26
ii. Post Retirement Medical Benefits	127.47	115.47
iii. Long Service Award	0.20	0.22
<b>TOTAL</b>	<b>191.08</b>	<b>193.95</b>

### NOTE NO. 24 “NON-CURRENT LIABILITIES” “DEFERRED TAX LIABILITIES (NET)”

₹ Crore

	AS AT 31.03.2023	AS AT 31.03.2022
<b>a. Deferred Tax Liability:</b>		
i. Depreciation	313.27	304.04
ii. Fair Value of Investments	24.34	23.04
iii. Revenue from TDR	10.48	8.39
iv. Other Temporary Differences	2.37	1.49
<b>TOTAL</b>	<b>350.46</b>	<b>336.96</b>
<b>b. Deferred Tax Asset:</b>		
i. Provision for Doubtful Debts/Claims/Advances	11.17	10.95
ii. Provision for Obsolescence of Stores	3.86	3.42
iii. Provision for Diminution in Value of Investments	8.91	8.91
iv. Expenditure Allowable on Payment Basis	71.92	66.26
v. Other Temporary Differences	17.70	33.35
<b>TOTAL</b>	<b>113.56</b>	<b>122.89</b>
<b>Net Deferred Tax Liability</b>	<b>236.90</b>	<b>214.07</b>

### NOTE NO. 25 “OTHER LIABILITIES”

₹ Crore

	Note No.	AS AT 31.03.2023	AS AT 31.03.2022
<b>I. NON-CURRENT</b>			
i. Advance Rent Received	25 A	1.01	1.53
ii. Government Grants	25 B	0.61	0.69
iii. Deferred Income		26.16	28.71
<b>TOTAL OTHER NON CURRENT LIABILITIES (I)</b>		<b>27.78</b>	<b>30.93</b>



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

₹ Crore

	Note No.	AS AT 31.03.2023	AS AT 31.03.2022
<b>II. CURRENT</b>			
<b>(a) Revenue Received in Advance</b>			
Income Received in Advance from Customers (Contract Liabilities)	25 C	70.14	111.08
<b>(b) Other Advances</b>			
Retention Money		12.50	12.50
<b>(c) Other Liabilities:</b>			
i. Advance Rent Received	25 A	0.70	0.75
ii. Government Grants	25 B	0.06	0.07
iii. Deferred Deposit		3.20	2.51
iv. Statutory Dues:			
a. Withholding Taxes		16.49	16.21
b. GST Payable		-	19.23
v. Others (Refer Note No. 56)		16.00	15.97
		<b>36.45</b>	<b>54.74</b>
<b>TOTAL OTHER CURRENT LIABILITIES (II)</b>		<b>119.09</b>	<b>178.32</b>

### NOTE NO. 25A "ADVANCE RENT RECEIVED"

₹ Crore

	AS AT 31.03.2023	AS AT 31.03.2022
As at 1 <sup>st</sup> April	2.28	4.43
Received / (Repaid) during the Year	-	-
Released to the Statement of Profit and Loss	0.57	2.15
As at 31 <sup>st</sup> March	<b>1.71</b>	<b>2.28</b>
Current	0.70	0.75
Non-Current	1.01	1.53

### NOTE NO. 25B "GOVERNMENT GRANTS"

₹ Crore

	AS AT 31.03.2023	AS AT 31.03.2022
As at 1 <sup>st</sup> April	0.76	0.96
Received / (Repaid) during the Year	-	-
Released to the Statement of Profit and Loss	0.09	0.20
<b>As at 31<sup>st</sup> March</b>	<b>0.67</b>	<b>0.76</b>
Current	0.06	0.07
Non-Current	0.61	0.69

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

### NOTE NO. 25C "INCOME RECEIVED IN ADVANCE FROM CUSTOMERS (CONTRACT LIABILITIES)"

₹ Crore

	AS AT 31.03.2023	AS AT 31.03.2022
As at 1 <sup>st</sup> April	111.08	57.46
Received during the Year	70.14	111.08
Released to the Statement of Profit and Loss	111.08	57.46
<b>As at 31<sup>st</sup> March</b>	<b>70.14</b>	<b>111.08</b>
Current	70.14	111.08
Non-Current	-	-

### NOTE NO. 26 "INCOME RECEIVED IN ADVANCE FROM CUSTOMERS (CONTRACT LIABILITIES)"

₹ Crore

	AS AT 31.03.2023	AS AT 31.03.2022
<b>(a) Working Capital Loans</b>		
<b>I. Secured</b>		
<b>a. From Banks (Repayable on Demand) *</b>		
i. Cash Credit	-	-
ii. Working Capital Demand Loan	670.00	670.00
<b>Total Secured</b>	<b>670.00</b>	<b>670.00</b>
<b>II. Unsecured</b>		
<b>From Banks</b>		
i. Foreign Currency Loans from Banks-Buyers Credit **	-	686.99
ii. Rupee Loans ***	60.08	250.00
<b>Total Unsecured</b>	<b>60.08</b>	<b>936.99</b>
<b>Total Working Capital Loans</b>	<b>730.08</b>	<b>1606.99</b>
<b>b) Current Maturities of Long Term Debt (Refer Note No. 20)</b>		
I. Secured	97.59	99.86
II. Unsecured	-	140.96
<b>Total</b>	<b>97.59</b>	<b>240.82</b>
<b>TOTAL</b>	<b>827.67</b>	<b>1847.81</b>

\*Cash Credit from banks carrying interest rate of 6.75% - 7.65% per annum (PY 6.95% per annum) and Working Capital Demand Loan carrying interest of 4.10%-7.07% per annum (PY 3.75%-4.10% 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 0.29%-1.38% per annum (PY 0.30%-2.00% per annum). These loans are repayable within 180 days.

\*\*\* Unsecured Short Term Rupee Loans carrying interest of 3.90%-6.98% per annum (PY 5.50%-6.10% per annum).

**Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023****NOTE NO. 27 “CURRENT LIABILITIES” “FINANCIAL LIABILITIES - LEASE LIABILITIES”**

₹ Crore

	AS AT 31.03.2023	AS AT 31.03.2022
Lease Liabilities	4.71	2.77
<b>TOTAL</b>	<b>4.71</b>	<b>2.77</b>

**NOTE NO. 28 “CURRENT LIABILITIES” “FINANCIAL LIABILITIES - TRADE PAYABLES”**

₹ Crore

	AS AT 31.03.2023	AS AT 31.03.2022
<b>Trade Payables (including Acceptances)*</b>		
(A) Outstanding Dues of Micro Enterprises and Small Enterprises (Refer Note No. 56)	57.13	36.55
(B) Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	1954.16	2306.54
<b>TOTAL</b>	<b>2011.29</b>	<b>2343.09</b>

(Refer Note No. 78)

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 ₹ NIL (P.Y. ₹ 392.41 crores)

**NOTE NO. 29 “CURRENT LIABILITIES” “FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES”**

₹ Crore

	AS AT 31.03.2023	AS AT 31.03.2022
i. Interest Accrued But Not Due on Borrowings	31.74	30.69
ii. Unclaimed Dividend *	1.38	1.50
iii. Payables on Capital Account	42.86	124.14
iv. Standing Deposit from Customers	70.71	71.65
v. Trade Deposit from Customers	85.32	78.82
vi. Earnest Money Deposit & Security Deposit from Vendors	81.84	106.13
vii. Other Payables - Tie Ups	9.09	8.47
viii. Ex-gratia & Employee Benefits	123.11	97.16
<b>TOTAL</b>	<b>446.05</b>	<b>518.56</b>

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



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

### NOTE NO. 30 “CURRENT LIABILITIES” “PROVISIONS”

₹ Crore

	AS AT 31.03.2023	AS AT 31.03.2022
<b>Provision for Employee Benefits</b>		
i. Leave Salary Encashment	111.63	97.68
ii. Post Retirement Medical Benefits	10.65	9.36
iii. Payable to Provident Fund	49.41	16.09
iv. Long Service Award	0.03	0.01
<b>TOTAL</b>	<b>171.72</b>	<b>123.14</b>

### NOTE NO. 31 “CURRENT LIABILITIES” “CURRENT TAX LIABILITIES NET”

₹ Crore

	AS AT 31.03.2023	AS AT 31.03.2022
Provision for Taxation Current Year (net of Advance Tax)	-	38.39
<b>TOTAL</b>	<b>-</b>	<b>38.39</b>

### NOTE NO. 32 “REVENUE FROM OPERATIONS”

₹ Crore

	Note No.	Year ended 31.03.2023	Year ended 31.03.2022
<b>1. Sales</b>			
<b>A. Manufactured Products</b>	32A		
Fertilizers		2865.04	2570.57
Industrial Products		3220.04	2265.51
		<b>6085.08</b>	<b>4836.08</b>
<b>B. Bought-out Products</b>	32A		
Fertilizers		1731.40	478.13
Net Sales		<b>7816.48</b>	<b>5314.21</b>
<b>2. Other Operating Revenues</b>			
Subsidy on Urea & Complex Fertilizers* (Refer Note No. 51)	32B	13568.89	7441.75
Sale of Scrap		23.53	7.39
Management Fees -For Services rendered		11.67	11.67
Margin on Tie- ups		30.97	37.15
<b>TOTAL</b>		<b>13635.06</b>	<b>7497.96</b>
<b>Revenue from Operations</b>		<b>21451.54</b>	<b>12812.17</b>

\*Subsidy includes ₹ 10.62 crore (P.Y. ₹ 72.09 crore) in respect of earlier years, determined during the year

**Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023****NOTE NO. 32A "SALES - PRODUCT WISE BREAK-UP"**

	₹ Crore	
	Year ended 31.03.2023	Year ended 31.03.2022
<b>1. Manufactured</b>		
<b>A. Fertilizers</b>		
Suphala 15 : 15 : 15	1642.28	1381.04
Urea / Neem Coated Urea	1138.43	1138.20
Others	84.33	51.33
	<b>2865.04</b>	<b>2570.57</b>
<b>B. Industrial Products</b>		
Ammonia	1236.10	825.66
Dilute Nitric Acid	142.55	147.12
Concentrated Nitric Acid	186.54	158.49
Ammonium Bi-carbonate	77.06	62.48
Methylamines	130.20	126.09
Ammonium Nitrate Melt	1287.12	750.56
Others	160.47	195.11
	<b>3220.04</b>	<b>2265.51</b>
<b>2. Bought-out Products</b>		
Imported Di Ammonium Phosphate	744.26	226.65
Imported Muriate of Potash	-	82.54
Imported Urea	562.77	-
Imported S 15 15 15	-	111.93
Imported NPK 10:26:26	78.46	-
Imported NPK 20:20:0	317.95	38.79
Others	27.96	18.22
	<b>1731.40</b>	<b>478.13</b>
<b>TOTAL</b>	<b>7816.48</b>	<b>5314.21</b>

**NOTE NO. 32B "SUBSIDY ON UREA & COMPLEX FERTILIZERS"**

	₹ Crore	
	Year ended 31.03.2023	Year ended 31.03.2022
<b>1. Manufactured Fertilizers</b>		
Price	11304.03	6513.80
Freight	425.18	437.40
	<b>11729.21</b>	<b>6951.20</b>
<b>2. Bought-out Fertilizers</b>		
Price	1765.04	456.20
Freight	74.64	34.35
	<b>1839.68</b>	<b>490.55</b>
<b>TOTAL</b>	<b>13568.89</b>	<b>7441.75</b>

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

### NOTE NO. 33 "OTHER INCOME"

	₹ Crore	
	Year ended 31.03.2023	Year ended 31.03.2022
<b>1. Interest Income on Financial Assets carried at Amortised Cost</b>		
a. On Loans to Employees	0.01	0.05
b. On Deposits with Bank and Others	10.17	27.56
c. From Customers [includes ₹ 11.74 crore (P.Y. ₹ 20.72 crore) crore dues from DOF]	13.13	22.28
d. From Others	0.10	0.11
	<b>23.41</b>	<b>50.00</b>
<b>2. Interest Income on Taxes</b>		
a. On Income Tax Refund	-	0.60
b. On Sales Tax Refund	-	0.65
	-	1.25
<b>TOTAL</b>	<b>23.41</b>	<b>51.25</b>
<b>3. Dividend Income</b>		
Dividend from Equity Investment measured at fair value through OCI	0.40	0.27
<b>4. Other Non-Operating Income</b>	<b>0.40</b>	<b>0.27</b>
<b>a. Net Gain arising on Financial Assets measured at FVTPL</b>		
i. Gain / (Loss) on Sale of Mutual Fund Investments	1.58	4.63
ii. Gain / (Loss) on Derivatives	(0.24)	0.36
	<b>1.34</b>	<b>4.99</b>
b. Profit on Sale of Fixed Assets (Net)	0.01	8.53
c. Bad Debts Recovered	0.78	0.28
d. Rental Income Including Other Recoveries	38.55	40.08
e. Lease Compensation of Railway Siding	0.21	0.21
f. Government Grants (Refer Note No. 25B)	0.09	0.20
g. Amortisation of Deferred Deposits	7.42	5.54
h. Miscellaneous Income	71.10	25.12
	118.16	79.96
Less: Transfer to Research and Development Expenses (Refer Note No. 40C)	(0.01)	(0.02)
	<b>143.30</b>	<b>136.45</b>

### NOTE NO. 34 "COST OF MATERIALS CONSUMED"

		₹ Crore	
	Note No.	Year ended 31.03.2023	Year ended 31.03.2022
Raw Materials	34A	8695.78	5337.91
Packing Materials		144.18	133.24
Add: Raw Materials of Impaired Plants		-	(1.11)
Less : Transferred to Research & Development (Refer Note No. 40C)		(0.36)	(0.21)
<b>TOTAL</b>		<b>8839.60</b>	<b>5469.83</b>

**Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023****NOTE NO. 34A "ITEMWISE BREAKUP OF MATERIALS CONSUMED"**

₹ Crore

	Year ended 31.03.2023	Year ended 31.03.2022
<b>RAW MATERIALS</b>		
Rock Phosphate	238.25	112.70
Di-Ammonium Phosphate	169.79	16.09
Mono-Ammonium Phosphate	791.02	535.81
Muriate of Potash	775.21	375.72
Sulphur	51.08	35.96
Natural Gas	6543.20	4197.15
Others	127.23	64.48
<b>SUB TOTAL</b>	<b>8695.78</b>	<b>5337.91</b>
Less: Transferred to Plant for internal consumption	(0.36)	(0.21)
<b>TOTAL</b>	<b>8695.42</b>	<b>5337.70</b>

**NOTE NO. 35 "PURCHASES OF STOCK IN TRADE"**

₹ Crore

	Year ended 31.03.2023	Year ended 31.03.2022
Imported Urea	501.99	-
Imported Di Ammonium Phosphate	1420.53	1556.50
Imported S 15:15:15	-	151.66
Imported NPK 20:20:0	797.18	18.10
NPK 10:26:26	338.83	-
Others	33.09	19.01
<b>SUB TOTAL</b>	<b>3091.62</b>	<b>1745.27</b>
Less: Transferred to Plant for internal consumption		
Imported DAP / MOP	(44.19)	(3.06)
<b>TOTAL</b>	<b>3047.43</b>	<b>1742.21</b>

**NOTE NO. 36 "CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN TRADE"**

₹ Crore

	Note No.	Year ended 31.03.2023	Year ended 31.03.2022
<b>Opening Stock</b>			
Finished Goods	36A	183.27	205.75
Intermediary Products		37.43	28.40
By-Products		2.90	3.25
Stock in Trade	36A	988.09	114.93
Certified Emission Reduction Credits (CER) / Renewable Energy Certificates (REC) / E-Cert		0.38	0.05
<b>Sub-Total</b>		<b>1212.07</b>	<b>352.38</b>
<b>Closing Stock</b>			
Finished Goods	36B	366.82	183.27
Intermediary Products		74.07	37.43
By-Products		2.77	2.90
Stock in Trade	36B	515.12	988.09
Certified Emission Reduction Credits (CER) / Renewable Energy Certificates (REC) / E-Cert		0.33	0.38
<b>Sub-Total</b>		<b>959.11</b>	<b>1212.07</b>
<b>TOTAL</b>		<b>252.96</b>	<b>(859.69)</b>

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

### NOTE NO. 36A "OPENING STOCK - PRODUCT WISE BREAK-UP"

	₹ Crore	
	Year ended 31.03.2023	Year ended 31.03.2022
<b>Finished Goods</b>		
<b>1. Manufactured</b>		
<b>A. Fertilizers</b>		
Urea (Trombay)	18.47	21.41
Urea (Thal)	103.03	103.86
Complex Fertilizers	52.01	65.93
Others	5.19	8.50
<b>B. Industrial Products</b>		
Methanol	2.65	4.07
Concentrated Nitric Acid	0.10	0.13
Ammonium Bi-carbonate	0.07	0.46
Sodium Nitrate	-	0.08
Sodium Nitrite	-	0.14
Methylamines	0.10	0.72
Ammonium Nitrate Melt	0.03	0.02
Dimethyl Formamide	0.09	0.10
Dimethyl Acetamide	1.17	0.09
Argon Gas / Liquid	0.21	0.10
Others	0.15	0.14
	<b>183.27</b>	<b>205.75</b>
<b>2. Bought-out Products</b>		
<b>Fertilizers</b>		
Imported Di Ammonium Phosphate	987.93	0.05
Imported Muriate of Potash	-	86.76
Imported NPK 12:32:16	-	27.34
Others	0.16	0.78
	<b>988.09</b>	<b>114.93</b>
<b>TOTAL</b>	<b>1171.36</b>	<b>320.68</b>

### NOTE NO. 36B "CLOSING STOCK - PRODUCT WISE BREAK-UP"

	₹ Crore	
	Year ended 31.03.2023	Year ended 31.03.2022
<b>Finished Goods</b>		
<b>1. Manufactured</b>		
<b>A. Fertilizers</b>		
Urea (Trombay)	2.96	18.47
Urea (Thal)	112.23	103.03
Complex Fertilizers	214.82	52.01
Others	33.60	5.19

**Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023**

₹ Crore

	Year ended 31.03.2023	Year ended 31.03.2022
<b>B. Industrial Products</b>		
Methanol	0.26	2.65
Concentrated Nitric Acid	0.22	0.10
Ammonium Bi-carbonate	0.21	0.07
Sodium Nitrate	-	-
Sodium Nitrite	-	-
Methylamines	1.04	0.10
Ammonium Nitrate Melt	0.04	0.03
Dimethyl Formamide	0.08	0.09
Dimethyl Acetamide	1.25	1.17
Argon Gas / Liquid	0.11	0.21
Others	-	0.15
	<b>366.82</b>	<b>183.27</b>
<b>2. Bought-out Products</b>		
<b>Fertilizers</b>		
Imported Di Ammonium Phosphate	212.03	987.93
Imported Muriate of Potash	-	-
Imported NPK 12:32:16	111.37	-
Others	8.90	0.16
	<b>515.12</b>	<b>988.09</b>
<b>TOTAL</b>	<b>881.94</b>	<b>1171.36</b>

**NOTE NO. 37 "EMPLOYEE BENEFITS EXPENSE"**

₹ Crore

	Year ended 31.03.2023	Year ended 31.03.2022
Salaries, Wages and Bonus	592.04	554.41
Contribution to Provident Fund and Other funds	66.98	59.21
Contribution to Gratuity Fund	4.92	18.78
Workmen and Staff Welfare Expenses	76.21	66.46
	740.15	698.86
Less: Transferred to Research and Development ( Refer Note No. 40C)	(2.45)	(3.50)
Share recoverable from Thal Ammonia Extension and Others	(45.33)	(41.58)
	(47.78)	(45.08)
<b>TOTAL</b>	<b>692.37</b>	<b>653.78</b>



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

### NOTE NO. 38 “FINANCE COSTS”

₹ Crore

	Year ended 31.03.2023	Year ended 31.03.2022
<b>1. Interest on Financial Liabilities carried at Amortised Cost</b>		
a. Interest on Term Loans from Banks	18.30	20.25
b. Interest on Non-Convertible Debentures	52.72	36.20
c. Interest on Working Capital from Banks	92.92	43.48
d. Interest on Other Loans and Deposits	5.47	5.68
e. Unwinding of Discount on Deposits	5.39	4.34
f. Other Borrowing Costs	1.37	1.28
g. Exchange Differences Regarded as an Adjustment to Borrowing Costs	44.52	9.26
h. Interest Expense on Lease Liabilities	1.05	0.95
	221.74	121.44
<b>2. Other Finance Costs</b>	2.12	4.45
<b>TOTAL</b>	<b>223.86</b>	<b>125.89</b>

### NOTE NO. 39 “DEPRECIATION AND AMORTISATION EXPENSES / IMPAIRMENT”

₹ Crore

	Year ended 31.03.2023	Year ended 31.03.2022
i. Depreciation on Property Plant and Equipment	200.74	178.55
ii. Impairment / (reversal) on Property Plant and Equipment	5.86	-
iii. Depreciation on Investment Property	0.17	0.19
iv. Amortisation on Intangible Assets	1.18	1.57
v. Depreciation on Right of Use Asset	4.49	3.53
Total Depreciation / Amortisation Impairment provided during the year	212.44	183.84
Less : Under Research and Development (Refer Note No. 40C)	(0.32)	(0.29)
<b>As reported under Statement of Profit &amp; Loss:</b>	<b>212.12</b>	<b>183.55</b>

### NOTE NO. 40 “ OTHER EXPENSES ”

₹ Crore

	Note No.	Year ended 31.03.2023	Year ended 31.03.2022
Stores and Spares		71.92	54.37
Power and Fuel		5741.56	3651.05
Water Charges		61.29	110.63
Repairs and Maintenance	40A	230.57	174.52
Freight and Handling Charges		723.48	652.69
Rent		4.74	5.60
Rates and Taxes		10.00	26.34
Insurance		45.28	39.76
Miscellaneous Expenses	40B	257.47	102.01
Less: Transferred to Research & Development Expenses (Refer Note No. 40C)		(0.32)	(0.20)
		<b>7145.99</b>	<b>4816.77</b>

**Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023****NOTE NO. 40A “REPAIRS AND MAINTENANCE”**

₹ Crore

	Year ended 31.03.2023	Year ended 31.03.2022
Plant and Machinery	179.58	134.22
Buildings	32.13	26.65
Other Assets	19.08	14.14
	<b>230.79</b>	<b>175.01</b>
Less: Transferred to Research & Development Expenses (Refer Note No. 40C)	(0.22)	(0.49)
<b>TOTAL</b>	<b>230.57</b>	<b>174.52</b>

**NOTE NO. 40B “MISCELLANEOUS EXPENSES”**

₹ Crore

	Note No.	Year ended 31.03.2023	Year ended 31.03.2022
<b>Security Expenses-Factory and Others</b>		54.14	46.77
Electricity Charges-Township and Offices		5.75	4.89
Advertisement		1.87	0.94
Bank Charges		10.46	3.96
Promotion and Publicity		6.00	5.65
Hire Charges for Vehicles		4.43	3.38
Travelling Expenses		5.35	2.31
Entertainment Expenses		0.03	-
Research and Development Expenses	40C	6.55	5.12
Loss on Fixed Assets Sold /Discarded		0.51	0.77
Losses/ Damages and Other Amounts Written Off		(0.01)	-
Foreign exchange Loss		109.78	14.56
Corporate Social Responsibility Expenses		11.93	6.98
Provision for Doubtful Debts/ Claims/ Advances		1.49	0.64
Provision for Obsolescence of Stores		1.97	2.88
Bad Debts Written Off		0.26	-
Provision of Earlier Years no Longer Required		(0.56)	(4.06)
Liabilities for Expenses no Longer Required		(7.36)	(12.53)
Recovery of Share of Common Expenses		(18.32)	(15.66)
Other Expenses **		63.20	35.41
<b>TOTAL</b>		<b>257.47</b>	<b>102.01</b>

\*\* Includes Directors' Sitting Fees C.Y. ₹ 23,45,000, P.Y. ₹ 33,85,000

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

### NOTE NO. 40C "RESEARCH & DEVELOPMENT EXPENSES"

₹ Crore

	Year ended 31.03.2023	Year ended 31.03.2022
Salaries and Staff Welfare Expenses	2.45	3.50
Repairs and Maintenance	0.22	0.49
Depreciation	0.32	0.29
Direct Research Expenditure	2.89	0.45
Other Expenses	0.17	0.06
Handling Charges	0.15	0.14
Materials Consumed	0.36	0.21
<b>SUB TOTAL</b>	<b>6.56</b>	<b>5.14</b>
Less: Transferred from Other Income	(0.01)	(0.02)
<b>TOTAL</b>	<b>6.55</b>	<b>5.12</b>

### NOTE NO. 41 "EXCEPTIONAL ITEMS"

₹ Crore

	Year ended 31.03.2023	Year ended 31.03.2022
Fair valuation (Gain) / Loss - Transferable Development Rights	(63.32)	(0.28)
Reversal of Gas Pool Provision on Non Urea - AMRCD Award	(30.15)	(127.35)
<b>TOTAL</b>	<b>(93.47)</b>	<b>(127.63)</b>

### NOTE NO. 42 "OTHER COMPREHENSIVE INCOME"

₹ Crore

	Year ended 31.03.2023	Year ended 31.03.2022
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurements of Defined Benefit Plans	(39.32)	(12.28)
Fair Value Equity Instruments (IPL Shares)	5.19	13.41
	(34.13)	1.13
Less: Income Tax / Deferred Tax Relating to Above Items	2.26	(0.28)
<b>TOTAL</b>	<b>(31.87)</b>	<b>0.85</b>

### NOTE NO. 43 "DISCLOSURE OF FINANCIAL ASSETS AND LIABILITIES AS PER IND AS 107"

₹ Crore

	Year ended 31.03.2023	Year ended 31.03.2022
<b>I) FINANCIAL ASSETS</b>		
a. BREAKUP OF FINANCIAL ASSETS AT FAIR VALUE THOROUGH OCI		
Investments - Fully Paid Shares	97.28	92.09
<b>TOTAL</b>	<b>97.28</b>	<b>92.09</b>

**Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023**

₹ Crore

	Year ended 31.03.2023	Year ended 31.03.2022
<b>b. BREAKUP OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT &amp; LOSS</b>		
Derivatives	8.19	12.05
Transferable Development Rights	99.63	36.31
Investments in Mutual Funds	-	8.04
<b>TOTAL</b>	<b>107.82</b>	<b>56.40</b>
<b>c. BREAKUP OF FINANCIAL ASSETS CARRIED AT AMORTISED COST / COST</b>		
Loans	10.23	15.40
Others Financial Assets	138.99	57.09
Trade Receivables	2608.82	3026.73
Cash and Cash Equivalents	11.30	1099.73
Other Bank Balances	53.23	64.53
	<b>2822.57</b>	<b>4263.48</b>
<b>d. BREAKUP OF FINANCIAL ASSETS CARRIED AT COST</b>		
Investments - Joint Ventures	805.48	805.48
<b>Total</b>	<b>805.48</b>	<b>805.48</b>
<b>TOTAL FINANCIAL ASSETS</b>	<b>3833.15</b>	<b>5217.45</b>
<b>II) FINANCIAL LIABILITIES</b>		
<b>a. BREAKUP OF FINANCIAL LIABILITIES CARRIED AT AMORTISED COST</b>		
Borrowings	1862.65	2968.22
Trade Payables	2011.29	2343.09
Interest Accrued but Not Due on Borrowings	31.74	30.69
Unclaimed Dividend	1.38	1.50
Creditors on Capital Account	42.86	124.14
Standing Deposit from Customers	70.71	71.65
Trade Deposit from Customers	85.32	78.82
Earnest Money Deposit & Security Deposit from Vendors	115.82	136.11
Ex-gratia & Employee Benefits	123.11	97.16
Other Payables - Tie Ups	9.09	8.47
ROU Lease Liability	13.96	10.30
<b>Total</b>	<b>4367.93</b>	<b>5870.15</b>
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>4367.93</b>	<b>5870.15</b>

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

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

### 44. Contingent Liabilities not provided for:

44.1 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 31.03.2023	As at 31.03.2022
1.	Claims on the Company not acknowledged as debts' Contractors / Suppliers/ Arbitrators etc.	160.17	125.15
2.	Demands raised by various authorities that may arise in respect of matters in appeal		
	Excise Duty (D) (Refer note no 44.1.1)	70.33	70.33
	Excise Duty (S)	18.52	18.52
	Sales Tax	6.26	6.26
	Income Tax	77.64	48.20
	Service Tax (D)	13.92	13.92
	Service Tax (S)	2.40	2.40
	Custom Duty (D)	80.93	80.93
	Custom Duty (secured by Bank Guarantee)	-	-
3.	Water charges claimed by Municipal Corporation of Greater Mumbai(Refer note no 44.1.2)	36.86	36.86
4.	Claims preferred by local authorities	8.72	8.85
	<b>GRAND TOTAL</b>	<b>475.75</b>	<b>411.41</b>

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

**44.1.1** 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.

**44.1.2** Out of the above ₹.36.86 crores, demand of ₹ 33.48 crore raised by Municipal Corporation of Greater Mumbai (BMC) towards additional sewerage charges levied from 05.04.1987 are disputed by the Company in a Writ Petition filed in Bombay High Court. The Honorable High Court vide its interim Order dated 10-11-92 has granted stay on recovery of the demand for the period up to the date of the Order and directed the Company to pay sewerage charges from the date of the order which is being paid by the Company. The matter has been disposed off by the High Court and the Company approached Supreme Court. Supreme Court has 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.

**44.1.3** Owing to non-compliance of Corporate Governance requirements as mandated by SEBI, with reference to composition of Independent Directors in the Board, the Company is in receipt of notice of penalty aggregating to ₹ 0.43 crore (P.Y. ₹ 0.79 Crore) from the stock exchanges (BSE & NSE). Since the appointment of Directors is done by Government of India, The Company had approached its Administrative Ministry for ensuring the compliance and has also approached the stock exchanges for condonation/waiver of the penalty. The Company is confident that this penalty would be waived.



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

The Company is in receipt of notice of penalty aggregating to ₹ 0.01 crore from the stock exchanges (BSE & NSE) for a period 07.03.2022 to 29.03.2022 for non-compliance of composition of the stakeholders relationship committee in line with Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has approached the stock exchanges for waiver of the penalty. Company is confident that this penalty would be waived.

**44.2** The amount of claims in respect of legal cases filed against the Company for labour matters relating to regular employees and not acknowledged as debts is not ascertainable and hence no provision is made. However, with respect to matter relating to payment of overtime wages, a stay order has been obtained by the Company from High Court, pending disposal with submission of Bank guarantee amounting to ₹ 12.00 Crore.

**44.3** In respect of clause 44.1 to 44.2 above, it is not practicable for the Company to estimate the closure of these issues and the consequential timing of cash flows, if any.

### 45. Other Commitments:

Particulars	(₹ Crore)	
	As at 31.03.2023	As at 31.03.2022
Capital Expenditure Commitments (net of advances)	418.71	187.63
Commitment Towards Investments in JV ( Talcher Fertilizers Ltd)	378.71	378.71
Corporate Guarantee	2.20	2.20

### 46. Wagons leased to Indian Railways “Under Own your Wagons Scheme”

The lease agreement with Railways has expired in FY 2019-20 and is under renewal. As the wagons are still in the custody of Railways, Company has recognized income of ₹ 0.35 crore (P.Y ₹ 0.35 crore) for the period after completion of finance lease based on the minimum lease rentals expected to be negotiated with the Railways.

As the terms of lease are yet to be finalized the said transaction is now treated as Short-term Operating Lease.

**47.** Formalities relating to transfer of certain immovable and other properties situated at Trombay Unit, from Fertilizer Corporation of India Limited to the Company on reorganization of the former in 1978 are not yet completed. Out of property cards for a total area of 30,42,108 Sq. meters (P.Y. 30,42,108 Sq. meters), property cards for 3,75,826 Sq. meters (P.Y. 3,75,826 Sq. meters) are yet to be transferred in the name of the Company. The Company is in the process of obtaining transfer of title deeds in its favour.

Out of total area of 50,52,476 Sq. meters' area at Thal Unit, the title deeds relating to area of 32,27,573 Sq. meters (P.Y. 32,27,573 Sq. meters) area are in the name of the Company. The balance title deeds w.r.t 18,24,903 Sq meter of land are in the process of being transferred in the name of the Company. Freehold land at Thal Unit includes land at Kihim having carrying cost of ₹ 0.02 crore, pending execution of documents and transfer of title deeds in the name of the Company, due to dispute.

**48.** In respect of immovable properties other than land i.e. buildings and other structures, situated at its Trombay and Thal units they are self-constructed properties on the land owned by the Company as evidenced by property cards/title deeds of land.

The Company asserts that all these properties are its own and has clear title to the same since such properties are self-constructed on the Company's land, although no separate title documents for self-constructed properties are readily available. The Company has obtained opinion to that effect from the legal and regulatory experts on land matters and also has other documentary evidence in that regard.

The Company had come into existence in 1978 as a result of Government of India reorganizing Fertilizer Corporation of India Ltd. and National Fertilizers Ltd. Consequent to the same, major portion of immovable assets at its Trombay unit became vested with the Company. In case of Thal unit, such properties on the Company's land were erected over the years following land acquisition effected around 1978. Thus records pertaining to self-constructed properties are not readily available since they date back to more than 40 years. The Company has initiated the process of obtaining appropriate evidence of the approvals/permissions taken for construction of the self-constructed properties from the respective regulatory authorities.



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

Apart from such properties, immovable properties, including land for which title deeds are not in the name of the Company is detailed as under: -

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ in crores)	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
PPE	Land				
	Thal Land	1.60	No	1978-84	The Company is in the process of obtaining the Transfer of title deeds in its favour and is in the process of resolving the matter in respect to its valuation.
	Trombay Land	0.24	No	1978	The Company is in the process of obtaining the Transfer of title deeds in its favour.
	Building				
	Thal KihimTownship	3.09	No	1984	The Company is in the process of obtaining evidence of title / permissions / approvals etc.

49. Balance of subsidy receivables includes certain amounts receivable from Government recognized on estimated basis and are subject to confirmation.
50. During the year, Company is in receipt of debit note from Gail India Ltd. towards pooled price differential worked out on an annual basis for the year 2021-22. As per the same, Company is required to contribute additionally to the pool account. It has been observed that the differential has been arrived at by substituting EPMC gas meant for Urea Operations with cheaper market price gases specifically contracted by the Company for non-urea operations.

Similarly, as per Department of Fertilizer's (DoF) directives, Company had sourced Spot gas for its urea operations in lieu of gas sourced under the EPMC mechanism for the period December 2022 to February 2023 which also has not been considered in the pool price and was substituted with cheaper market price gases specifically contracted by the Company for non-urea operations resulting in additional contribution to the pool account.

Company is of the view that EPMC gas / Spot gas is specifically meant for urea operations and thus needs to be subsumed in arriving at the final pool price and the same should be considered in the subsidy of urea, since the cost of gas is a pass through. The matter has been represented to DoF.

As the non-recognition of such EPMC Gas / Spot gas sourced as per DoF's directives for Urea Operations is not in accordance with the principles of gas pooling mechanism, Company has continued to recognize such differential i.e. (EPMC / Spot gas price – Cheaper market gas price) as receivable from DoF amounting to ₹ 79.84 crores.

51. The Company is eligible to receive subsidy from Fertilizer Industry Co-Ordination Committee (FICC) / Department of Fertilizers (DOF) on Urea, Phosphatic and Potassic (P & K) Fertilizers at the rates notified from time to time.

Subsidy is further adjusted for escalations/de-escalations in the cost of inputs and other costs, as estimated by the management based on the prescribed norms in line with known policy parameters. Accordingly, the subsidy adjusted on account of this escalations/de-escalations basis for the year amounts to ₹ 114.53 crore refundable to FICC/DOF (PY ₹ 1588.30 crore receivable).

Upon introduction of Direct Benefit Transfer (DBT) schemes for all Fertilizer Companies, there is shift in procedure for generation of subsidy claims with respect to Price subsidy & disbursement thereon. As per the same, Company is entitled for generation of claims/receipt of subsidy on the basis of actual sale by the retailers on weekly basis through POS machines. Accordingly, as on 31.03.2023, quantity of 5.77 LMT of urea and P&K having subsidy amounting



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

₹ 2288.95 Crore has been recognized in the current period, as such quantity has been sold to dealers but the payment of the same will become due under DBT on actual sale by the retailers through POS machines. (P.Y quantity 4.54 LMT and subsidy ₹ 1037.19 crore).

52. During installation and commissioning of a new AC Unit in the control room of the GTG Plant of RCF Thal Unit on 19<sup>th</sup> October, 2022, an explosion took place and accordingly the status of the same was notified to the Stock Exchanges. As per the Company's assessment, there is no material operational and financial impact on account of the same. Further the Company has undertaken steps to suitably compensate towards medical treatment cost of the injured and loss of life to the family of deceased.
53. On 20<sup>th</sup> and 22<sup>nd</sup> 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, The Company procured a Gas generator and commissioned a Gas Turbine Generator plant in August 2019.

In the best interests of the Company, based on the acceptance of Notice to proceed as proposed by the LSTK contractor, the equipment's were sent for repair to the foreign OEM which has been received during the previous year. As per the Notice to proceed, the final settlement of the repair costs can either be decided mutually or in the event not agreed upon, the settlement of disputes clause as per contract can be invoked.

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

### 54. Disclosures relating to Impairment of Non-Financial Assets:

Company has carried out impairment testing of its Cash Generating Units (CGU) which is carried out considering an estimated useful life of 10 Years for arriving at the value in use. In determining value in use for the CGU, the cash flows were discounted at a rate of 8.50% on pre-tax basis.

The status of provision made towards impairment is as under: -

(₹ Crore)

FY 2022-23						
Sr No.	Plant	Provision for Impairment made during the year	Reversal of Impairment Provision made during the year	Balance in Provision account at the end of the year	Recoverable Amount	Reportable Segments In which these Plants/Assets are used
1.	Dimethyl Formamide	-	-	0.10	0.43	Chemical Segment
2.	Carbon Mono Oxide	-	-	11.07	2.01	Chemical Segment
3.	Methylamines	5.19	-	5.19	1.84	Chemical Segment
4.	DMAC	0.33	-	0.33	0.58	Chemical Segment
5.	MAP 100% WS	0.34	-	0.34	0.27	Fertiliser Segment
	<b>Total</b>	<b>5.86</b>	<b>-</b>	<b>17.03</b>	<b>5.13</b>	

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

(₹ Crore)

FY 2021-22						
Sr No.	Plant	Provision for Impairment made during the year	Reversal of Impairment Provision made during the year	Balance in Provision account at the end of the year	Recoverable Amount	Reportable Segments In which these Plants/Assets are used
1.	Dimethyl Formamide	-	-	0.10	0.43	Chemical Segment
2.	Carbon Mono Oxide	-	-	11.07	2.01	Chemical Segment
	<b>Total</b>	-	-	<b>11.17</b>	<b>2.44</b>	

The recoverable amount of ₹ 5.13 crore PY (₹ 2.44 crore) is based on value in use and is determined at the level of the CGU.

Higher raw material prices coupled with steep fall in realizations warranted in carrying out a review of the recoverable amount of the said plants and related equipment's resulting in provision towards impairment.

Key assumptions based on which recoverable amount is most sensitive.

The calculation of value in use for the identified CGU is most sensitive to the following assumptions.

### 1. Selling Prices

The extant selling prices are considered for forecasting cash flow estimates for arriving at the value in use. The selling prices are assumed to be kept constant in future year projections.

### 2. Discount Rate

Discount rate is estimated considering the entity's incremental borrowing rate which is arrived at considering the present debt structure etc.

### 3. Sales Quantity

The sales projections have been worked out considering the present demand scenario and the operating capacities of the plants.

### 4. Raw Material Prices - Considering current prices of raw materials.

The estimates of cash flows are done considering current raw material prices at the reporting date and the same are assumed to be remain constant in the future year projections as any increase in the same is expected to be passed on to the market.

**55.** Inventory includes stores and spares declared as surplus with further classification as disposable surplus. Since such surplus stores on disposal may not fetch full book value a suitable provision has been made. Consequent to full provision for impairment made in respect of plants referred in note no. 54, Company has also provided towards inventory of specific spares relating to the said plants. The value of such inventory and provision towards the same is as under: -

(₹ Crore)

Sr. No.	Particulars	As on 31.03.2023	As on 31.03.2022
<b>A.</b>			
1.	Surplus Stores and Spares	22.16	21.51
2.	Disposable Surplus	15.03	14.35
3.	Specific stores and spares of impaired assets	12.25	10.86
4.	Material Stolen	-	0.21
	<b>Total (2+3+4)</b>	<b>27.28</b>	<b>25.43</b>
<b>B.</b>			
1.	Provision made for Disposable Surplus	14.28	13.64

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

(₹ Crore)

Sr. No.	Particulars	As on 31.03.2023	As on 31.03.2022
2.	Provision reckoned on stores and spares for impaired assets	11.64	10.31
3.	Provision for Material Stolen	-	0.21
	<b>Total</b>	<b>25.92</b>	<b>24.16</b>
<b>C.</b>			
1.	Provision reckoned on Raw materials of Impaired assets - Rapidwall Plant –Trombay	3.35	3.35

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

(₹ Crore)

Sr. No.	Particulars	As on 31.03.2023	As on 31.03.2022
1.	Principal amount remaining unpaid	57.13	36.55
2.	Interest due thereon	0.03	0.02
3.	Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
4.	Interest due and payable for the period of delay making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	0.37	0.33
5.	Interest accrued and remaining unpaid	0.40	0.35
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.	0.80	0.40

Dues to Micro and small enterprises have been determined to the extent such parties have been identified on the basis of information given by such parties/available with the Company. This has been relied upon by the auditors.

### 57. Based on the nature of business activities undertaken by the Company and requirement of Ind AS 108-Operating Segment, following are the operating segments identified

Segment	Nature of activities
Fertilizers	Production and supply of various grades of Fertilizers for agricultural use.
Chemicals	Production of various chemicals and supply to diverse industries
Trading	Represents fertilizers imported / locally sourced and marketed for agricultural use.

The necessary disclosures as required under Ind AS 108-Operating Segments are given in **Annexure-1**.

The segment revenue and segment results are arrived at based on the revenues generated out of sale of such products and the costs attributable are reduced for arriving at the segment results. Assets are allocated to operating segments based on the intended use for which the asset was primarily installed. Liabilities are allocated to operating segments to which it relates to.

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

### 58. Disclosures under Ind AS 24 on Related Party Transactions are given below:

#### 58.1 Transactions with Joint Controlled Entities

##### 1) Relationship

##### Joint Controlled Entities

Name of the Company	No of Shares (F.Y. 2022-23)	No of Shares (F.Y. 2021-22)	Country of Incorporation	% of Ownership interest as at	
				31.03.2023	31.03.2022
1) FACT-RCF BUILDING PRODUCTS LTD. (FRBL)*	35227000 of ₹ 10 each	32870000 of ₹ 10 each	India	50.00	50.00
2) URVARAK VIDESH LTD. (UVL)\$	180002 of ₹ 10 each	180002 of ₹ 10 each	India	33.33	33.33
3) TALCHER FERTILIZERS LIMITED (TFL) #	805480826 of ₹ 10 each	805480826 of ₹ 10 each	India	33.33	33.33

\*Consequent to full provision recognized towards the investments made in FRBL and UVL as per Indian GAAP, the carrying value as on the date of transition has been recognized as deemed cost of investment which is NIL as on Ind AS transition date. i.e. 1st April 2015.

\$Further 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 The Fertilizer Corporation of India Limited to Talcher Fertilizer Ltd.

#### Transactions during the year with the above referred related parties:

(₹ Crore)			
Sr. No.	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
1.	Contribution towards share capital-TFL	-	270.00
2.	Reimbursement of Share of Expenses from TFL	3.58	5.74
3.	Contribution towards share capital-FRBL*	-	-

\*During the year 23,57,000 nos of shares amounting to ₹ 2.36 crores have been allotted by FRBL to RCFL towards application money paid in earlier years. Since a provision was created towards the same, the value of investment is considered as Nil.

#### Balance Outstanding:

(₹ Crore)			
Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
		Joint Ventures	Joint Ventures
1.	Advances Given –FRBL *	37.87	40.23
2.	Reimbursement of Share of Expenses receivable from TFL	8.68	5.20

\*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.

**Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023****58.2 Transactions with other entities- where Directors are interested:****a) Name of the entity & transactions**

- (i) **Indian Potash Limited (IPL)** - Shri S. C. Mudgerikar was a Nominee Director in the said entity upto 30<sup>th</sup>, May, 2022.

(₹ Crore)

Sl. no.	Particulars	2022-23	2021-22
1.	Transactions during the year*	481.23	16.72
	Dividend	0.40	0.27
	Sitting Fees	-	0.03
2.	Accounts receivable/(payable) as at 31 <sup>st</sup> March	-	-

\*Procurement of raw materials during the year

- (ii) **Hindustan Urvarak & Rasayan Limited (HURL)** - Shri S. C. Mudgerikar holding an additional charge as Managing Director as per directives from DOF in the said entity from 25<sup>th</sup> May, 2022 to 14<sup>th</sup> March, 2023.

(₹ Crore)

Sl. no.	Particulars	2022-23	2021-22
1.	Transactions during the year*	0.18	-
2.	Accounts receivable/(payable) as at 31 <sup>st</sup> March	(0.06)	-

\*Income from renting of Investment Property

- (iii) **Projects and Development India Limited (PDIL)** - Owing to Ms Nazhat J. Shaikh holding additional charge as Director (Finance) of the said entity from 04<sup>th</sup> February, 2022.

(₹ Crore)

Sl. no.	Particulars	2022-23	2021-22
1	Transactions during the year*	2.92	1.89
2	Accounts receivable/(payable) as at 31 <sup>st</sup> March	(0.06)	(0.66)

\*Consultancy services etc.

**b) Disclosure as per Section 186 of the Companies Act, 2013**

(₹ Crore)

Sl. no.	Particulars	Amount as on 31.03.2023	Amount as on 31.03.2022
1.	FACT Ltd(Joint Venture Partner in FRBL) Inter Corporate Loan	10.20	15.30
2.	Corporate Guarantee (FRBL)	2.20	2.20
3.	Investment in Indian Potash Limited	0.17	0.17
4.	Investment in Talcher Fertilizers Limited	805.48	805.48

**58.3 Key Management Personnel****a) Whole Time Directors & Company Secretary**

- (i) Shri S. C. Mudgerikar, Chairman & Managing Director
- (ii) Shri Sudhir Panadare, Director (Technical) (Upto 31.05.2021)
- (iii) Shri Umesh Dongre, Director (Finance) and CFO (upto 30.11.2021)



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

- (iv) Shri K. U. Thankachen, Director(Marketing) (upto 31.07.2022)
- (v) Ms Nazhat J. Shaikh, Director (Finance) and CFO (from 01.12.2021)
- (vi) Shri Milind M. Deo, Director (Technical) (from 27.12.2021)
- (vii) Shri Jai Bhagwan Sharma, Company Secretary

### b) Independent Directors

- (i) Prof. Anil Kumar Singh (upto 06.03.2022)
- (ii) Dr Shambhu Kumar (upto 06.03.2022)
- (iii) Ms Shashi Bala Bharti
- (iv) Shri Chandra Bhushan Pandey (from 29.11.2021)
- (v) Shri Gopinathan Nair Anilkumar (from 27.12.2021)
- (vi) Late Shri Kashee Nath Akela (upto 12.08.2022)

### c) Government Nominee Directors

- (i) Ms Aparna S. Sharma (upto 12.11.2022)
- (ii) Shri Satendra Singh (from 20.07.2022 to 19.10.2022)
- (iii) Ms Aneeta C. Meshram (from 13.11.2022)
- (iv) Shri Sanjay Rastogi (from 21.02.2023)

### Details relating to parties referred above:

#### (i) Remuneration:

Particulars	(₹ Crore)	
	Year ended 31.03.2023	Year ended 31.03.2022
Shri S. C. Mudgerikar	0.99	0.73
Shri Sudhir Panadare	-	0.65
Shri Umesh Dongre	-	0.54
Shri K. U. Thankachen	0.95	0.68
Ms Nazhat J Shaikh	0.69	0.18
Shri Milind M. Deo	0.79	0.14
Shri Jai Bhagwan Sharma	0.62	0.47
<b>Total</b>	<b>4.04</b>	<b>3.39</b>

The above amount includes salaries and allowances, contribution to Provident fund, pension etc. and actual payments towards leave encashment, if any including provisions made for gratuity, leave encashment and post-retirement medical benefits made on actuarial basis.

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

**Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023****(ii) Sitting Fees in case of Independent Directors**

(₹ Crore)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Shri Anil Kumar Singh	-	0.12
Shri Shambhu Kumar	-	0.10
Ms Shashi Bala Bharti	0.08	0.09
Shri Chandra Bhushan Pandey	0.07	0.01
Shri Kashee Nath Akela	0.01	0.01
Shri Gopinathan Nair Anilkumar	0.07	0.01
<b>Total</b>	<b>0.23</b>	<b>0.34</b>

**58.4 Transaction with other Government related Entities**

Since Government of India owns 75% of the Company's equity share capital (under the administrative control of Ministry of Chemicals and Fertilizers), the disclosures relating to transactions with Government controlled entities have been reported in accordance with para 26 of Ind AS 24 - Related Party Disclosures.

Certain transactions which are individually and collectively significant carried out with Government related entities for purchase of Gases, for procurement of Raw Materials / Finished Goods, Assets / Spare parts from Original equipment manufacturers etc. the details of which are as under:

(₹ Crore)

Name of Entity	Nature of Transaction	2022-23	2021-22
<b>Sale of Product/Services during the year</b>			
Hindustan Petroleum Corp Ltd	Renting of Pipeline/Renting of Immovable Property	25.67	4.74
Bharat Petroleum Corporation Limited	Renting of Immovable Property /Sale of Industrial chemicals/ Renting of Pipeline	19.76	43.71
Indian Oil Corporation Ltd	Sale of Industrial chemicals/ Lease Rent for Petrol Pump	537.72	252.65
The Singareni Collieries Co. Ltd.	Sale of Industrial chemicals	69.34	59.75
Fertilizers and Chemicals Travancore Ltd	Repayment of Loans and Interest received	6.11	5.60
<b>Purchase of Product/Services during the year</b>			
GAIL (India) Ltd	Procurement of Gas / Transportation Charges/Pool difference payment	10540.23	7,105.34
Mangalore Refinery & Petrochemicals	Procurement of Sulphur	50.06	38.19
Indian Oil Corporation Ltd	Procurement of Lube Oil/High Speed Diesel	106.67	4.97
Bharat Heavy Electricals Limited	Procurement of Capital Goods	5.96	3.02
Hindustan Petroleum Corp Ltd	Procurement of Furnace Oil and natural gas	236.86	3.36
Bharat Petroleum Corporation Limited	Procurement of Molten Sulphur & Lubes and natural gas	870.97	6.78
Bharat Earthmovers Ltd	Procurement of Capital Goods	0.11	1.21
Fertilizers and Chemicals Travancore Ltd	Procurement of Ammonium Sulphate	3.71	-
Balmer Lawrie & Co . Ltd	Purchase of Chemicals	0.80	1.00

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

(₹ Crore)

Name of Entity	Nature of Transaction	2022-23	2021-22
<b>Accounts Receivable</b>			
Indian Oil Corporation Ltd	Trade & other receivable	89.54	37.89
Bharat Petroleum Corporation Limited	Trade & other receivable	1.69	1.58
Fertilizers and Chemicals Travancore Ltd	Inter Corporate Loan & other receivable	10.67	15.74
Hindustan Petroleum Corp Limited	Trade & other receivable	0.42	-
<b>Accounts Payable</b>			
GAIL (India) Ltd	Trade & other payables	730.81	616.26
Mangalore Refinery & Petrochemicals	Trade & other payables	2.45	6.43
Bharat Heavy Electricals Limited	Trade & other payables	0.19	3.54
Bharat Petroleum Corporation Limited	Trade & other payables	62.94	67.72
Hindustan Petroleum Corp Limited	Trade & other payables	27.87	0.11
Indian Oil Corporation Limited	Trade & other payables	0.11	0.95
Balmer Lawrie & Co . Ltd	Trade & other payables	0.24	0.22

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

### 58.5 Transaction with Trusts

(₹ Crore)

Name of Related Party	Nature of Transactions	2022-23	2021-22
<b>Contribution to Trust</b>			
RCF Ltd Employees Provident Fund Trust	Contribution	31.14	31.32
RCF Ltd Employees Gratuity Fund	Contribution	7.94	13.94
<b>Reimbursement of Gratuity payment made on behalf of Trust</b>			
RCF Ltd Employees Gratuity Fund	Reimbursement	38.66	37.40
<b>Balance payable/(receivable) as on 31<sup>st</sup> March of financial year</b>			
RCF Ltd Employees Provident Fund Trust	Contribution	8.59	5.42
RCF Ltd Employees Gratuity Fund	Contribution/Net of reimbursement due	(4.02)	(7.58)

### 59. Disclosure as per Ind AS 37 on "Provisions, Contingent Liabilities and Contingent Assets" as on 31<sup>st</sup> March 2023:

(₹ Crore)

Sr. No.	Particulars	Balance as on 01.04.2022	Addition	Utilization	Reversal	Balance as on 31.03.2023
a)	Disputes and Claims, Legal Matters	2.00	-	-	-	2.00
		(2.00)	-	-	-	(2.00)

Figures in brackets are in respect of previous year.

**Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023****60. Earnings per Share –Basic and Diluted**

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Net profit after tax as per Statement of Profit and loss (₹ crore) (A)	967.15	704.36
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)	17.53	12.77
Diluted earnings per Share (in Rupees) (Face Value of ₹ 10/- per share) (A)/(B)	17.53	12.77
EPS from continuing operations (Face Value of ₹ 10/- per share)	17.53	12.77

**61. “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	
		31.03.2023	31.03.2022
1) FACT-RCF BUILDING PRODUCTS LTD.	India	50.00	50.00
2) URVARAK VIDESH LTD.	India	33.33	33.33
3) TALCHER FERTILIZERS LIMITED	India	33.33	33.33

- A) **FACT-RCF BUILDING PRODUCTS LTD:-** A Joint venture Company with Fertilizers and Chemicals Travancore Ltd. (FACT) for manufacture of rapid building materials from Gypsum at Kochi.

**Summarized financial information of Company's investment in FACT-RCF BUILDING PRODUCTS LTD. (FRBL)**

(₹ Crore)			
Sr. No.	Particulars	As at 31.03.2023 (Audited)	As at 31.03.2022 (Audited)
1.	Non-Current Assets	2.34	2.84
2.	Cash and Cash Equivalent	0.16	0.29
3.	Current Assets other than Cash and Cash Equivalent	7.51	10.25
4.	Non-Current Liabilities	64.65	57.95
5.	Current Liabilities	91.80	93.96
6.	Equity	(146.44)	(138.53)
7.	Proportion of the company's ownership	50%	50%
8.	Carrying amount of the investment*	-	-

(₹ Crore)			
Sr. No.	Particulars	Year Ended 31.03.2023 (Audited)	Year Ended 31.03.2022 (Audited)
1.	Income	0.96	3.50
2.	Cost of materials consumed	-	-
3.	Change in inventories	-	1.23
4.	Depreciation and amortization expense	-	-
5.	Finance costs	7.07	6.84

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

(₹ Crore)

Sr. No.	Particulars	Year Ended 31.03.2023 (Audited)	Year Ended 31.03.2022 (Audited)
6.	Employee benefits expenses	0.48	0.88
7.	Other Expenses	1.31	3.96
8.	Profit/Loss from continuing operations before exceptional item	(7.90)	(9.41)
9.	Exceptional Item	-	-
10.	Profit/Loss Before Tax	(7.90)	(9.41)
11.	Total comprehensive income for the year	(7.90)	(9.41)
12.	Company's Share of profit / (loss) for the year	(3.95)	(4.71)

\* 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, the Company has not recognized share of loss of ₹ 3.95 crore for the year (P.Y. ₹ 4.71 crore) and ₹ 73.22 crore cumulatively upto the year ended 31.03.2023 (P.Y. ₹ 69.27 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 31.03.2023 (Audited)	As at 31.03.2022 (Audited)
1.	Non-Current Assets {₹ 1 (P.Y ₹ 1)}	-	-
2.	Cash and Cash Equivalent	0.01	0.01
3.	Current Assets other than Cash and Cash Equivalent	0.07	0.06
4.	Non-Current Liabilities	-	-
5.	Current Liabilities	0.03	0.02
6.	Equity	0.05	0.05
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 31.03.2023 (Audited)	Year Ended 31.03.2022 (Audited)
1.	Income {₹ 34,600 (P.Y ₹ 37,500)}	-	-
2.	Cost of materials consumed	-	-
3.	Depreciation and amortization expense	-	-
4.	Finance costs	-	-
5.	Employee benefits expenses	-	-
6.	Other Expenses	0.01	0.01
7.	Profit/(Loss) from continuing operations	(0.01)	(0.01)
8.	Total comprehensive income for the year	(0.01)	(0.01)
9.	Company's Share of profit /(loss) for the year	-	-

\*The Company, on implementation of Ind AS had adopted the carrying amount as per IGAAP as its deemed cost of its investment in joint ventures. Hence the value of investment in the financial statements is Nil.

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

- 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 13<sup>th</sup> 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 31.03.2023 (Un-audited)	As at 31.03.2022 (Audited)
1.	Non-Current Assets	2704.33	1949.89
2.	Cash and Cash Equivalent	141.03	632.05
3.	Current Assets other than Cash and Cash Equivalent	401.02	168.35
4.	Non-Current Liabilities	489.93	-
5.	Current Liabilities	364.67	355.98
6.	Equity	2391.78	2394.31
7.	Proportion of the Company's ownership	33.33%	33.33%
8.	Carrying amount of the investment	805.48	805.48
9.	Capital Commitment	9175.67	9216.15

(₹ Crore)

Sr. No.	Particulars	Year Ended 31.03.2023 (Un-audited)	Year Ended 31.03.2022 (Audited)
1.	Income	5.89	21.53
2.	Cost of materials consumed	-	-
3.	Depreciation and amortization expense	0.61	0.58
4.	Finance costs	-	-
5.	Employee benefits expenses	-	-
6.	Other Expenses	3.40	26.82
7.	Profit/(Loss) from continuing operations	(2.34)	(5.87)
8.	Total comprehensive income for the year	(2.53)	(5.94)
9.	Company's Share of profit / (loss) for the year	(0.84)	(1.97)

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

(₹ Crore)

Sr. No.	Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
1.	Audit fees for the year	0.40	0.25
2.	Audit fees for Limited review	0.03	0.03
3.	Audit fees for Consolidated Financial Statements	0.02	0.02
4.	Certification Fees	0.15	0.13
5.	Reimbursement of other expenses	0.05	0.04



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

**63. The position of (Net) Certified Emission Reductions (CER's) or Carbon Credits, Renewable Energy Certificate and Energy Savings Certificate allotted and held by the Company is as under :-**

### Certified Emission Reductions (CER's)

Particulars	Unit	2022-23	2021-22
CER's at the beginning of the year	No.	973738	973738
CER's Generated/Purchased	No.	-	-
CER's Sold/Consumed	No.	973738	-
CER's held at year end	No.	-	973738
Depreciation, operating and maintenance cost of emission reduction equipment's expensed during the year	₹ Crore	0.01	0.01

### Renewable Energy Certificate (REC)

Particulars	Unit	2022-23	2021-22
REC at the beginning of the year	No.	4667	2497
REC Generated/Purchased	No.	131153	2170
REC Sold/Consumed	No.	134198	-
REC held at year end	No.	1622	4667

### Energy Saving Certificate (E-cert)

Particulars	Unit	2022-23	2021-22
E-cert at the beginning of the year	No.	13509	13509
E-cert Generated/Purchased	No.	4675	1000
E-cert Sold/Consumed	No.	96	-
E-cert held at year end	No.	13413	13509

## 64. Employee Benefits:

The required disclosure under Ind AS 19 Employee Benefits is given below.

### General Description of Defined Benefit Plan

#### 1) Provident Fund: -

- a) The Provident Fund contributions are made to a Trust administered by the Company. The interest rate payable to the members of the Trust shall not be lower than statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952.

During the year an amount of ₹ 52.60 crore (P.Y. ₹ 43.82 crore) has been charged off to statement of profit and loss towards contribution by the Company.

- b) As per Ind AS 19 Employee Benefits, for Defined Benefit plans, the Company is required to ascertain the present value of the defined benefit obligation and compare with the fair value of the Plan assets to determine the surplus or deficit, if any, as at Balance Sheet date. Deficit, if any, needs to be accounted in the books of the Company. Accordingly, the Company had recognized a liability of ₹ 16.09 crore as at 31.03.2022. Upon review of fair value plan assets as compared to present value of the defined benefit obligation, the deficit stands increased to ₹ 24.21 crore as at 31.03.2023 resulting in an additional provision of ₹ 8.13 Crore during the year. (P.Y. ₹ 12.50 crore provision).
- c) Owing to change in actuarial valuation technique for measurement of Present Benefit Obligation towards Provident Fund, in compliance with IND AS 19 Employee Benefits, for Defined Benefit plans, Company has made an additional provision of ₹25.19 crores (P.Y. ₹ Nil) which is classified under Other Comprehensive Income.

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

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

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Maturity profile assumed upto	5 years	5 years
Expected guaranteed interest rate	8.15%	8.10%
Discount rate	7.52%	7.23%

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, 2023

(₹ Crore)

Particulars	F.Y. 2022-23		
	Defined Benefit Obligation	Fair Value of Plan Asset	Net Benefit Asset
Opening Balance	(982.71)	966.62	(16.09)
Adjustment in opening balance	0.74	-	
Service Cost	(30.90)	-	
Net Interest Expenses	(74.48)	-	
Interest Income	-	74.48	
Benefits Paid	180.06	(180.06)	
Return on Plan Asset (excluding amounts included in net Interest Expense)	-	0.70	
Difference in Book value & Fair Value of Plan Asset	-	(9.55)	
Experience Adjustment	-	-	
Settlement /Transfer in	(1.06)	1.06	
Settlement /Transfer out	-	-	
Contribution by Plan Participants Employees	(34.10)	34.10	
Contribution by Employer	-	30.90	
Other Adjustment	-	-	
Closing Balance	(942.45)	918.25	(24.21)

Changes in the benefit obligation and fair value of plan assets as at March 31, 2022

(₹ Crore)

Particulars	F.Y. 2021-22		
	Defined Benefit Obligation	Fair Value of Plan Asset	Net Benefit Asset
Opening Balance	(1,007.37)	1,003.78	(3.59)
Service Cost	(31.32)	-	
Net Interest Expenses	(77.32)	77.32	
Benefits Paid	176.35	(176.35)	
Return on Plan Asset (excluding amounts included in net Interest Expense)	-	-	
Difference in Book value & Fair Value of Plan Asset	-	(9.71)	
Experience Adjustment	-	-	
Settlement /Transfer in	(1.98)	1.98	

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

(₹ Crore)

Particulars	F.Y. 2021-22		
	Defined Benefit Obligation	Fair Value of Plan Asset	Net Benefit Asset
Settlement /Transfer out	-	-	
Contribution by Plan Participants Employees	(40.99)	40.99	
Contribution by Employer	-	31.32	
Other Adjustment	(0.08)	(2.71)	
Closing Balance	(982.71)	966.62	(16.09)

### 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 (including other comprehensive income/expense) is ₹ 7.94 crore (PY ₹ 13.99 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 31<sup>st</sup> March 2023 is ₹ 175.04 crore (P.Y. ₹ 175.93 crore).

### 4) Post-Retirement Medical Benefits: -

The Company has been accounting for provision on account of post-retirement medical benefits based on actuarial valuation carried out as at the Balance Sheet date. Employees of the company upon retirement/separation under Voluntary Retirement Scheme are entitled to medical benefits as per agreed upon scheme in force.

The liability for the Post-Retirement Medical Benefits on retirement as at 31<sup>st</sup> March 2023 is ₹ 138.13 crore (P.Y. ₹ 124.83 crore).

### 5) Long Term Service Award:

As a part of cordial relation and appreciation of long dedicated service, Company is honoring its employees with a memento on completion of 25 years of service.

#### General Description of Defined Contribution Plan

##### Contributory Superannuation Scheme:

The scheme is a defined contribution scheme. Employees are required to exercise their option to be a part of the scheme and make a contribution equivalent to the amount contributed by the Company to the fund, upon becoming the member of the scheme. Under the scheme the employee shall be eligible for pension at the time of superannuation from the Company which is as per Government of India guidelines. During the year, Company has recognized an expenditure of ₹ 11.29 crore (P.Y. ₹ 12.11 crore) as contribution towards the said scheme.

##### Gratuity & Post-Retirement Medical Benefits:

The following table shows the impact of actuarial valuation as recognized in the financial statements in respect of Gratuity and Post-retirement medical benefits.

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

(₹ Crore)

Particulars	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Gratuity (Funded)	Post-Retirement Medical Benefits (Non-Funded)	Gratuity (Funded)	Post-Retirement Medical Benefits (Non-Funded)
<b>1) Components of Employer expenses</b>				
Current Service Cost	5.46	1.94	4.21	2.13
Past Service cost	-	-	16.07	-
Net Interest Cost / (Income)	(0.55)	9.24	(1.55)	7.34
Net expense/(gain) recognized in the statement of Profit and Loss (refer note below)	4.92	11.18	18.73	9.47
Remeasurement of the net defined benefit liability				
Actuarial (Gains) or Losses due to changes in Financial Obligations	(3.90)	(1.36)	(5.13)	6.97
Actuarial Gains or Losses due to demographic assumptions	-	-	(0.07)	0.09
Actuarial Gains or Losses due to experience adjustments	5.78	12.47	1.62	10.00
Return on plan assets excluding amounts included in Net Interest Expense	(1.13)	-	(1.20)	-
<b>Components of defined benefit cost/(Income) recognized in other comprehensive income</b>	<b>3.02</b>	<b>11.11</b>	<b>(4.78)</b>	<b>17.06</b>
<b>2) Changes in Benefit Obligations</b>				
Present value of Obligation at year beginning	254.30	124.83	264.14	106.29
Service Cost	5.46	1.94	4.21	2.13
Interest Cost	18.39	9.24	18.12	7.34
Past Service cost	-	-	16.07	-
Liability Transferred In/ Acquisitions	0.12	-	0.32	-
Actuarial(Gain)/Loss	1.89	11.11	(3.58)	17.06
Benefits paid	(42.68)	(9.00)	(44.98)	(8.00)
<b>Present value of Obligation at year end</b>	<b>237.48</b>	<b>138.13</b>	<b>254.30</b>	<b>124.83</b>
<b>3) Changes in Plan Assets</b>				
Fair value of Plan Assets , at year beginning	261.89	-	286.76	-
Assets Transferred In/Acquisitions	0.12	-	0.32	-
Expected return on Plan Assets	18.93	-	19.67	-
Employer's contributions	4.38	-	(1.09)	-
Benefits paid	(42.68)	-	(44.98)	-
Actuarial Gain/(Loss)	-	-	-	-
Return on plan Asset excluding interest income.	(1.14)	-	1.21	-
Fair value of Plan Asset at the year end	241.50	-	261.89	-
Present Value of funded defined benefit obligation	(237.48)	(138.13)	(254.30)	(124.83)
Fair value of Plan Asset	241.50	-	261.89	-
Net (Liability)/Asset arising from defined benefit obligation	4.02	-	7.58	-
Insurance Fund	231.16	-	261.89	-
State Government Securities	10.34	-	-	-

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

(₹ Crore)

Particulars	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Gratuity (Funded)	Post-Retirement Medical Benefits (Non-Funded)	Gratuity (Funded)	Post-Retirement Medical Benefits (Non-Funded)
Cash and Cash Equivalents	0.01	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>241.50</b>	<b>-</b>	<b>261.89</b>	<b>-</b>
<b>Actuarial Assumptions</b>				
Discount Rate( per annum)	7.52%	7.53%	7.23%	7.40%
Expected Rate of Return on Assets (per annum)	7.52%	-	7.23%	-
Salary Escalation/Annual increase in health care cost	8%	0.00%	8%	0.00%
Rate of Employee Turnover	2%	2%	2%	2%
Contribution to defined benefit plan during the next financial year				
<b>Sensitivity Analysis for Significant Assumptions is as given below</b>				
One percentage point increase in discount rate	(12.33)	(9.59)	(12.68)	(8.79)
One percentage point decrease in discount rate	14.10	11.23	14.46	10.31
One percentage point increase in salary increase	5.96	-	6.35	-
One percentage point decrease in salary increase	(6.18)	-	(6.96)	-
One percentage point increase in employee turnover rate	1.45	-	0.79	-
One percentage point decrease in employee turnover rate	(1.68)	-	(0.91)	-
<b>Maturity Analysis of Projected Benefit Obligation (from the fund)</b>				
1 <sup>st</sup> Following Year	41.02	10.32	48.82	8.84
2 <sup>nd</sup> Following Year	21.15	10.18	27.08	8.11
3 <sup>rd</sup> Following Year	33.98	10.02	30.93	7.84
4 <sup>th</sup> Following Year	33.50	9.86	27.82	7.69
5 <sup>th</sup> Following Year	24.50	9.64	31.81	7.69
Sum of Years 6 to 10	88.54	44.54	94.96	38.68
Sum of Years 11 and above	181.56		170.03	

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.

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

### 65. The position of Foreign currency exposures are as under:

The position of Hedged Foreign currency exposures are as under: -

(₹ Crore)

Hedged Exposure	Cross Currency	As on 31.03.2023	As on 31.03.2022
Buyer's credit/Supplier's credit availed for import	USD	808.53	748.91
Long Term Borrowings	USD/EUR	136.16	103.41

The position of Unhedged Foreign currency exposures are as under: -

(₹ Crore)

Unhedged Exposure	Cross Currency	As on 31.03.2023	As on 31.03.2022
Foreign currency term loans	USD / EUR	83.81	175.54
Buyer's credit/Suppliers credits for imports (including Interest accrued but not due) / Trade Payables (net)/ Deposits received	USD / EUR / SEK/ JPY	253.68	1476.06

### Derivative Financial Instruments

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

(In Million)

Hedging Instrument	Currency	Hedged Exposure	Currency	As on 31.03.2023	As on 31.03.2022
Forwards/ Call Spreads / Seagull options	USD / INR	Buyers Credit / Suppliers Credit/ Foreign Currency Long Term Loans	USD	98.34	99.20
	EUR/INR	External Commercial Borrowings	EUR	15.20	11.85
	EUR/USD	External Commercial Borrowings	EUR	-	1.82

### 66. 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 23<sup>rd</sup> May, 2018, Company is eligible for compensation either in the form of cash / TDRs amounting to ₹ 75.17 crore along with interest over and above the entitled compensation as recommended by Arbitration award. Company has filed an execution application, however MMRDA has obtained stay against the same from Mumbai High Court subject to deposit of 25% of the disputed amount with the Court. MMRDA has deposited 25% of the disputed amount as directed by the Court and the Company has withdrawn the same amounting to ₹ 27.93 crores in F.Y.2020-21 upon submission of bank guarantees of equivalent amount in favour of the Court. The matter is yet to be heard.
- Further, in respect to action initiated towards certain parties for recovery of its dues, the Company has filed Execution Petitions attaching properties in existence upon receipt of favorable orders from Court amounting to ₹ 0.63 crore (P.Y. ₹ 0.63 crore).
- In accordance with MOU entered with DOF for Import of Urea, the Company is eligible for interest on delayed settlement of claims from DOF. Accordingly, Company has preferred interest claims amounting to ₹. 25.75 crore towards delay in settlement of balance 2% claims, however has not recognized income towards the same since the same is subject to verification and finalization from DOF.



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

### 67. Exceptional items:

Exceptional item consists of:

(₹ Crore)

Sr. No.	Particulars	Year ended	
		31.03.2023	31.03.2022
<b>A.</b>	<b>Transferrable Development Right</b>		
	Loss / (Gain) on Revaluation of Development Right Certificate received / receivable from MMRDA towards surrender of land in earlier years to MMRDA/MCGM.	(36.47)	0.28
	Fair value gain on account of valuation of Development Right Certificate received from Municipal Corporation of Greater Mumbai towards surrender of land.	(26.85)	(0.56)
	Net Exceptional Expense / (Income)	(63.32)	(0.28)
<b>B.</b>	<b>Gas Transmission charges by GAIL</b>		
	Liability towards Gas Transmission charges as per PNGRB order on ONGC Uran Trombay Pipeline as per AMRCD order	-	19.65
	Reversal of excess liability of price differential for use of APM/Domestic gass for non-fertilizer/ Non-Urea operations as per AMRCD order.	(30.15)	(147.00)
	Net Exceptional Expense / (Income)	(30.15)	(127.35)
	<b>Grand Total (A+B)</b>	<b>(93.47)</b>	<b>(127.63)</b>

### 68. Disclosure relating to Corporate Social Responsibility "CSR" Activities

Company during the year has incurred an expenditure of ₹ 11.93 crore (P.Y. ₹ 6.98 crore) towards the same which is reported under Note No. 40 "Other Expenses" & Note 40B "Miscellaneous expenses".

The expenditure incurred is under the following heads: -

(₹ Crore)

	Year ended 31.03.2023		Year ended 31.03.2022	
	Construction / Acquisition of any assets (i)	On the purpose other than (i)	Construction / Acquisition of any assets (i)	On the purpose other than (i)
Health Care	-	7.32	-	4.38
Rural Development	-	2.85	-	1.80
Skill Development & livelihood	-	0.44	-	0.17
Promoting Education	-	1.16	-	0.26
Women Empowerment	-	0.16	-	0.37
<b>Total</b>	<b>-</b>	<b>11.93</b>	<b>-</b>	<b>6.98</b>

The other disclosures are as under: -

(₹ Crore)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Gross amount required to be spent by the Company during the year	11.70	6.94
Amount spent during the year (on purpose other than construction / acquisition of assets controlled by the Company)	11.93	6.98
Amount yet to be paid in cash	2.26	0.12

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

Details of CSR expenditure to be reported in accordance with Schedule III of Companies Act

(₹ Crore)

F. Y.	Amount required to be spent during the year	Amount spent during the year	Balance c/f as at 31.03	Amount charged off to statement of P& L	Shortfall	Reason for Short fall	Related Party	Provision of liability by entering Contractual obligation
2022-23	11.70	*12.43	0.50	11.93	Nil	N.A.	Nil	N.A.
2021-22	6.94	*7.48	0.50	6.98	Nil	N.A.	Nil	N.A.

\*Includes ₹ 0.50 crores excess amount for F.Y. 2022-23 & F.Y. 2021-22 carried forward from previous year.

### 69. Income Tax

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

(₹ Crore)

Sr. No.	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
1.	Accounting profit before tax from continuing operations	1273.98	943.91
2.	At the effective income tax rate of (31 <sup>st</sup> March 2023: 25.17% and 31 <sup>st</sup> March 2022: 25.17%)	320.64	237.56
Effect of :-			
3.	Expenses that are not deductible in determining Taxable Profit	4.01	0.46
4.	Income that is exempt from taxation	-	-
5.	Effect of deferred tax of previous period	16.90	18.56
6.	Other permanent differences	7.31	1.90
7.	<b>Sub Total ( Sr. No. 2+3+4+5+6)</b>	<b>348.86</b>	<b>258.48</b>
8.	Adjustment in respect of current income tax of previous year	(42.03)	(18.93)
9.	Income tax expense reported in the statement of profit or loss (Sr. No. 7+8)	306.83	239.55
10.	Effective income tax rate ( in %) ( Sr.No.9 / Sr. No. 1)*100	24.08	25.38

(b) Details of Advance Income Tax (Net of Provision)

(₹ Crore)

Particulars	F.Y. 2022-23	F.Y. 2021-22
Advance Income Tax - current year	48.36	-
Advance Income Tax - prior year	124.47	96.33
<b>Total</b>	<b>172.83</b>	<b>96.33</b>

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

### 70. Deferred Tax

(₹ Crore)

For the Year 2022-23				
	Opening Balance 01.04.2022	Recognized in P&L	Recognized in OCI	Closing Balance 31.03.2023
<b>DEFERRED TAX LIABILITY</b>				
Property Plant & Equipment and Intangible Assets	304.04	9.24	-	313.27
Revaluation of FVTOCI Investments to Fair value	23.04	-	1.30	24.34
Other temporary differences	1.49	0.87	-	2.37
TDR Accrued	8.39	2.09	-	10.48
<b>TOTAL</b>	<b>336.96</b>	<b>12.20</b>	<b>1.30</b>	<b>350.46</b>
<b>DEFERRED TAX ASSET</b>				
Provision for doubtful debts/claims/advances	10.95	0.22	-	11.17
Provision for obsolescence of stores	3.42	0.44	-	3.86
Provision for diminution in value of investments	8.91	-	-	8.91
Expenditure allowable on payment basis	66.26	5.66	-	71.92
Other temporary differences	33.35	(15.65)	-	17.70
<b>TOTAL</b>	<b>122.89</b>	<b>(9.33)</b>	<b>-</b>	<b>113.56</b>
<b>NET DEFERRED TAX LIABILITY</b>	<b>214.07</b>	<b>21.53</b>	<b>1.30</b>	<b>236.90</b>

(₹ Crore)

For the Year 2021-22				
	Opening Balance 01.04.2021	Recognized in P&L	Recognized in OCI	Closing Balance 31.03.2022
<b>DEFERRED TAX LIABILITY</b>				
Property Plant & Equipment and Intangible Assets	302.04	2.00	-	304.04
Revaluation of FVTOCI Investments to Fair value	19.67	-	3.37	23.04
Other temporary differences	1.69	(0.20)	-	1.49
TDR Accrued	8.39	-	-	8.39
<b>TOTAL</b>	<b>331.79</b>	<b>1.80</b>	<b>3.37</b>	<b>336.96</b>
<b>DEFERRED TAX ASSET</b>				
Provision for doubtful debts/claims/advances	11.23	(0.28)	-	10.95
Provision for obsolescence of stores	3.46	(0.04)	-	3.42
Provision for diminution in value of investments	8.91	-	-	8.91
Expenditure allowable on payment basis	58.28	7.98	-	66.26
Other temporary differences	30.58	2.77	-	33.35
<b>TOTAL</b>	<b>112.46</b>	<b>10.43</b>	<b>-</b>	<b>122.89</b>
<b>NET DEFERRED TAX LIABILITY</b>	<b>219.33</b>	<b>(8.63)</b>	<b>3.37</b>	<b>214.07</b>

**Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023****71. Hedging activities and derivatives**

- Derivatives not designated as hedging instruments**

The Company has foreign currency denominated borrowings in the nature of External Commercial borrowings (ECBs), Foreign Currency Term Loan (FCTL) for its long term requirements and Buyers Credit, Suppliers credit for meeting its short term fund requirement. The Company has a hedging policy in place to manage its foreign currency risk relating to these borrowings. The Company uses various products for hedging like Forex Forward Contracts, Forward Rate Agreements, Plain Vanilla Options (call option and put option), Seagull options, Interest Rate Swaps, Currency Swaps including Cross-Currency Swaps etc. The Company undertakes hedging through these products considering the tenor of the underlying instrument and the same are not designated as cash flow hedges.

**72. Fair values**

The management has assessed that its financial assets and liabilities like cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values for the given below financial assets.

- Unquoted Equity Shares of Indian Potash Limited**

The fair values of the unquoted equity shares have been estimated using a DCF model. The Company avails the services of professional valuer's for valuation of the same and the fair values so reported are based on a valuation report received from an investment valuation expert.

- Investment in Mutual Fund**

The fair values of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

- Derivatives not designated as hedges**

The Company enters into derivative financial instruments with various banks. Interest rate swaps, foreign exchange forward contracts, derivative instruments are valued using valuation techniques, which employs the use of market observable inputs (i.e. based on inputs/statement of position received from banks). All derivative contracts with banks are unsecured.

- Investment Properties**

The value of the investment properties are based on the information and a study of the micro market in discussions with industry experts, local brokers and regional developers.

Fair values hierarchy is detailed as below:

Fair values Hierarchy	31.03.2023			31.03.2022		
	Significant observable inputs	Significant observable inputs	Significant unobservable inputs	Significant observable inputs	Significant observable inputs	Significant unobservable inputs
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Assets</b>						
Investment in Unquoted Equity Shares of Indian Potash Ltd.			97.28			92.09

(₹ Crore)

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

(₹ Crore)

Fair values Hierarchy	31.03.2023			31.03.2022		
	Significant observable inputs	Significant observable inputs	Significant unobservable inputs	Significant observable inputs	Significant observable inputs	Significant unobservable inputs
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investment in Mutual Funds	-			8.04		
Derivative Instruments not Designated as Hedges		8.19			12.05	
TDRs recognized at fair market value		99.63			36.31	
<b>Financial Liability</b>						
<b>Assets for which Fair values are disclosed</b>						
Investment Properties		875.19			893.88	

### 73. Financial risk Management objectives and policies

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

The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTOCI investments and enters into derivative transactions.

The Company is exposed to market risk (including interest rate risk and currency risk), credit risk and liquidity risk. The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures, the use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, use of financial hedging instruments.

The Company's management oversees these risks with the support of a Risk Management Committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The Risk Management Committee provides assurance to the Company's management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

All derivative activities for risk management purposes are carried out by designated officers who have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. These risks are summarized below:

- **Interest Rate Risk:**

**Interest Rate Risk Management:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risks because the Company borrows funds at both fixed and floating interest rates.

The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align interest rate views and defined risk appetite, ensuring the most cost-effective hedging structures are applied and accordingly the Company enters into interest rate swaps.

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

### Interest Rate Sensitivity Analysis:

The sensitivity analysis has been determined based on the exposure to interest rate risk on the long term borrowings outstanding as at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year with a 50 basis point increase or decrease. The detailed sensitivity analysis is given below:

(₹ Crore)

Nature of Floating interest rate Loans	Total outstanding floating rate loans	Current interest rate	Change	Impact on Profit and Loss Account (+Profit / -Loss)
<b>As on 31.03.2023</b>				
EUR Borrowings	217.89	3.99%	0.50%	(1.09)
			-0.50%	1.09
INR Borrowings	115.91	8.24%	0.50%	(0.58)
			-0.50%	0.58
<b>Total</b>	<b>333.80</b>			<b>(1.67)</b>
				<b>1.67</b>
<b>As on 31.03.2022</b>				
EUR Borrowings	272.72	1.31%	0.50%	(1.36)
			-0.50%	1.36
INR Borrowings	143.18	5.99%	0.50%	(0.72)
			-0.50%	0.72
<b>Total</b>	<b>415.90</b>			<b>(2.08)</b>
				<b>2.08</b>

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

- Credit Risk:**

#### Credit Risk Management:

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigation the risk of financial loss from defaults.

Trade receivables consist of a large number of customers, spread across diverse geographical areas for its fertilizers segment and across geographical areas and industries in respect of its chemicals segment. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The credit risk on liquid funds is limited because the counterparties are primarily Public Sector mutual funds and further the Company invests only in 100% debt oriented schemes of such funds. As regards derivative financial instruments the same is also limited because the counterparties are banks whose operations are regulated by the Reserve Bank of India.

- Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. The Company's activities expose it's primarily to the financial risk of changes in foreign currency risk and interest rates risk.



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

- 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 31.03.2023					
	Demand	<3 Months	3-12 Months	1-5 years	>5 Years	Total
Borrowings	-	753.18	74.49	1018.64	16.34	1862.65
Trade Payables	1226.44	737.75	47.10	-	-	2011.29
Other Financial Liabilities	346.48	54.08	45.48	5.53	28.46	480.03
Lease Liability	-	1.15	3.54	6.69	2.56	13.96
<b>TOTAL</b>	<b>1572.92</b>	<b>1546.16</b>	<b>170.60</b>	<b>1030.86</b>	<b>47.36</b>	<b>4367.93</b>
Company's Financial Liabilities	As at 31.03.2022					
	Demand	<3 Months	3-12 Months	1-5 years	>5 Years	Total
Borrowings	-	1387.42	460.40	1074.13	46.27	2968.22
Trade Payables	1239.29	1039.14	64.66	-	-	2343.09
Other Financial Liabilities	274.98	139.69	48.03	20.81	65.03	548.54
Lease Liability	-	0.82	1.95	4.21	3.32	10.30
<b>TOTAL</b>	<b>1514.27</b>	<b>2567.07</b>	<b>575.04</b>	<b>1099.15</b>	<b>114.62</b>	<b>5870.15</b>

- Foreign Currency Risk:

The Company undertakes transactions denominated in foreign currencies, consequently, exposure to exchange rate fluctuations arise. The Company has a Board approved Hedging Policy in place entailing parameters for hedging its foreign currency exposures completely before their maturities. The Company manages its exchange rate exposures within the approved parameters of the hedging policy through various derivative instruments such as options, swaps etc.

### Foreign Currency Sensitivity Analysis:

The Company is mainly exposed to the currency of USD and EUR. The following table details the Company's sensitivity to a 5% increase and decrease in the INR as against the USD/EUR. The sensitivity analysis includes only outstanding foreign currency denominated monetary items i.e. loans in foreign currency and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number indicates an increase in profit or equity where the INR strengthens 5% against USD/EUR. For a 5% weakening of INR as against USD/EUR, there would be a comparable impact on the profit or equity, and the number would be negative.

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

As on 31 <sup>st</sup> March 2023									
Currency	Financial Liabilities			Total Exposure (Net) in Foreign Currency	Exchange rate as on 31.03.2023	Total Exposure in INR	Change	Change	Impact on Profit and Loss Account (+Profit /-Loss)
	Trade Payables(net) / Deposits received**	Bank Loans (Long term + Short Term) *	Interest accrued but not due on borrowings						
Foreign Currency in Million					₹ per Foreign Currency	₹ in Crore	%	₹ per Foreign Currency	₹ in Crore
USD	128.63	-	-	128.63	82.22	1057.57	5.00%	4.1108	(52.88)
							-5.00%	(4.1108)	52.88
EUR	(0.01)	24.32	0.23	24.54	89.61	219.90	5.00%	4.4804	(10.99)
							-5.00%	(4.4804)	10.99
Other Currencies	-	-	-	-		4.72	5.00%		(0.24)
							-5.00%		0.24
<b>Total</b>				<b>153.17</b>		<b>1282.18</b>			

\* of the above, an amount of ₹ 136.16 crores are hedged by way of Financial Derivative Instruments

\*\* of the above, an amount of ₹ 808.53 crore is hedged by way of Financial Derivative Instruments

As on 31 <sup>st</sup> March 2022									
Currency	Financial Liabilities			Total Exposure (Net) in Foreign Currency	Exchange rate as on 31.03.2022	Total Exposure in INR	Change	Change	Impact on Profit and Loss Account (+Profit /-Loss)
	Trade Payables(net) / Deposits received	Bank Loans (Long term + Short Term) *	Interest accrued but not due on borrowings						
Foreign Currency in Million					₹ per Foreign Currency	₹ in Crore	%	₹ per Foreign Currency	₹ in Crore
USD	201.05	91.44	0.14	292.64	75.81	2,218.42	5.0%	3.7904	(110.92)
							-5.0%	(3.7904)	110.92
EUR	(0.03)	32.21	0.09	32.27	84.66	273.22	5.0%	4.2330	(13.66)
							-5.0%	(4.2330)	13.66
Other Currencies	-	-	-	-		12.24	5.0%		(0.61)
							-5.0%		0.61
<b>Total</b>				<b>324.91</b>		<b>2,503.87</b>			

\* of the above, an amount of ₹ 852.32 crores are hedged by way of Financial Derivative Instruments

### 74. Capital Management

For the purpose of the Company's Capital management, capital includes equity capital and all other reserves. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company, for its capex requirement, borrows to the extent of 70% of the requirement and the remaining 30% shall be sourced from the internal accruals. Further, the Company, being a Public sector undertaking, is governed by the guidelines of the Department of Investment & Public Asset Management (DIPAM), which specifies the minimum percentage of dividend that can be declared. Accordingly, the Company has to manage its capex in such a way that the minimum dividend payout as stipulated is met. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

### Gearing Ratio:

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in financial covenants of any interest-bearing loans and borrowings in the currency period.

No changes have been made in the objectives, policies and processes for managing capital during the years ended 31<sup>st</sup> March 2023 & 31<sup>st</sup> March 2022.

(₹ Crore)

Particulars	31.03.2023	31.03.2022
Borrowings (Current + Non-Current)	1862.65	2968.22
Trade Payables	2011.29	2343.09
Total Debt (A)	3873.94	5311.31
Total Capital (B)	4598.32	3889.23
Total Capital and Net Debt (C)	8472.26	9200.54
Gearing Ratio (A/C*100)	45.72	57.73

### 75. Changes in Financial Liabilities arising from Financing Activities for FY 2022-23

(₹ Crore)

Particulars	As at 31.03.2022	Cash flows (net)	Other changes	Non-Cash Changes		As at 31.03.2023
				Foreign Exchange Movement	Current / Non-current classification	
Borrowings - Non Current (refer Note 20)	1120.41	-	0.58	11.58	(97.59)	1,034.98
Borrowings - Current (refer Note 26)	1847.81	(1105.57)	(0.45)	(11.71)	97.59	827.67
Acceptances / Suppliers credit (refer Note 28)	392.41	(390.75)	-	(1.66)	-	-
ROU Lease Liabilities (ref Note 21 & 27)	10.30	(5.22)	8.88	-	-	13.96

### Changes in Financial Liabilities arising from Financing Activities for FY 2021-22

(₹ Crore)

Particulars	As at 31.03.2021	Cash flows (net)	Other changes	Non-Cash Changes		As at 31.03.2022
				Foreign Exchange Movement	Current / Non-current classification	
Borrowings - Non Current (refer Note 20)	1,043.04	321.28	(0.98)	(2.11)	(240.82)	1120.41
Borrowings - Current (refer Note 27)	1023.75	575.79	(0.5)	7.95	240.82	1847.81
Acceptances / Suppliers credit (refer Note 29)	38.27	352.34	-	1.8	-	392.41
ROU Lease Liabilities (ref Note 21 & 28)	11.8	(4.16)	2.66	-	-	10.30



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

### 76. Disclosure as per Ind AS 116 – Leases

(₹ Crore)

Sr. No.	Particulars	31.03.2023	31.03.2022
<b>Details pertaining to Lease Arrangement considered as ROU</b>			
1.	Total Gross Lease liability	17.00	15.57
2.	Total Discounted lease liability	13.95	10.31
3.	Cash Outflow due to Lease Liability	5.22	4.16
4.	Interest charged to PL	1.05	0.95
5.	Depreciation charged to PL	4.49	3.53
6.	Cancellations charged to PL	-	-
7.	<b>Maturity Profile of Lease Liability</b>		
	On Demand	-	-
	Less Than 3 Months	1.14	0.82
	3 to 12 Months	3.54	1.95
	1 to 5 years	6.70	4.21
	5 Years & Above	2.56	3.32
	<b>Grand Total</b>	<b>13.95</b>	<b>10.30</b>
<b>Details pertaining exemptions availed as Short Term Lease Arrangement and not considered above</b>			
8.	During the year charged to P&L	7.25	8.99
9.	<b>Disclosure of undiscounted lease receivables wrt to assets given on Operating lease as a lessor</b>		
	On Demand	0.10	-
	Less Than 3 Months	0.86	0.89
	3 to 12 Months	2.50	2.64
	1 to 5 years	11.35	12.05
	5 Years & Above	4.23	6.24
	<b>Grand Total</b>	<b>19.03</b>	<b>21.82</b>

### 77. Trade Receivables ageing schedule (Current/Non - Current)

(₹ Crore)

Particulars	FY 2022-23						Total
	Not Due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>(i) Undisputed- Considered Good</b>							
Subsidy Receivable	-	*2024.18	13.82	17.30	24.42	17.46	2097.17
Trade Receivable	484.50	22.68	0.07	4.73	-	0.20	512.19
<b>(ii) Undisputed Trade Receivables – which have significant increase in credit risk</b>	-	0.15	-	-	-	-	0.15
<b>(iii) Undisputed Trade Receivables – credit impaired</b>	-	-	-	-	0.31	1.64	1.95

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

(₹ Crore)

FY 2022-23							
Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total-Trade Receivables</b>	<b>484.50</b>	<b>2047.01</b>	<b>13.89</b>	<b>22.03</b>	<b>24.73</b>	<b>19.31</b>	<b>2611.46</b>
Less: Provision for ECL							0.69
Less: Provision for Credit Impaired							1.95
<b>Total-Trade Receivables</b>							<b>2608.82</b>

\* Includes unbilled subsidy amounting to ₹ 972.88 crores, recognized as per principle settlement of subsidy claims by DOF FICC.

(₹ Crore)

FY 2021-22							
Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed- Considered Good							
Subsidy Receivable	-	*2725.49	10.88	33.72	7.12	16.74	2793.95
Trade Receivable	219.15	8.47	4.73	0.84	-	-	233.19
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	0.03	-	-	-	0.03
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	0.08	0.35	1.55	1.98
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total-Trade Receivables</b>	<b>219.15</b>	<b>2733.96</b>	<b>15.64</b>	<b>34.64</b>	<b>7.47</b>	<b>18.29</b>	<b>3029.15</b>



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

(₹ Crore)

FY 2021-22							
Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Less: Provision for ECL							0.44
Less: Provision for Credit Impaired							1.98
<b>Total-Trade Receivables</b>							<b>3026.73</b>

\* Includes unbilled subsidy amounting to ₹ 2501.47 crores, recognized as per principle settlement of subsidy claims by DOF FICC.

### 78. Trade Payables aging schedule (Current/Non - Current)

(₹ Crore)

FY 2022-23						
Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed MSME	43.69	12.22	-	-	-	55.91
Undisputed Others	820.53	990.77	131.11	0.33	4.38	1947.11
Disputed dues – MSME	0.09	0.94	0.15	0.04	0.01	1.22
Disputed dues - Others	-	2.44	0.07	(0.03)	4.57	7.05
<b>Total</b>	<b>864.31</b>	<b>1006.36</b>	<b>131.33</b>	<b>0.34</b>	<b>8.96</b>	<b>2011.29</b>

(₹ Crore)

FY 2021-22						
Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed MSME	-	35.75	0.08	-	-	35.84
Undisputed Others	57.11	2194.78	0.97	0.98	2.71	2256.55
Disputed dues – MSME	-	0.59	0.04	0.04	0.04	0.71
Disputed dues - Others	-	30.40	13.63	1.82	4.13	49.98
<b>Total</b>	<b>57.11</b>	<b>2261.52</b>	<b>14.72</b>	<b>2.84</b>	<b>6.88</b>	<b>2,343.09</b>



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

### 79. Details of Capital-Work-in Progress (CWIP)

#### (a) CWIP aging schedule outstanding as on 31st March

(₹ Crore)

FY 2022-23					
CWIP	Amount in CWIP for a period of				TOTAL
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>(A) Projects in Progress</b>					
Major Projects	120.42	11.72	12.35	7.09	151.58
Other Projects	52.64	5.85	0.27	1.14	59.90
<b>Total (A)</b>	<b>173.06</b>	<b>17.57</b>	<b>12.62</b>	<b>8.23</b>	<b>211.48</b>
<b>(B) Projects temporarily suspended</b>					
Major Projects	-	-	-	-	-
Other Projects	-	-	-	-	-
<b>Total (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B)</b>	<b>173.06</b>	<b>17.57</b>	<b>12.62</b>	<b>8.23</b>	<b>211.48</b>

(₹ Crore)

FY 2021-22					
CWIP	Amount in CWIP for a period of				TOTAL
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>(A) Projects in Progress</b>					
Major Projects	120.90	63.17	266.60	10.09	460.76
Other Projects	40.45	9.72	0.35	1.65	52.17
<b>Total (A)</b>	<b>161.35</b>	<b>72.89</b>	<b>266.95</b>	<b>11.74</b>	<b>512.93</b>
<b>(B) Projects temporarily suspended</b>					
Major Projects	-	-	-	-	-
Other Projects	-	-	-	-	-
<b>Total (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B)</b>	<b>161.35</b>	<b>72.89</b>	<b>266.95</b>	<b>11.74</b>	<b>512.93</b>

#### (b) Details of capital-work-in progress completion schedule, whose completion is overdue or has exceeded its cost compared to its original plan

(₹ Crore)

FY 2022-23				
CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
<b>(A) Projects in Progress*</b>				
KBR FOR AMMONIA-V REVAMP	-	27.46	-	-
UREA REVAMP CASALE	7.12	-	-	-
ETP Upgradation	47.07	-	-	-
<b>Total (A)</b>	<b>54.19</b>	<b>27.46</b>	<b>-</b>	<b>-</b>

**Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023**

(₹ Crore)

FY 2022-23				
CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
(B) Projects temporarily suspended	-	-	-	-
<b>Total (B)</b>	-	-	-	-
<b>Grand Total (A+B)</b>	<b>54.19</b>	<b>27.46</b>	-	-

\*There has been no cost overrun in respect of above projects.

(₹ Crore)

FY 2021-22				
CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
(A) Projects in Progress*				
New Motor Driven N2 Compressor	18.46	-	-	-
Gas Turbine	409.00	-	-	-
Ammonia Plant Revamp	-	16.12	-	-
<b>Total (A)</b>	<b>427.46</b>	<b>16.12</b>	-	-
(B) Projects temporarily suspended	-	-	-	-
<b>Total (B)</b>	-	-	-	-
<b>Grand Total (A+B)</b>	<b>427.46</b>	<b>16.12</b>	-	-

\*There has been no cost overrun in respect of above projects.

**80. Details of Benami Property Held**

The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(₹ Crore)

Details of such property	Amount	Details of Beneficiaries	Schedule No. of Balance Sheet	Reason not booked	Proceeding details	Nature of proceedings, status and company's view
Not Applicable						

**81. Disclosures relating to borrowings availed against security of current assets**

Quarterly returns of current assets filed by the company with banks and financial institutions are in agreement with books of accounts.

**82. The Company has not been declared willful defaulter by any bank or financial institution or any other lender.****83. There are no material transactions with respect to struck off companies as mentioned under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.****84. The Company does not have any charges or satisfaction of charges which are yet to be registered with ROC beyond the statutory period.****85. Provision regarding the number of layers prescribed under Section 2 (87) of the Act read with the Companies (Restriction on number of layers) Rules, 2017 is not applicable.**

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023

86. The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of Income Tax Act, 1961).
87. The Company has not traded or invested in crypto currency or virtual currency during the respective financial year/ period.
88. The Company does not have any scheme of arrangements which have been approved by the Competent Authority in terms of Section 230 to 237 of the Companies Act, 2013.
89. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - Provide any guarantee, security or like to or on behalf of the Ultimate Beneficiaries.
90. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or
  - Provide any guarantee, security or the like on the behalf of the Ultimate Beneficiaries.

### 91. Analytical Ratios

Sr. No.	Particulars	Numerator	Denominator	Current. Year F.Y. 2022-23	Previous. Year F.Y. 2021-22	Variance	Reason for change if variation more than 25%
1.	Current Ratio	Current Assets	Current Liabilities	1.62	1.41	15%	-
2.	Debt-Equity Ratio	Total Debt	Shareholders' Equity	0.41	0.76	(47)%	Reduced borrowings
3.	Debt Service Coverage Ratio	Earnings available for debt service	Debt service	5.03	3.07	64%	Improved EBIDTA and lower debt
4.	Return on Equity (ROE)	Net Profit after Tax	Average Shareholders' Equity	22.79%	19.44%	17%	-
5.	Inventory Turnover Ratio	COGS or Sales	Average Inventory	19.76	16.38	21%	-
6.	Trade Receivables Turnover Ratio	Revenue from operations	Avg. Accounts Receivables	7.61	5.73	33%	Timely and efficient collection
7.	Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	8.66	7.11	22%	-
8.	Net Capital Turnover Ratio	Revenue from operations	Working Capital	9.91	6.57	51%	Higher Operating revenues and lower working capital requirement
9.	Net Profit Ratio	Profit after Tax	Revenue from operations	4.51%	5.50%	(18)%	-

**Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2023**

Sr. No.	Particulars	Numerator	Denominator	Current. Year F.Y. 2022-23	Previous. Year F.Y. 2021-22	Variance	Reason for change if variation more than 25%
10.	Return on Capital Employed	EBIT	Capital Employed	20.97%	13.32%	57%	Higher Operating revenues and lower borrowings
11.	Return on Investment –Unquoted-Equity & MF	Income generated from investments	Time weighted average investments	8.63%	19.04%	(54.70)%	Reduction in fair value gain

- 92.** The standalone financial statements were authorized for issue in accordance with a resolution passed by the Board of Directors on 30<sup>th</sup> May, 2023.
- 93.** 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.
- 94.** The figures of the previous year have been re-arranged and regrouped wherever necessary and / or practicable to make them comparable with those of the current year and as per Schedule III amendments as mandated by Companies Act, 2013.

**95. Events occurring after the Balance sheet date**

Board of Directors have recommended a final dividend of ₹ 3.70 per equity share of ₹ 10/- each (P.Y. ₹ 2.50 per equity share of ₹ 10/- each) i.e. 37.00 % on paid up equity share capital of the Company for the financial year 2022-23 which is subject to approval of Shareholders of the Company.

For and on behalf of the Board of Directors

**RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED**

**(S. C. Mudgerikar)**  
Chairman & Managing Director  
DIN : 03498837  
Place: New Delhi

**(Nazhat Shaikh)**  
Director (Finance)  
DIN : 07348075

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

Dated : 30<sup>th</sup> May, 2023.  
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 : 30<sup>th</sup> May, 2023.  
Place: Mumbai

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

**(Atul Kale)**  
Partner  
Membership No: 109947

# CONSOLIDATED FINANCIAL STATEMENTS



## Independent Auditor's Report (Revised)

TO THE MEMBERS OF RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED

Report on the Audit of the Consolidated Ind AS Financial Statements

### Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of **RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED** (hereinafter referred to as "the Holding Company") and its jointly controlled entities comprising of the Consolidated Balance Sheet as at **March 31, 2023** 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, 2023** and notes to the Consolidated Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Holding Company as at **March 31, 2023** and its consolidated **profit**, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Consolidated Ind AS Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Holding Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Consolidated Ind AS Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

### Emphasis of Matter

We draw attention to the following matters:

a) **Note No. 65 – Revision of Consolidated Ind AS Financial Statements:**

Auditors report issued on May 30, 2023, is revised with reference to note 65 to the Consolidated Ind AS Financial Statements wherein, the Board of Directors have directed the Company to revise the Consolidated Ind AS Financial Statements to consolidate the audited figures of Talcher Fertilizers Limited, Jointly Controlled Entity based on its audited financial statements. Accordingly, the Consolidated Ind AS Financial Statements have been amended to that extent and approved by the Board of directors in their meeting held on June 22, 2023. Our audit procedures are restricted solely to the revision of the Consolidated Ind AS Financial Statements pursuant to the decision of the Board of Directors.

b) **Note No. 48 – Property, Plant and Equipment: Title deeds of Immovable properties:**

In respect of immovable properties other than land, i.e. building and other structures situated at its Trombay and Thal units, the Holding Company has self-constructed properties on the land owned by the Holding Company as evidenced by property cards/title deeds of land.

The Holding Company has contested that major portion of the immovable assets became vested with the Holding Company as a result of Government of India reorganizing certain fertilizers companies in the past. Based on the legal opinion obtained, the Holding Company is of the view that it has clear title to the same and also initiated the process of obtaining evidence of title towards self-constructed properties.

Apart from such properties, immovable properties, including land for which title deeds are not in the name of the Holding Company is mentioned in the standalone Ind AS financial statements.

c) **Note No. 50 – Gas pooling applicable to Fertilizer (Urea) sector:**

During the year 2022-23, The Holding Company has recognized a receivable of Rs. 79.84 crores recoverable from Department of Fertilizers on account of pooled price differential for the Year 2021-22 and for the period December 2022 to February 2023 raised by GAIL India Limited on account of substitution of EPMC and Spot gas used for Urea operations with cheaper market priced gas.



**d) Note No. 61 – Exceptional Item:**

Pursuant to the Ministry of Petroleum & Natural Gas (MoPNG) order No. L-13013/3/2012-GP-I, dated: 16th December 2015, GAIL had sought a differential levy on usage of gas for non-fertilizer/non-Urea operations, amounting to Rs. 1457.92 crores for the period commencing from 1st July 2006 till 30th June, 2019 by initiating arbitration proceedings before Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD). The Liability pertaining to period 1st July 2006 till 31st March 2016 was settled and excess provision of Rs. 147.00 crores were reported as an exceptional item in Year 2021-22. During the current year 2022-23, the liability from Financial Year 2016-17 onwards is crystalized and Rs. 30.15 crores excess provision is not considered necessary has been derecognized and reported as an exceptional item.

Our opinion is not modified in respect of the above matters.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in our audit are:

1. Revenue Recognition and measurement in respect of subsidy income.
2. Estimation of Provision & Contingent Liabilities.
3. Information Technology General Control.

Sr. No.	Key Audit matter	Response to Key Audit Matter
1.	<p><b>Revenue recognition and measurement in respect to subsidy income.</b></p> <p>Recognition of subsidy is generally made on the basis of in principle recognition/approval /settlement of claims from Government of India/Fertilizer Industry Co-ordination Committee while finalizing the consolidated Ind AS financial statements.</p> <p>During the year, Subsidy adjusted on account of the escalations/de-escalations basis for the year amounts to Rs. 114.53 Crore refundable to FICC/DOF (PY Rs. 1588.30 Crore receivable).</p> <p>Such adjustments have been done for escalations/de-escalations in the cost of inputs and other costs, as estimated by the management based on the prescribed norms in line with known policy parameters.</p> <p>MRP of Urea being fixed by Government of India, the Holding Company is entitled for subsidy wherein certain inputs costs are a pass through and compensation for production beyond a level of production known as Reassessed capacity is restricted to lower of Import Parity Price (IPP) of Urea plus other incidental charges which the government incurs on imported Urea, or its own concession price, as determined under extant policies for Urea. Further subsidy income is net of adjustments of recoveries towards sale/transfer for surplus ammonia or non-conversion of entire ammonia into Urea.</p>	<p>Our Procedure included:</p> <p><b>Accounting policies and principles:</b></p> <p>We have reviewed the Holding Company's accounting policies for Subsidy on Urea as mentioned under "Note A. Statement of Significant Accounting policies III) D) Revenue Recognition" of the consolidated Ind AS financial statements and the same is compared with the applicable Ind AS.</p> <p><b>Tests of controls:</b></p> <p>We have evaluated the design, implementation and operating effectiveness of key controls over recognition of subsidy income.</p> <p><b>Tests of details:</b></p> <p>We have verified the supporting documentation for determining that the subsidy was recognized in the correct accounting period and as per notified rates.</p> <p>In absence of notified rates, we have verified calculation of estimated rates based on information available with the Holding Company for such costs which are a pass through.</p> <p>In case estimation of income is based on other parameters like IPP of Urea etc. The verification of the same is based on available information in public domain.</p> <p>Testing reasonability of assumptions based on past trends, consistency in application and changes in the same owing to change in Government policies.</p>

Sr. No.	Key Audit matter	Response to Key Audit Matter
	<p>Since there is a time lag between actual expenditure incurred and notification of concession rates for the year, Management exercises significant judgement in arriving at the income entitlement on account of same for the year.</p> <p>Therefore, there is a risk of revenue being misstated on account of errors in estimation of concession/IPP rates yet to be notified, due to absence of notification available and change in methodology/ calculation, if any for arriving at price concession.</p>	<p><b>Performing substantive analytical procedures: -</b></p> <p>Ascertainment and analysis of variations with respect of amounts estimated and actually entitled upon notification with respect to previous years.</p> <p>We also assessed as to whether the disclosures in respect of revenue were adequate.</p>
2.	<p><b>Estimation of Provision &amp; Contingent Liabilities</b></p> <p>In the recognition and measurement of provisions, there is uncertainty about the timing or amount of the future expenditure required to settle the liability.</p> <p>In respect of contingent liabilities, there are estimates and assumptions made to determine the amount to be disclosed as at the year ended 31 March 2023, the amounts involved are significant. There is a high degree of judgement required for the recognition and measurement of provisions and disclosure of contingent liabilities.</p> <p>There is a risk of material misstatement that the estimates are incorrect and that the provisions or contingent liabilities are materially misstated.</p>	<p><b>Internal enquiry:</b></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><b>Tests of details:</b></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><b>Enquiry and confirmation of lawyers:</b></p> <p>In respect of matters which are under dispute, we have assessed opinion of the Holding Company's in-house Legal Department / external lawyers wherever necessary.</p>
3.	<p><b>Information Technology Controls</b></p> <p>A significant part of the Holding Company's financial reporting process is heavily reliant on IT systems with automated processes and controls over the capture, storage and extraction of information. A fundamental component of these processes and controls is ensuring appropriate user access and change management protocols exist and being adhered to. These protocols are important because they ensure that access and changes to IT systems and related data are made and authorised in an appropriate manner. As our audit sought to place a high level of reliance on IT systems and application controls related to financial reporting, high proportion of the overall audit effort was in Information Technology (IT) Systems and Controls. We focused our audit on those IT systems and controls that are significant to the Holding Company's financial reporting process.</p>	<p>We focused our audit on those IT systems and controls that are significant to the Holding Company's financial reporting process.</p> <p>We assessed the design and tested the operating effectiveness of the Holding Company's IT controls including those over user access and change management as well as data reliability.</p> <p>In a limited number of cases, we adjusted our planned audit approach as follows:</p> <ul style="list-style-type: none"> <li>- We extended our testing to identify whether there had been unauthorized or inappropriate access or changes made to critical IT systems and related data;</li> <li>- Where automated procedures were supported by systems with identified deficiencies, we extended our procedures to identify and test alternative controls; and</li> <li>- Where required, we performed a greater level of testing to validate the integrity and reliability of associated data and reporting.</li> </ul> <p>Further, We have relied on provisional observations of independent consultant's past reports and the Holding Company's replies to the observations raised by the consultants.</p>

## Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Holding Company's Annual report but does not include the Consolidated Ind AS Financial Statements and our auditor's report thereon. The Holding Company's Annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the Consolidated Ind AS Financial Statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Holding Company's Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the Act) with respect to the preparation of these Consolidated Ind AS Financial Statements that give a true and fair view of the financial position, the financial performance, total comprehensive income, changes in equity and cash flows of the Holding Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Ind AS Financial Statements, the respective management of the Holding Company and its Joint ventures are responsible for assessing the ability of each Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using

the going concern basis of accounting unless the respective management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

The respective Board of Directors of the Holding Company and its Joint Ventures are responsible for overseeing the financial reporting process of each Company.

## Auditor's responsibilities for the Audit of Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS Financial Statements.

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

- Identify and assess the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the Consolidated Ind AS Financial Statements and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Management use of the going concern basis of accounting in preparation of Consolidated Ind AS Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude

that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS Financial Statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding Company and its Joint Ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements, including the disclosures and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Ind AS 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 Consolidated Ind AS 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

- 1) The accompanying Consolidated Ind AS Financial Statement includes the audited financial statements and other financial information in respect of :
  - a) As regards Urvarak Videsh limited, a joint venture, whose audited financial statement/information/ results includes the Holding Company's share of net loss of Rs. 19,498 for the year ended 31st March 2023 as considered in the Consolidated Ind AS Financial statements for the year ended 31st March 2023.
  - b) As regards FACT-RCF Buildings Products Limited, a joint venture, the Holding Company doesn't include its share of loss as the Holding Company's share of losses exceeds its interest in Joint venture for the year ended 31st March 2023.
  - c) As regards Talcher Fertilizers Limited a joint venture whose audited financial statements/information/ results includes the Holding Company's share of net loss of Rs 0.84 Crore for the year ended 31st March 2023 as considered in the Consolidated Ind AS Financial statements for the year ended 31st March 2023.

The independent auditor's of this entity have cast a doubt on material uncertainty related to going concern assumption and has given a qualified opinion on issues concerning matters viz., Impairment provisioning, balance confirmations and non-compliance of provisions of rule 2(1) (c) (vii) of Companies (Acceptance of Deposit) Rules, 2014.

These financials statements of the above joint venture entities, have been audited by other auditors whose report have been furnished to us by the Management and our opinion on the Consolidated Ind AS financial statements, so far relates to the amounts and disclosures included in respect of Joint Ventures, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid Joint Ventures is based solely on the reports of the other auditors.

Our opinion on the Consolidated Ind AS financial statements and our report on other legal and regulatory requirements below, is not modified in respect of the above three matters with respect to our reliance on work done and reports of other auditors on the financial statements of the 3 joint ventures.

- 2) Pursuant to Note 65 to the Consolidated Ind AS financial statements this report supersedes our earlier report issued on May 30, 2023.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such jointly controlled entities as was audited by other auditors as noted in the 'Other Matters' paragraph, we report to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and reports of other auditors.
  - c) The Consolidated Balance sheet, Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.
  - d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
  - e) The Holding Company being a government company, the provision of section 164(2) is not applicable in accordance with the Notification No. GSR 463 (E) dated 5th June 2015 issued by MCA. Accordingly, no reporting in regard to Clause 3(g) of section 143 is required.
  - f) With respect to the adequacy of the internal financial controls with reference to the Consolidated Ind AS Financial Statements of the Holding Company and its Joint Ventures the operating effectiveness of such controls, refer to our separate report in "Annexure B".
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 Holding Company does not have required number of Independent Directors on its board. (Refer Note 44.1.3 to the Consolidated Ind AS Financial Statements)*
4. In accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - a) The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company and its jointly controlled entities – Refer Note 44 to the Consolidated Ind AS Financial Statements;
  - b) The Holding Company and its jointly controlled entities has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - c) There is no delay in transferring the amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company.
  - d) I) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any kind of funds) by the Holding Company or its Joint Venture companies to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
    - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its Joint Venture companies incorporated in India or
    - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.



- II) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its Joint Venture companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its Joint Venture companies incorporated in India shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
  - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- III) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under clause 4 (d) (I) and 4 (d) (II) contain any material misstatement.
- e) The dividend declared or paid during the year by the Holding Company is in compliance with section 123 of the Act.
5. With respect to the other matters to be included in the Auditor's Report as per section 197 (16) of the Act:
- In accordance with requirements of section 197 (16) of the act as amended: As per notification number G.S.R. 463 (E) dated June 5, 2015 issued by Ministry of Corporate Affairs, Section 197 of the Act as regards the managerial remuneration is not applicable to the Holding Company and its Joint ventures, since it is a Government Company.
6. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Holding Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

**For M M Nissim & Co LLP**

Chartered Accountants  
Firm Regn. No.107122W/W100672

**N. Kashinath**

Partner  
Membership No. 036490  
UDIN: 23036490BGXSAB2965

Place: Mumbai

Dated: 22<sup>nd</sup> June, 2023

**For Gokhale & Sathe**

Chartered Accountants  
Firm Regn. No. 103264W

**Atul Kale**

Partner  
Membership No. 109947  
UDIN: 23109947BGVVRD5823



## Annexure “A” to the Independent Auditor’s Report

(Referred to in Para 1 under ‘Report on Other Legal & Regulatory Requirements’ in our Report of even date.)

As required by paragraph 3(xxi) of the CARO 2020, we report that the auditors of the following companies incorporated in India have given qualification or adverse remarks in their CARO report on the Standalone Ind AS Financial Statements of respective companies to be included in the Consolidated Ind AS financial statements of the Holding Company:

Name of the Entities	CIN	Relationship with Holding Company	Date of respective auditor’s report	Paragraph number in the respective CARO 2020 Reports
URVARAK VIDESH LIMITED	U24120DL2008GOI181057	Joint Controlled Entity	April 27,2023	(xvii)
FACT-RCF BUILDING PRODUCTS LIMITED	U26992KL2008PLC022347	Joint Controlled Entity	May 4, 2023	(i) (a), (vi), (viii) (a), (viii) (b), (xii), (xv) and (xvii)
TALCHER FERTILIZERS LIMITED	U24120OR2015PLC019575	Joint Controlled Entity	June 15, 2023	-

**For M M Nissim & Co LLP**

Chartered Accountants  
Firm Regn. No.107122W/W100672

**N. Kashinath**

Partner  
Membership No. 036490  
UDIN: 23036490BGXSAB2965

**For Gokhale & Sathe**

Chartered Accountants  
Firm Regn. No. 103264W

**Atul Kale**

Partner  
Membership No. 109947  
UDIN: 23109947BGVVRD5823

Place: Mumbai

Dated: 22<sup>nd</sup> June, 2023



## Annexure “B” to the Independent Auditor’s Report

(Referred to in Para 1 of the section ‘Report on Other Legal & Regulatory Requirements’ in our Independent Auditor’s Report to the members of the Holding company on the Consolidated Ind AS Financial Statements for the year ended March 31, 2023.)

### 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 2023, we have audited the internal financial controls with reference to Consolidated Ind AS Financial Statements of **Rashtriya Chemicals and Fertilizers Limited** (“the Holding Company”) and its Joint Ventures, which are companies incorporated in India as of **March 31, 2023**.

### Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its Joint Ventures, which are Companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to the Consolidated Ind AS Financial Statements criteria established by the Holding 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 Holding 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 Holding 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 2023, 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 Consolidated Ind AS Financial Statements, in so far as it relates to the three jointly controlled entities, namely Talcher Fertilizers Limited, Urvarak Videsh Limited and FACT RCF Building Products Limited, which are companies incorporated in India, is based solely on the report of the other auditor. Our opinion is not modified in respect of this matter.

#### For M M Nissim & Co LLP

Chartered Accountants  
Firm Regn. No.107122W/W100672

#### N. Kashinath

Partner  
Membership No. 036490  
UDIN: 23036490BGXSAB2965

Place: Mumbai

Dated: 22<sup>nd</sup> June, 2023

#### For Gokhale & Sathe

Chartered Accountants  
Firm Regn. No. 103264W

#### Atul Kale

Partner  
Membership No. 109947  
UDIN: 23109947BGVVRD5823



## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF RASHTRIYA CHEMICALS & FERTILIZERS LIMITED FOR THE YEAR ENDED 31 MARCH 2023

The preparation of financial statements of Rashtriya Chemicals & Fertilizers Limited for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act is/are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 22 June 2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of Rashtriya Chemicals & Fertilizers Limited for the year ended 31 March, 2023 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the Standalone financial statement of Rashtriya Chemicals & Fertilizers Limited and of the financial statements of Associate companies-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.

Based on my supplementary audit, 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 financial statements and the related audit report:

### A. Comments on Consolidated Profitability

#### Statement of Profit and Loss

##### Profit for the year ₹967.15 crore

**A.1** In accordance with the decision of Committee of Secretaries under Administrative Mechanism for Resolution of Disputes dated 17 June 2021 and MoP&NG guidelines (December 2015). GAIL raised a demand

- (a) Fertiliser Market Bulletin, UK (FMB)
  - (b) Fertiliser Week by British Sulphur, UK (CRU) and
  - (c) Fertecon Weekly Nitrogen Fax, UK (FERTECON)
2. {35% of (Average rate of three magazines (899.90 USD) - Rate of CRU Magazine (867.26 USD))\* 80.39 INR}\* 129222.64 Ammonia Quantity}

(24 February 2023) of ₹ 15.17 crore for differential price of domestic gas used for non-urea products. But instead of creating a provision for this liability, the Company disclosed the same as contingent liability stating that they had requested GAIL to re-calculate claims on an annual basis rather than on monthly basis. GAIL has not accepted the contention of the Company, therefore a provision should have been made in the accounts.

The non-provision has resulted in overstatement of profit for the year by ₹ 15.17 crore with consequent understatement of liabilities by same amount.

**A.2** Para 2.4 of the policy relating to surplus ammonia from urea units approved (August 2008) by the Ministry of Chemicals and Fertilizers, the Import Parity Price (IPP) for a particular year will be the lower of – (i) the actual weighted average CIF price of Ammonia in India during the period of 12 months starting from the last month of the preceding year and including the first 11 months of the current year and (ii) the average (IPP) (CIF) reported in three fertilizer magazines<sup>1</sup> for the similar period. The exchange rate will be considered for the similar period as in case of average Reported price of ammonia for arriving at the price of INR.

The Company has not followed the above principle and instead considered the rates of 12 months of current year from one magazine (Fertilizer Week by British Sulphur, UK) and taken it as 867 USD. Whereas considering the rate of three magazines as prescribed by the above policy, it worked out to 899.90 USD. As 35 per cent of the gain is required to be shared with the Government, revenue of the Company is overstated with consequent understatement of liability (payable to Government) both by ₹ 11.87 crore<sup>2</sup>.

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

Place: New Delhi  
Date:27.09.2023

(S. Ahlladini Panda)  
Principal Director of Audit  
(Agriculture, Food & Water Resources)

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

Sr. No.	Comments issued by CAG	Management Reply
A.1	<p>In accordance with the decision of Committee of Secretaries under Administrative Mechanism for Resolution of Disputes dated 17 June 2021 and MoP&amp;NG guidelines (December 2015). GAIL raised a demand (24 February 2023) of ₹ 15.17 crore for differential price of domestic gas used for non-urea products. But instead of creating a provision for this liability. The Company disclosed the same as contingent liability stating that they had requested GAIL to re-calculate claims on an annual basis rather than on a monthly basis. GAIL has not accepted the contention of the Company, therefore, a provision should have been made in the accounts.</p> <p>The non-provision has resulted in overstatement of profit for the year by ₹ 15.17 crore with consequent understatement of liabilities by same amount.</p>	<p>The matter relating to usage of Domestic gas in non-urea products was settled under Administrative Mechanism for Resolution of Disputes (AMRD) with GAIL (I) Ltd. was settled for the period upto 15<sup>th</sup> May 2016.</p> <p>The gas allocation and consumption in Urea/ non-urea products is in accordance with MoP&amp;NG guidelines dated 16<sup>th</sup> December 2015 which is also reviewed by FICC subsequent to which Urea concession prices have been notified. Thus in line with AMRD directives, such information as to allocation of gas has been submitted to GAIL.</p> <p>However, GAIL(I) Ltd. has raised a claim of ₹ 15.17 crore being the market price differential towards usage of Domestic gas supplied by them in non-urea products relating to the month of January 2019 and June 2019.</p> <p>The Urea concession prices and final pooled price of gas have been settled based on annual calculations considering full use of APM/Domestic gas for Urea operations only by FICC and thus there is no consumption of such gas in non-urea products. Company has taken up the matter with GAIL (I) Ltd. to withdraw their claim as the same is not tenable.</p> <p>As the Company has complied with MoP&amp;NG guidelines (December 2015), it does not expect any liability towards the same warranting recognition of provision.</p> <p>However, being disputed matter, the same has been reported under contingent liabilities.</p> <p>Thus there is neither an overstatement of profit nor an understatement of current liabilities, as observed by audit.</p>
A.2	<p>Para 2.4 of the policy relating to surplus ammonia from urea unit approved (August 2008) by the Ministry of Chemicals and fertilizers. The Import Parity Price (IPP) for a particular year will be the lower of – (i) the actual weighted average CIF price of Ammonia in India during the period of 12 months starting from the last month of the preceding year and including the first 11 months of the current year and (ii) the average IPP (CIF) reported in three fertilizer magazines for the similar period. The exchange rate will be considered for the similar period as in case of average reported price of ammonia for arriving at the price of INR.</p> <p>The Company has not followed the above principle and instead considered the rates of 12 months of current year from one magazine (fertilizer week by British sulphur. UK) and taken it as 867 USD. Whereas considering the rate of three magazines as prescribed by the above policy, it worked out to 899.90 USD. As 35 percent of the gain is required to be shared with the government. Revenue of the company is overstated with consequent understatement of liability (payable to government) both by ₹ 11.87 crore.</p>	<p>As per Company's accounting policy 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 (FICC).</p> <p>As per Surplus Ammonia Policy, Company is required to share the gain on surplus ammonia with Government of India which is based on the Import Parity Price (IPP) of Ammonia. Since there was generation of surplus ammonia and based on the prevalent IPP of Ammonia, Company is expected to be subjected to gain sharing as applicable and a provision towards the same has been reckoned. However, the same was based on indicative rates from a single magazine as against average of the rates published in the 3 specified magazines which has resulted in overstatement of revenue of ₹ 11.87 crore as observed by audit.</p> <p>A provision has been recognized in accordance with applicable accounting standards and accounting policies which allows the Company to apply best estimates and further the same has been done on a consistent basis.</p>



Sr. No.	Comments issued by CAG	Management Reply
		<p>Further as per Company's stated accounting policy "Uncertainty about assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods and any revision to the accounting estimates are recognized prospectively when revised, in current and future periods".</p> <p>As per Surplus Ammonia Policy the Import Parity Price (IPP) for a particular year will be the lower of – (i) the actual weighted average CIF price of Ammonia in India during the period of 12 months starting from the last month of the preceding year and including the first 11 months of the current year and (ii) the average IPP (CIF) reported in three fertilizer magazines for the similar period. This final rate would be arrived at by FICC for effecting such recovery in future, when it notifies the final concession price of urea for FY 2022-23.</p> <p>Thus the observation of audit relates to only change in estimates and thus is not an overstatement of revenue.</p> <p>As the accounting treatment is in line with extant accounting standards and accounting policies and further the amount as observed by audit is also not material to its financial statements there is no overstatement of revenue as observed by audit.</p>

Sd/-  
**(Nazhat J. Shaikh)**  
Director (Finance)  
(DIN : 07348075)

Place: Mumbai  
Dated : November 10, 2023

Sd/-  
**(S. C. Mudgerikar)**  
Chairman & Managing Director  
(DIN: 03498837)



## Consolidated Balance Sheet as at 31<sup>st</sup> March 2023

₹ Crore

Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
<b>ASSETS</b>			
<b>1. NON CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	1	2522.18	2115.22
(b) Capital Work in Progress	1.4	211.48	512.93
(c) Right of Use Assets	2	15.02	11.69
(d) Investment Property	3	4.99	5.18
(e) Intangible Assets	4	0.43	1.60
(f) Financial Assets			
(i) Investments	5	994.19	926.52
(ii) Trade Receivables	6	-	-
(iii) Loans	7	5.10	10.22
(iv) Others	8	-	-
(g) Other Non-Current Assets	9	304.62	187.56
		<b>4058.01</b>	<b>3770.92</b>
<b>2. CURRENT ASSETS</b>			
(a) Inventories	10	2585.41	2327.61
(b) Financial Assets			
(i) Investments	11	-	8.04
(ii) Trade Receivables	12	2608.82	3026.73
(iii) Cash and Cash Equivalents	13	11.30	1099.73
(iv) Bank Balances other than (iii) above	14	53.23	64.53
(v) Loans	15	5.13	5.18
(vi) Others	16	147.18	69.14
(c) Other Current Assets	17	235.54	158.94
		<b>5646.61</b>	<b>6759.90</b>
<b>TOTAL ASSETS</b>		<b>9704.62</b>	<b>10530.82</b>
<b>EQUITY AND LIABILITIES</b>			
<b>A. EQUITY</b>			
(a) Equity Share Capital	18	551.69	551.69
(b) Other Equity	19	4038.43	3330.18
		<b>4590.12</b>	<b>3881.87</b>
<b>B. LIABILITIES</b>			
<b>1. NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	20	1034.98	1120.41
(ii) Lease Liabilities	21	9.25	7.53
(iii) Other Financial Liabilities	22	33.98	29.98
(b) Provisions	23	191.08	193.95
(c) Deferred Tax Liabilities(Net)	24	236.90	214.07
(d) Other Non-Current Liabilities	25	27.78	30.93
		<b>1533.97</b>	<b>1596.87</b>



₹ Crore

Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
<b>2. CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	26	827.67	1847.81
(ii) Lease Liabilities	27	4.71	2.77
(iii) Trade Payables	28	-	-
(A) Total Outstanding Dues of Micro Enterprises and Small Enterprises.		57.13	36.55
(B) Total Outstanding Dues of Creditors Other than Micro Enterprises and Small Enterprises.		1954.16	2306.54
(iv) Other Financial Liabilities	29	446.05	518.56
(b) Other Current Liabilities	25	119.09	178.32
(c) Provisions	30	171.72	123.14
(d) Current Tax Liabilities (Net)	31	-	38.39
		<b>3580.53</b>	<b>5052.08</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9704.62</b>	<b>10530.82</b>
Statement of Significant Accounting Policies	A		
Notes forming part of Financial Statements	1 - 68		

For and on behalf of the Board of Directors  
**RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED**

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

**(Nazhat Shaikh)**  
Director (Finance)  
DIN : 07348075

**(J. B. Sharma )**  
Company Secretary  
Membership No: FCS5030  
Dated : 22<sup>nd</sup> June, 2023.  
Place: Lucknow

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 : 22<sup>nd</sup> June, 2023.  
Place: Mumbai

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

**(Atul Kale)**  
Partner  
Membership No: 109947

## Consolidated Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2023

₹ Crore

PARTICULARS	Note No.	Year Ended 31.03.2023	Year Ended 31.03.2022
I Revenue from Operations	32	21451.54	12812.17
II Other Income	33	143.30	136.45
<b>III Total Income(I+II)</b>		<b>21594.84</b>	<b>12948.62</b>
<b>IV Expenses:</b>			
Cost of Materials Consumed	34	8839.60	5469.83
Purchases of Stock in Trade	35	3047.43	1742.21
Changes in Inventories of Finished Goods and Stock in Trade	36	252.96	(859.69)
Employee Benefits Expense	37	692.37	653.78
Finance Costs	38	223.86	125.89
Depreciation and Amortization Expense / Impairment	39	212.12	183.55
Other Expenses	40	7145.99	4816.77
<b>Total Expenses</b>		<b>20414.33</b>	<b>12132.34</b>
<b>V Profit Before Exceptional Items (III-IV)</b>		<b>1180.51</b>	<b>816.28</b>
<b>VI Share of Profit / (Loss) of Associates / JV's</b>		<b>(0.84)</b>	<b>(1.97)</b>
<b>VII Profit Before Exceptional Items (V-VI)</b>		<b>1179.67</b>	<b>814.31</b>
VIII Exceptional Items	41	(93.47)	(127.63)
<b>IX Profit before tax (VII-VIII)</b>		<b>1273.14</b>	<b>941.94</b>
<b>X Tax Expense</b>			
(1) Current Tax		327.33	267.11
(2) Deferred Tax		21.53	(8.63)
(3) Taxation Adjustment of Earlier Years Excess(-)/Short(+)		(42.03)	(18.93)
<b>XI Profit/ (loss) for the year (IX-X)</b>		<b>966.31</b>	<b>702.39</b>
<b>XII Other Comprehensive Income</b>	42		
(i) Items that will not be reclassified to profit or loss			
Remeasurements of Defined Benefit Plans		(39.32)	(12.28)
Fair Value Equity Instruments		5.19	13.41
(ii) Income tax relating to items that will not be reclassified to profit or loss			
Income Tax on Remeasurement of Defined Benefit Plans		3.56	3.09
Deferred Tax on Fair Value Equity Instruments		(1.30)	(3.37)
<b>Other Comprehensive Income for the Year (XII)</b>		<b>(31.87)</b>	<b>0.85</b>
<b>XIII Total Comprehensive Income for the Year (XI+XII)</b>		<b>934.44</b>	<b>703.24</b>
<b>XIV Earnings Per Equity Share</b>	57		
(i) Basic Earnings Per Share (₹)		17.52	12.73
(ii) Diluted Earnings Per Share (₹)		17.52	12.73
Statement of Significant Accounting Policies	A		
Notes forming part of Financial Statements	1-68		

For and on behalf of the Board of Directors  
**RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED**

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

**(Nazhat Shaikh)**  
 Director (Finance)  
 DIN : 07348075

**(J. B. Sharma )**  
 Company Secretary  
 Membership No: FCS5030  
 Dated : 22<sup>nd</sup> June, 2023.  
 Place: Lucknow

As per our report of even date attached

**For M M NISSIM & CO LLP**  
 Chartered Accountants  
 Firm Regn. No. 107122W / W100672

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

**(N. Kashinath)**  
 Partner  
 Membership No: 036490

Dated : 22<sup>nd</sup> June, 2023.  
 Place: Mumbai

**(Atul Kale)**  
 Partner  
 Membership No: 109947

**Consolidated Statement of Changes in Equity for the year ended 31<sup>st</sup> March 2023****A. EQUITY SHARE CAPITAL**

₹ Crore

Balance as at 01.04.2022	Changes in equity share capital during the year	Balance as at 31.03.2023	Balance as at 01.04.2021	Changes in equity share capital during the year	Balance as at 31.03.2022
551.69	-	551.69	551.69	-	551.69

**B. OTHER EQUITY****FOR THE YEAR ENDED 31ST MARCH 2023**

₹ Crore

	Reserves and Surplus		Items of Other	Total
	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	
Balance as at 01.04.2022	3261.30	-	68.88	3330.18
Profit for the year	-	966.31	-	966.31
Other Comprehensive Income (Net of Tax)	-	(35.76)	3.89	(31.87)
<b>Total Comprehensive Income for the year</b>	-	<b>930.55</b>	<b>3.89</b>	<b>934.44</b>
Dividend paid Refer note no. 19A"	-	(226.19)	-	(226.19)
Transfer to General Reserve	704.36	(704.36)	-	-
<b>Balance as at 31.03.2023*</b>	<b>3965.66</b>	<b>-</b>	<b>72.77</b>	<b>4038.43</b>

**FOR THE YEAR ENDED 31ST MARCH 2022**

₹ Crore

	Reserves and Surplus		Items of Other	Total
	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	
Balance as at 01.04.2021	2740.78	-	58.84	2799.62
Profit for the year	-	702.39	-	702.39
Other Comprehensive Income (Net of Tax)	-	(9.19)	10.04	0.85
<b>Total Comprehensive Income for the year</b>	-	<b>693.20</b>	<b>10.04</b>	<b>703.24</b>
Dividend paid Refer note no. 19A"	-	(172.68)	-	(172.68)
Transfer from General Reserve	520.52	(520.52)	-	-
<b>Balance as at 31.03.2022*</b>	<b>3261.30</b>	<b>-</b>	<b>68.88</b>	<b>3330.18</b>

\* The closing balance in General Reserve is arrived after adjustment of Remeasurement of Defined Benefit Plans amounting to ₹ 35.76 crore (P.Y. ₹9.19crore) during the year net of current tax amounting to ₹ 3.56 crore (P.Y. ₹ 3.09 crore)

**Nature and purpose of reserves**

- General Reserve:** General reserve represents appropriation of profits. This represents a free reserve and is available for dividend distributions. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to the statement of profit and loss.
- Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- Equity Instruments through Other Comprehensive Income Reserve:** This reserve represents the cumulative gains and losses arising on the revaluation of equity and debt instruments on the balance sheet date measured at fair value through other comprehensive income. The reserves accumulated will be reclassified to retained earnings and profit and loss respectively, when such instruments are disposed.

For and on behalf of the Board of Directors

As per our report of even date attached

**RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED**

**For M M NISSIM & CO LLP**  
Chartered Accountants  
Firm Regn. No. 107122W / W100672

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

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

**(N. Kashinath)**  
Partner  
Membership No: 036490

**(Atul Kale)**  
Partner  
Membership No: 109947

**(Nazhat Shaikh)**  
Director (Finance)  
DIN : 07348075

Dated : 22<sup>nd</sup> June, 2023.  
Place: Mumbai

**(J. B. Sharma )**  
Company Secretary  
Membership No: FCS5030  
Dated : 22<sup>nd</sup> June, 2023.  
Place: Lucknow

## Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March 2023

₹ Crore

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
<b>A Cash Flow From Operating Activities</b>		
Net Profit Before Tax	1273.14	941.94
Adjustments for :		
Share of (Profit) / Loss from Joint Ventures	0.84	1.97
Exceptional Items - (Income)/ Expenses	(93.47)	(127.63)
Depreciation/Amortisation/Loss on Impairment of Assets	212.44	183.84
Provision / (Reversal) of Obsolescence on Raw Materials	-	(1.11)
(Profit) / Loss on Sale of Property, Plant and Equipment / Intangible Assets	0.50	(7.76)
Interest Income	(10.28)	(27.72)
Dividend Income	(0.40)	(0.27)
Rental Income Derived from Investment Properties	(32.21)	(36.39)
Gain / (Loss) on Sale of Current Investments	(1.63)	(4.58)
Interest and Finance Charges	223.86	125.89
Provision for Bad/Doubtful Debts	1.49	0.64
Provision for Obsolescence Stores	1.97	2.88
Provision Written Back	(0.56)	(4.06)
Unrealised Foreign Exchange (Gain) /Loss	13.91	1.11
	<b>316.46</b>	<b>106.81</b>
<b>Operating Profit Before Working Capital Changes</b>	<b>1589.60</b>	<b>1048.75</b>
Adjustments for :		
Trade Receivables and Other Assets	181.67	(1355.54)
Inventories	(259.55)	(1540.00)
Trade Payables and Other Liabilities	(346.97)	1472.70
	(424.85)	(1422.84)
<b>Cash Generated / (Used) from Operations</b>	<b>1164.75</b>	<b>(374.09)</b>
Direct Taxes Paid (Net of Refunds)	(377.74)	(218.00)
<b>Net Cash Generated / (Used) from Operating Activities A</b>	<b>787.01</b>	<b>(592.09)</b>
<b>B Cash Flow from Investing Activities</b>		
Additions to Property, Plant and Equipment / Intangible Assets (Net of Trade Credit)	(384.64)	(169.95)
Sale of Property, Plant and Equipment / Intangible Assets	0.11	9.94
Purchase of Current Investments	(4444.73)	(8588.62)
Investments in Joint Ventures	-	(270.00)
Sale of Current Investments	4454.40	8585.16
Inter Corporate Advances / Repayments	5.10	6.00
Interest Received	10.44	28.11
Dividend Received	0.40	0.27
Rental Income Derived from Investment Properties	32.21	36.39
Margin Money Deposits Matured / (Placed) with Banks	11.18	(15.97)
Government Grants Received	-	(378.67)
	(315.53)	-
<b>Net Cash Generated / (Used) from Investing Activities B</b>	<b>(315.53)</b>	<b>(378.67)</b>

**Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March 2023**

₹ Crore

Particulars	Year Ended 31.03.2023		Year Ended 31.03.2022	
<b>C Cash Flow from Financing Activities</b>				
Net Proceeds /Repayment of Working Capital Facilities and Short Term Loans	(876.91)		783.10	
Proceeds from Term loans	-		640.68	
Repayments of Term loans	(228.66)		(526.72)	
Interest Paid	(222.81)		(121.40)	
Dividend Paid	(226.31)		(172.24)	
Repayment of Lease liabilities	(5.22)	(1559.91)	(4.16)	599.26
<b>Net Cash Generated / (Used) from Financing Activities C</b>		(1559.91)		599.26
<b>Net Increase/Decrease(-) in Cash and Cash Equivalent (A+B+C)</b>				
		(1088.43)		(371.50)
Cash and Cash Equivalents as at 1st April (Opening Balance)		1099.73		1471.23
Cash and Cash Equivalents as at 31st March (Closing Balance)		11.30		1099.73
<b>Components of Cash and Cash Equivalents</b>				
Cash on Hand		-		0.01
Balance With Scheduled Banks				
in Current Accounts		11.30		114.72
in Term Deposits with Less Than 3 Months Maturity		-		985.00
		11.30		1099.73

**Note:**

- The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows and presents cash flows by operating, investing and financing activities.
- Figures of the previous year have been regrouped / rearranged wherever necessary to make it comparable to the current year presentation
- The cash credit facilities availed from bank are part of financing activity which do not form part of cash and cash equivalents for Cash Flow Statement purpose.

For and on behalf of the Board of Directors  
**RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED**

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

**(Nazhat Shaikh)**  
Director (Finance)  
DIN : 07348075

**(J. B. Sharma )**  
Company Secretary  
Membership No: FCS5030  
Dated : 22<sup>nd</sup> June, 2023.  
Place: Lucknow

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 : 22<sup>nd</sup> June, 2023.  
Place: Mumbai

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

**(Atul Kale)**  
Partner  
Membership No: 109947



## Statement of significant Accounting Policies forming part of Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

### I) Corporate information

The Company is a public company domiciled in India and is incorporated under provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The registered office of the Company is located at Priyadarshini, Eastern Express Highway, Sion Mumbai 400022.

The Company is engaged in the manufacturing and marketing of fertilizers and industrial chemicals.

The consolidated financial statements are approved for issue by the Company's Board of Directors on June 22<sup>nd</sup>, 2023.

### II) Basis of preparation and consolidation

- a. The consolidated financial statements of the Company and its joint controlled entities have been prepared in accordance with accounting standards prescribed under Section 133 of the Companies Act 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act. The Company has consistently applied accounting policies to all periods.
- b. The consolidated financial statements have been prepared under the historical cost and on accrual basis, except for the following:-
  - Certain financial assets and liabilities (including Derivative financial instruments) measured at fair value. (Refer to policy at item no "O")
  - Certain provisions recognized using actuarial valuation techniques. (Refer to policy at item no "S")
  - Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. (Refer to policy at item no "Q")
  - Transferable Development Rights (TDRs) received upon surrender of rights on open land which are measured at fair value. (Refer to policy at item no "O")
- c. The consolidated financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest crores (₹ 00,00,000), except when otherwise indicated.
- d. The Company changes the presentation or classification of items in its Financial Statements upon being material and further reclassifies comparative amounts, unless impracticable. No such material reclassification has been made during the year.
- e. The consolidated financial statements relate to the Company [Rashtriya Chemicals & Fertilizers Ltd.] and Jointly Controlled Entities, viz. [FACT-RCF Building Products Ltd. (FRBL), Urvarak Videsh Ltd. (UVL) and Talcher Fertilizers Limited.(TFL)].

#### Accounting Convention:

The accounting policies have been consistently applied by the Company and its Jointly Controlled Entities and are consistent with those used to prepare the opening balance sheet as at the transition date.

The financial statements of the Jointly Controlled Entities used in the consolidation are drawn up to the same reporting date as of the Company i.e. for the year ended 31st March 2023

#### 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



## Statement of significant Accounting Policies forming part of Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

separate Financial Statements. Differences in accounting policies followed by joint venture entity consolidated have been reviewed and no adjustments have been made, since the impact of these differences is not material.

The following Jointly Controlled Entities are considered in the consolidated financial statements:

Name of the Company	Country of Incorporation	Proportion of Ownership Interest as on 31.03.2023	Date of the entity becoming Joint Venture
FACT –RCF Building Products Ltd.	India	50.00%	02-May-2008
Urvarak Videsh Limited	India	33.33%	18-July-2008
Talcher Fertilizers Limited	India	33.33%	13-Nov-2015

### f. Significant Accounting Judgements, Estimates and Assumptions

- 1.1 The preparation of the Company's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, 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

The Company's tax jurisdiction is in India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

#### 1.2.3 Defined Benefit Plans

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

## Statement of significant Accounting Policies forming part of Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

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 –Leases for ascertainment of the same.

### 1.2.10 Interest Income from Department of Fertilizer towards import of Urea

Interest income includes interest as estimated by the Company towards delayed settlement of dues by Government of India, as per terms of MoU entered for carrying out import of Urea on behalf of Government of India.



## Statement of significant Accounting Policies forming part of Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

### 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 is 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.

## Statement of significant Accounting Policies forming part of Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

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.



## Statement of significant Accounting Policies forming part of Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold, and services rendered is net of variable consideration on account of various discounts offered by the Company as part of the contract, goods and service tax and amounts collected on behalf of third parties. 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 applicable Concession rates as notified by the Government of India under Nutrient Based Subsidy Scheme from time to time and settled during the year.

Subsidy on imported Urea is recognized based on lump sum compensation, and other charges receivable from the Government of India, as per terms of agreement.

Uniform freight subsidy on Urea, P&K fertilizers and Imported Urea has been accounted in accordance with the parameters and notified rates.

Subsidy on City Compost is recognized based on rates, as notified by the Government of India.

Subsidy income is recorded based on the quantity sold.i.e. when control of goods has been transferred to the buyer during the financial year.

Other Operating revenue/other income are recognized on accrual basis.

### Interest Income

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability.

For interest due from customers, vendor's etc. interest income is recognized when no significant uncertainty as to its realization exists and is accounted on time proportion basis at contracted rates.

### Dividends

Dividend income is recognized when the Company's right to receive the payment is established.

### Commission Income

For certain arrangements, Company acts as an agent. The role of the Company either as an agent or a principal is determined based on evaluation of its role as a primary obligor, has the pricing latitude in the said arrangements, its exposure to inventory risks and credit risks, on case to case basis. Commission income is recognized as per the terms of agreement when such amounts become entitled.

### Others

Insurance and other miscellaneous claims are recognized on receipt/acceptance of claim.

Income from sale of Certified Emissions Reductions (CER's)/Voluntary Emissions Reductions (VER's)/ Renewable Energy Certificates (REC's) is recognized on delivery and confirmation of the same by the concerned authorities.



## Statement of significant Accounting Policies forming part of Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

### 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.

## Statement of significant Accounting Policies forming part of Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

### 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 up to the date of commissioning of the assets.

In accordance with Ind AS 16- Property, Plant and Equipment commissioning expenses directly attributable to project is recognized under Capital Work in Progress (CWIP).

Subsequent to initial recognition, property, plant and equipment other than freehold land are measured at cost less accumulated depreciation and any accumulated impairment losses. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Spares costing (Unit value of ₹10 lacs and above), and other components which are required to be replaced at intervals, meeting the recognition criteria have been classified as Plant and equipment and are depreciated separately based on their specific useful lives.

When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Catalysts which are used in commissioning of new projects/plants are capitalized and are amortized based on the estimated useful life of 1 to 9 years, as technically assessed. Subsequent issues of catalysts, if any, are treated as inventory.

Projects under which assets are not ready for their intended use are shown as Capital work in progress.

Freehold / Leasehold improvements are considered as property plant and equipment.

### Depreciation

Depreciation is calculated on a Straight-line basis over the estimated useful lives of each item of property, plant and equipment as estimated by the management and charged to Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013.

Depreciation on additions/deletions to Gross Block is calculated on pro-rata basis from the date of such additions and upto the date of such deletions.

Depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual value. A maximum residual value of 5% is considered for all assets, except for certain assets/asset classes wherein it is considered to be nil.

## Statement of significant Accounting Policies forming part of Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

The estimate of useful life of the assets has been assessed based on technical evaluation which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc.

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

The estimated useful life of items of property, plant and equipment is mentioned below:

S.no.	Assets	Useful Lives (In Years)
1.	Plant and Equipments	1 to 25
2.	Office Equipments	1 to 10
3.	Furniture and Fixtures	1 to 10
4.	Electrical Equipments	1 to 25
5.	Factory Building and Other Buildings	1 to 60
6.	Vehicles	8
7.	Information Technology Equipments	3 to 6
8.	Other Miscellaneous Equipments	1 to 25

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

After recognition of impairment loss, the revised carrying amount less residual value of the impaired asset would be depreciated on systematic basis over the remaining useful life of the asset. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

Depreciation on each item of an asset costing less than ₹ 5,000 are depreciated at 100% in the year of capitalization.

The residual values and useful life 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.



## Statement of significant Accounting Policies forming part of Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

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.

The 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.

## Statement of significant Accounting Policies forming part of Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

### 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 up to the date when such assets are ready for their intended use or sale, as part of the cost of the asset.

All other borrowing costs are expensed in the period in which they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

General Borrowings cost incurred in connection with qualifying assets are capitalized by applying the Capitalization rate on the quantum of such borrowings utilized for such assets.

### K) Leases

The Company evaluates each contract or arrangement at inception, whether it qualifies as lease as defined under Ind AS116 - Leases. i.e., if the contract conveys the right to control the use of asset for a period of time in exchange for consideration.

#### The Company as a Lessee

The Company assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves–

- (a) the use of an identified asset,
- (b) the right to obtain substantially all the economic benefits from use of the identified asset, and
- (c) the right to direct the use of the identified asset.

The Company at the inception of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets.

#### Right of use assets

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

The Right to use assets are also subject to impairment as described in the policies with respect to the impairment of non-financial assets.

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in the statement of Profit and loss.



## Statement of significant Accounting Policies forming part of Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

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, traded goods 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.



## Statement of significant Accounting Policies forming part of Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

Cost of Manufactured Goods comprises of direct cost, variable production overheads and fixed production overheads on absorption costing method. Catalysts issued are charged off over their estimated useful lives as technically assessed ranging from 1 to 9 years. Variable production overheads are allocated based on actual production. Variable overheads related to movement of finished products are allocated based on actual dispatches. Fixed overheads are allocated based on higher of the actual production level or normal production level on a consistent basis. Average handling and transportation costs incurred to bring the material in its present location and condition is included in valuing stocks in field warehouses and in transit.

### Cost of Traded Fertilizers

It comprises of Cost of Purchases as defined under para (L)(d) plus bagging, handling and transportation costs incurred to bring the material in its present location and condition.

### Net Realizable Value

Price of urea is administered by the Government of India by which selling price is fixed for the buyer. The net realizable value for manufactured urea is taken at the applicable price concession (selling price net of dealers' margin plus the applicable subsidy from Government of India) net of variable selling and distribution cost. Net realizable value of off-spec urea is taken at 40% of MRP excluding subsidy.

The net realizable value of phosphatic and potassic fertilizers is taken at the applicable selling prices expected to be realized, net of dealers' margin and variable selling and distribution costs, plus the concession as fixed/to be fixed by Government. Net realizable value of off-spec phosphatic and potassic fertilizers is taken at selling price net of dealers' margin and estimated cost of re-processing including transportation cost to factory. The net realizable value of off-spec traded phosphatic and potassic out fertilizers is at 30% of MRP excluding subsidy.

Average freight incurred on despatches from silo/factory/ port to godown and other products handling costs is reduced for arriving at the net realizable value in respect of stocks of fertilizers in silo/factory/port.

The net realizable value of non-fertilizer products is taken at lowest selling prices net of variable selling and distribution costs , expected to be realized in future.

## M) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When a provision is expected to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

## N) Contingencies

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises where a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognized but are disclosed where an inflow of economic benefits is probable. The estimation of financial effect in respect of contingent liabilities and contingent assets wherever not practicable, is not disclosed and such fact is accordingly stated.



## Statement of significant Accounting Policies forming part of Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

### 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, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial assets. However, trade receivables that do not contain a significant financing component are measured at transaction price.

##### Subsequent Measurement

Financial assets presently held by the Company are classified as under:-

- Debt instruments at amortized cost
- Debt instruments, TDRs and derivatives at Fair Value Through Profit or Loss (FVTPL)
- Equity instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI)

#### i. Debt Instruments at Amortized Cost

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

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the statement of profit or loss. This category generally applies to trade and other receivables.

#### ii. Debt Instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit or loss.

#### iii. Equity Investments

All equity investments in scope of Ind AS 109 – Financial Instruments are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may decide to classify the same as at FVTOCI. The Company makes such election on an instrument-by-instrument basis upon on initial recognition and same is irrevocable.

Upon classification of equity instruments as at FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investments. The Company may transfer the cumulative gain or loss within equity.

## Statement of significant Accounting Policies forming part of Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit or loss.

Investments in Joint ventures, subsidiaries and associates are recognized at cost.

#### iv. Derivative Financial Instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest and foreign exchange rate risks, like foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognized at fair value on the date the derivative contracts are entered into and are subsequently re-measured to their fair value (Mark to Market) at the end of each reporting period. The resulting gain or loss is recognized in the Statement of profit and loss. Company does not designate any of its derivative instruments as hedge instruments. Derivatives are carried as financial assets when fair value is positive and as financial liabilities when the fair value is negative.

Transaction costs incurred for such derivative instruments are charged off to Statement of Profit and Loss on initial recognition.

#### Derecognition

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### Impairment of Financial Assets

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

- i. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- ii. Lease receivables
- iii. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 – Revenue From Contracts with Customers.
- iv. Financial guarantee contracts which are not measured as at FVTPL

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. All cash shortfalls) discounted at the original effective interest rate.



## Statement of significant Accounting Policies forming part of Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

While estimating cash flows, Company considers all contractual terms of financial instrument over the expected life of the financial instrument including cash flows from the sale of collateral held that are integral to contractual terms.

In case of Trade receivables the Company has used a practical expedient as permitted under Ind AS 109 – Financial Instruments. This expected credit loss allowance is computed based on a provision matrix which takes in account historical credit loss experience with adjustments for collaterals available and forward looking information, if required.

Expected Credit Loss (ECL) allowance is not recognized on Subsidy receivables since they are due from Government of India and also on other receivables which are largely due from Government agencies, as the Company does not perceive any risk of default which would be material.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of Profit and Loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, trade receivables and lease receivables.
- ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet.
- The allowance reduces the net carrying amount, until the asset meets write-off criteria.
- Trade receivables, other receivables, loans and advances are also fully provided for as doubtful upon review on case to case basis, to the extent of such loss considered as incurred.

### b. Financial Liabilities

#### Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition as loans and borrowings, payables, derivatives and financial liabilities at fair value through profit or loss. The Company's financial liability consists of trade and other payables, loans and borrowings, bank overdrafts, financial guarantee contracts and derivative financial instruments.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs, if any.

#### Subsequent Measurement

The subsequent measurement of financial liabilities of the Company depending on their classification is described below:-

#### i. Loans and Borrowings including Bank Overdrafts

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

## Statement of significant Accounting Policies forming part of Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

This category generally applies to interest-bearing loans and borrowings.

### ii. Financial Guarantee Contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder of the guarantee for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS109 – Financial Instruments and the amount recognized less cumulative amortization.

### Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

### P) Cash and cash equivalents

Cash and cash equivalents comprise of cash at banks and on hand and short-term deposits with a maturity of three months or less. For the purpose of the cash flow statement, cash and cash equivalents include cash on hand, in banks, demand deposits with banks and other short term highly liquid investments, net of outstanding overdrafts that are repayable on demand and are considered part of the Company's cash management system.

### Q) Non – current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

### R) Government Grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in statement of profit and loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate and are presented within Other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they become receivable.

Government grants relating to purchase of property, plant and equipment are included in Other non-current liabilities and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

In the event of such property, plant and equipment being disposed off before completion of its estimated useful life, the outstanding amount of such capital grant is fully credited to profit or loss in the year of its disposal.



## Statement of significant Accounting Policies forming part of Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

### 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



## Statement of significant Accounting Policies forming part of Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

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 expenses up to ₹ 1,00,000 is not considered in classifying prepaid expenses.

### V) Research and Developments Expenses

Revenue expenditure on Research activity is recognized separately and charged to Statement of Profit and Loss. Expenditure on development activities is capitalized when its future economic benefits can reasonably be regarded as assured.

### W) Earnings per Share (EPS)

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

Upon discontinuation of an operation the basic and diluted amount per share for the discontinued operation is separately reported, as applicable.

### X) Cash Dividend

The Company recognizes a liability to make cash distributions to shareholders when the distribution is authorized and the same is no longer at the discretion of the Company. A corresponding amount is recognized directly in equity.

## IV) Exemptions Applied

Ind AS101- First Time Adoption of Indian Accounting Standards allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions.

Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition measured as per Indian GAAP and use that as its deemed cost as at date of transition. The same is applicable even for Investment property, intangible assets and its investments in Joint venture, associates and subsidiaries.



## Statement of significant Accounting Policies forming part of Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

Company has also reviewed the necessary adjustments required to be done in accordance with paragraph D21 this standard (i.e. adjustments arising on account of decommissioning or restoration liabilities) and has accordingly considered the impact of the same wherever applicable.

The Company has designated unquoted equity instruments held at 1 April 2015 as fair value through OCI.

### V) Recent Pronouncements:

The Ministry of Corporate Affairs (MCA) on 31st March 2023 through Companies (Indian Accounting Standards) Amendment Rules, 2023 has notified the following amendments to IND AS which are applicable for the annual periods beginning on or after 1st April, 2023.

- a) **IND AS 1 – Presentation of Financial Statements** – This amendment requires the Company to disclose its material accounting policies rather than their significant accounting policies.

The Company will carry out a detailed review of accounting policies to determine material accounting policy information to be disclosed going forward.

The Company does not expect this amendment to have any material impact in its financial statements.

- b) **IND AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors** - This amendment has changed the definition of a “change in accounting estimates” to a definition of “accounting estimates”. The amendment clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates.

The Company does not expect this amendment to have any material impact in its financial statements.

- c) **IND AS 12 – Income Taxes** - This amendment has done away with the recognition exemption on initial recognition of assets and liabilities that give rise to equal and offsetting temporary differences.

The Company does not expect this amendment to have any material impact in its financial statements.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

### NOTE NO. 1 PROPERTY, PLANT & EQUIPMENT

AS AT 31.03.2023

Sr. No.	Description	DEEMED COST / COST		DEPRECIATION		IMPAIRMENT LOSS		NET BOOK VALUE			
		AS.AT 01.04.2022	Of Additions/ Adjustments *	Of Deductions/ Adjustments	AS.AT 31.03.2023	Provided during the year	UPTO 01.04.2022	Provided during the year	UPTO 01.04.2022	AS.AT 31.03.2023	AS.AT 31.03.2022
a.	Land (Freehold)	10.74	-	-	10.74	-	-	-	-	10.74	10.74
b.	Buildings	274.38	14.76	0.02	289.12	55.63	11.37	0.70	67.00	221.42	218.05
c.	Plant & Machinery	2689.27	579.41	0.95	3267.73	892.92	171.22	10.47	1063.53	2187.87	1785.88
d.	Furniture & Fixtures	15.34	2.71	0.07	17.98	9.44	1.41	-	10.84	7.14	5.90
e.	Vehicles	4.29	0.13	-	4.42	2.92	0.25	-	3.17	1.25	1.37
f.	Office Equipments	35.12	6.61	0.36	41.37	24.38	3.56	-	27.68	13.69	10.74
g.	Others										
j)	Roads & Culverts	21.38	2.60	-	23.98	11.47	2.38	-	13.85	10.13	9.91
ii)	Railway Sidings	20.31	2.61	-	22.92	8.22	1.12	-	9.34	13.58	12.09
iii)	Water System, Sewerage & Drainage	21.70	-	-	21.70	8.19	1.38	-	9.57	12.13	13.51
iv)	Miscellaneous Equipments	103.13	5.32	0.29	108.16	56.10	8.05	-	63.93	44.23	47.03
	<b>TOTAL</b>	<b>3195.66</b>	<b>614.15</b>	<b>1.69</b>	<b>3808.12</b>	<b>1069.27</b>	<b>200.74</b>	<b>11.17</b>	<b>1268.91</b>	<b>2522.18</b>	<b>2115.22</b>

AS AT 31.03.2022

Sr. No.	Description	DEEMED COST / COST		DEPRECIATION		IMPAIRMENT LOSS		NET BOOK VALUE			
		AS.AT 01.04.2021	Of Additions/ Adjustments *	Of Deductions/ Adjustments	AS.AT 31.03.2022	Provided during the year	UPTO 01.04.2021	Provided during the year	UPTO 01.04.2022	AS.AT 31.03.2022	AS.AT 31.03.2021
a.	Land (Freehold)	10.74	-	-	10.74	-	-	-	-	10.74	10.74
b.	Buildings	259.67	14.88	0.17	274.38	44.65	10.84	0.70	55.63	218.05	214.32
c.	Plant & Machinery	2587.17	105.02	2.92	2689.27	745.35	149.37	10.47	892.92	1785.88	1831.35
d.	Furniture & Fixtures	13.31	2.08	0.05	15.34	8.12	1.34	-	9.44	5.90	5.19
e.	Vehicles	4.14	0.15	-	4.29	2.65	0.27	-	2.92	1.37	1.49
f.	Office Equipments	33.65	1.61	0.14	35.12	21.06	3.44	-	24.38	10.74	12.59
g.	Others										
j)	Roads & Culverts	15.52	5.86	-	21.38	9.29	2.18	-	11.47	9.91	6.23
ii)	Railway Sidings	19.45	0.86	-	20.31	7.16	1.06	-	8.22	12.09	12.29
iii)	Water System, Sewerage & Drainage	20.98	0.72	-	21.70	6.85	1.34	-	8.19	13.51	14.13
iv)	Miscellaneous Equipments	98.62	4.87	0.36	103.13	47.67	8.71	-	56.10	47.03	50.95
	<b>TOTAL</b>	<b>3063.25</b>	<b>136.05</b>	<b>3.64</b>	<b>3195.66</b>	<b>892.80</b>	<b>178.55</b>	<b>11.17</b>	<b>1069.27</b>	<b>2115.22</b>	<b>2159.28</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

1.1 \* Additions/Adjustments in PPE include the following

Item of Asset	₹ Crore	
	AS AT 31.03.2023	AS AT 31.03.2022
Plant & Machinery / CWIP	-	-
Exchange Differences	-	-
Borrowing Costs	-	5.60
<b>TOTAL</b>	<b>-</b>	<b>5.60</b>

1.2 Land at Thal included in Gross Block (at cost) at ₹ 4.43 Crore (area measuring 50,52,476 Sq. Mtr.) is subject to final revision in price.

1.3 Assets offered as security for loans have been provided in Note No 20

1.4 Capital work in progress

	₹ Crore	
	AS AT 31.03.2023	AS AT 31.03.2022
Opening Balance	512.93	406.35
Additions	312.69	242.08
Capitalisations	614.14	135.50
<b>Closing Balance</b>	<b>211.48</b>	<b>512.93</b>

### NOTE No. 2 NON-CURRENT ASSETS - RIGHT OF USE ASSETS (ROU)

AS AT 31.03.2023

Description	DEEMED COST / COST		DEPRECIATION		IMPAIRMENT LOSS		NET BOOK VALUE		
	AS.AT 01.04.2022	Of Additions/ Deductions/ Adjustments *	Provided during the year	On items Sold/ Discarded/ Adjusted	UPTO 01.04.2022	Provided during the year	UPTO 01.04.2022	AS.AT 31.03.2022	AS.AT 31.03.2022
Land ( Leasehold ) ROU	10.39	-	0.80	(0.01)	2.40	-	-	7.18	7.99
Buildings ROU	3.11	0.65	0.88	0.44	1.44	-	-	1.44	1.67
Vehicles ROU	6.95	7.18	2.81	0.00	4.92	-	-	6.40	2.03
<b>TOTAL</b>	<b>20.45</b>	<b>7.83</b>	<b>4.49</b>	<b>0.43</b>	<b>8.76</b>	<b>4.49</b>	<b>12.82</b>	<b>15.02</b>	<b>11.69</b>

AS AT 31.03.2022

Description	DEEMED COST / COST		DEPRECIATION		IMPAIRMENT LOSS		NET BOOK VALUE		
	AS.AT 01.04.2021	Of Additions/ Deductions/ Adjustments *	Provided during the year	On items Sold/ Discarded/ Adjusted	UPTO 01.04.2021	Provided during the year	UPTO 01.04.2021	AS.AT 31.03.2021	AS.AT 31.03.2021
Land ( Leasehold ) ROU	10.39	-	0.80	-	1.60	-	-	7.99	8.79
Buildings ROU	2.71	0.88	0.84	0.48	1.08	-	-	1.67	1.63
Vehicles ROU	6.46	0.77	1.89	0.26	3.29	-	-	2.03	3.17
<b>TOTAL</b>	<b>19.56</b>	<b>1.65</b>	<b>3.53</b>	<b>0.74</b>	<b>5.97</b>	<b>3.53</b>	<b>8.76</b>	<b>11.69</b>	<b>13.59</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

### NOTE NO. 3 NON-CURRENT ASSETS - INVESTMENT PROPERTY

#### AS AT 31.03.2023

Description	DEEMED COST / COST		DEPRECIATION		IMPAIRMENT LOSS		NET BOOK VALUE		
	AS,AT 01.04.2022	Of Additions/ Deductions/ Adjustments *	AS,AT 31.03.2023	Provided during the year	On items Sold/ Discarded/ Adjusted	UPTO 01.04.2022	Provided during the year	AS,AT 31.03.2023	AS,AT 31.03.2022
Land (Freehold)	0.01	-	0.01	-	-	-	-	0.01	0.01
Buildings	6.34	-	6.32	0.17	-	1.34	-	4.98	5.17
<b>TOTAL</b>	<b>6.35</b>	<b>-</b>	<b>6.33</b>	<b>0.17</b>	<b>-</b>	<b>1.34</b>	<b>-</b>	<b>4.99</b>	<b>5.18</b>

#### AS AT 31.03.2022

Description	DEEMED COST / COST		DEPRECIATION		IMPAIRMENT LOSS		NET BOOK VALUE		
	AS,AT 01.04.2021	Of Additions/ Deductions/ Adjustments *	AS,AT 31.03.2022	Provided during the year	On items Sold/ Discarded/ Adjusted	UPTO 01.04.2021	Provided during the year	AS,AT 31.03.2022	AS,AT 31.03.2022
Land ( Freehold )	0.01	-	0.01	-	-	-	-	0.01	0.01
Buildings	7.04	0.05	6.34	0.19	0.16	1.17	-	5.17	5.90
<b>TOTAL</b>	<b>7.05</b>	<b>0.05</b>	<b>6.35</b>	<b>0.19</b>	<b>0.16</b>	<b>1.17</b>	<b>-</b>	<b>5.18</b>	<b>5.91</b>

3.1 The Company's investment properties consist of commercial / residential properties located at Mumbai, Alibaug and Lucknow. The management has determined that the investment properties consist of two classes of assets – land and building.

3.2 Information regarding income and expenditure of Investment Property

	AS AT 31.03.2023	AS AT 31.03.2022
Rental income derived from investment properties	32.21	36.39
Less: Direct operating expenses (including repairs and maintenance) generating rental income	2.99	2.87
Less: Direct operating expenses (including repairs and maintenance) that did not generate rental income	0.05	0.04
<b>Profit arising from investment properties before depreciation and indirect expenses</b>	<b>29.17</b>	<b>33.48</b>
Less: Depreciation	0.17	0.19
<b>Profit arising from investment properties before indirect expenses</b>	<b>29.00</b>	<b>33.29</b>

3.3 The Company undertakes expenditure towards Maintenance for upkeep of its properties which also covers the portion relating to Investment Property. The same being not material, no separate disclosure of contracts entered into for maintenance of investment property is given.

3.4 As at 31 March 2023, the fair values of the properties is ₹ 875.19 crore (₹ 893.88 crore as on 31.03.2022). These valuations are based on valuations performed by M/s M.A. Toke, an accredited independent valuer and has worked out the value of the property based on the information and a study of the micro market in discussions with industry experts, local brokers and regional developers.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

3.5 Fair value disclosures for investment properties is detailed below

Reconciliation of Fairvalue	₹ Crore	
	AS AT 31.03.2023	AS AT 31.03.2022
<b>LAND</b>		
Opening balance	267.53	251.33
Fair Value	269.64	267.53
Fair value difference	2.11	16.20
Purchases / Transfers	-	-
<b>Closing balance</b>	<b>269.64</b>	<b>267.53</b>
<b>BUILDING</b>		
Opening balance	626.35	677.13
Fair Value	641.19	716.84
Fair value difference	14.84	39.71
Purchases / Transfers	(35.64)	(90.49)
<b>Closing balance</b>	<b>605.55</b>	<b>626.35</b>
<b>TOTAL</b>		
Opening balance	893.88	928.46
Fair Value	910.83	984.37
Fair value difference	16.95	55.91
Purchases / Transfers	(35.64)	(90.49)
<b>Closing balance</b>	<b>875.19</b>	<b>893.88</b>

### NOTE No. 4 NON-CURRENT ASSETS - INTANGIBLE ASSETS

AS AT 31.03.2023

Description	DEEMED COST / COST		DEPRECIATION		IMPAIRMENT LOSS		NET BOOK VALUE		
	AS.AT 01.04.2022	Of Additions/ Deductions/ Adjustments *	AS.AT 31.03.2023	UPTO 01.04.2022	Provided during the year	UPTO 31.03.2023	UPTO 01.04.2022	Provided during the year	UPTO 31.03.2023
Computer Software	16.99	0.00	16.99	15.39	1.18	0.01	-	-	0.43
<b>TOTAL</b>	<b>16.99</b>	<b>0.00</b>	<b>16.99</b>	<b>15.39</b>	<b>1.18</b>	<b>0.01</b>	<b>-</b>	<b>-</b>	<b>0.43</b>

AS AT 31.03.2022

Description	DEEMED COST / COST		DEPRECIATION		IMPAIRMENT LOSS		NET BOOK VALUE		
	AS.AT 01.04.2021	Of Additions/ Deductions/ Adjustments *	AS.AT 31.03.2022	UPTO 01.04.2021	Provided during the year	UPTO 31.03.2022	UPTO 01.04.2021	Provided during the year	UPTO 31.03.2022
Computer Software	16.79	0.20	16.99	13.81	1.57	(0.01)	-	-	1.60
<b>TOTAL</b>	<b>16.79</b>	<b>0.20</b>	<b>16.99</b>	<b>13.81</b>	<b>1.57</b>	<b>(0.01)</b>	<b>-</b>	<b>-</b>	<b>1.60</b>



## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

### NOTE NO. 5 “NON-CURRENT ASSETS” “FINANCIAL ASSETS -INVESTMENTS”

₹ Crore

	AS AT 31.03.2023	AS AT 31.03.2022
<b>A Investments in Equity Instruments:</b>		
Unquoted (Fully paid up)		
<b>a Joint Ventures at Cost</b>		
FACT-RCF Building Products Ltd. (23,57,000 equity shares (P.Y.NIL) of ₹10 each)	2.36	-
Less:- Provision for Diminution in the value of investment	(2.36)	-
	-	-
<b>i Urvarak Videsh Ltd.</b> (1,80,002 equity shares(P.Y.1,80,002) of ₹10 each )	0.02	0.02
<b>ii Talcher Fertilizers Limited</b> (Formerly known as Rashtriya Coal Gas Fertilizers Limited) (80,54,80,826 equity shares (P.Y. 53,54,80,424 equity shares) of ₹10 each) (Under lock in period for 5 year from date of commercial operation)	797.26	798.10
	797.28	798.12
<b>b Investment Designated at Fair Value Through OCI</b>		
Indian Potash Limited* (6,73,200 equity shares (P.Y. 6,73,200 equity shares) of ₹10 each)	97.28	92.09
<b>B Other Investments (Unquoted) Designated at Fair Value Through P&amp;L</b>		
<b>Transferable Development Rights</b> (Refer Note No. 61)	99.63	36.31
<b>TOTAL</b>	<b>994.19</b>	<b>926.52</b>
*Reconciliation of fair value measurement of the investment in unquoted equity shares of Indian Potash Limited (IPL)		
	<b>31.03.2023</b>	<b>31.03.2022</b>
Opening Balance	92.09	78.68
Total Gains and Losses Recognised in OCI	5.19	13.41
Closing Balance	<b>97.28</b>	<b>92.09</b>
<b>Company has adopted the carrying amount as per IGAAP as its deemed cost of its investment in joint ventures.</b>		
The deemed cost of the investments has been arrived as under:		
<b>a. FACT-RCF Building Products Ltd.</b> ( 3,28,70,000 equity shares(P.Y.3,28,70,000) of ₹10 each)	32.87	32.87
Less:- Provision for Diminution in the value of investment	(32.87)	(32.87)
Carrying Value	-	-
<b>b. Urvarak Videsh Ltd.</b> (1,80,002 equity shares(P.Y.1,80,002) of ₹10 each )	0.18	0.18
Less:- Provision for Diminution in the value of investment		
Carrying Value	(0.18)	(0.18)
	-	-

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023****NOTE NO. 6 “NON-CURRENT ASSETS” “FINANCIAL ASSETS - TRADE RECEIVABLES”**

₹ Crore

	AS AT 31.03.2023	AS AT 31.03.2022
<b>Trade Receivables</b>		
Credit Impaired	1.95	1.98
Less: Provision for Doubtful Debts	(1.95)	(1.98)
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**NOTE NO. 7 “NON-CURRENT ASSETS” “FINANCIAL ASSETS - LOANS”**

₹ Crore

	AS AT 31.03.2023	AS AT 31.03.2022
i. Secured Considered Good : Loans- Employees	-	0.02
ii. Unsecured Considered Good : Loan- Other CPSE	5.10	10.20
iii. Significant Increase in Credit Risk	-	-
iv. Credit Impaired	-	-
<b>TOTAL</b>	<b>5.10</b>	<b>10.22</b>

**NOTE NO. 8 “NON-CURRENT ASSETS” “FINANCIAL ASSETS - OTHERS”**

₹ Crore

	AS AT 31.03.2023	AS AT 31.03.2022
<b>(i) Advances to Related Parties</b>		
Considered Doubtful (Refer Note No. 56.1)	36.50	36.50
Less: Provision	(36.50)	(36.50)
	-	-
<b>(ii) Advance Against Equity Pending Allotment (Refer Note No. 56.1)</b>		
Less: Provision Towards Diminution in Value	-	(2.36)
	-	-
<b>(iii) Others</b>		
Receivables Towards Rent / Services Provided		
Unsecured - Considered Doubtful	1.57	0.66
Less: Provision for Doubtful Receivables	(1.57)	(0.66)
	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

### NOTE NO. 9 “NON-CURRENT ASSETS” “OTHER NON-CURRENT ASSET”

	₹ Crore	
	AS AT 31.03.2023	AS AT 31.03.2022
<b>(i) Capital Advances</b>		
Unsecured -Considered Good	33.67	43.01
<b>(ii) Advances other than Capital Advances</b>		
<b>a. Loans (Material Given on Refundable Basis) to Related Parties</b>		
Considered Doubtful (Refer Note No. 56.1)	1.37	1.37
Less: Provision	(1.37)	(1.37)
	-	-
<b>b. Other Advances</b>		
Unsecured -Considered Good		
<b>i. VAT Receivable</b>		
Unsecured -Considered Good	22.11	22.11
<b>ii. Considered Doubtful</b>	2.93	2.93
Less: Provision for Doubtful Advances	(2.93)	(2.93)
	-	-
<b>iii. Advance Income Tax (Net of Provision)</b>	172.83	96.33
<b>iv Deposits with Customs, Port Trust etc.</b>		
Unsecured -Considered Good (Refer Note No. 44.1.2)	74.35	23.19
Unsecured -Considered Doubtful	2.06	2.06
Less: Provision	(2.06)	(2.06)
	74.35	23.19
<b>v. Prepaid expenses</b>	1.65	2.90
<b>Total Other Advances</b>	<b>270.94</b>	<b>144.53</b>
<b>(iii) Others</b>		
Employee Benefit Asset	0.01	0.02
<b>TOTAL</b>	<b>304.62</b>	<b>187.56</b>



## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

### NOTE NO. 10 "CURRENT ASSETS" "INVENTORIES"

	₹ Crore	
	AS AT 31.03.2023	AS AT 31.03.2022
<b>i. Raw Materials</b>	864.76	719.51
Raw Materials-in-Transit	265.60	-
Raw Materials (Sub Total)	1130.36	719.51
Less: Impaired Stock	(3.35)	(3.35)
Raw Materials (Total)	1127.01	716.16
<b>ii. Finished Goods</b>	269.74	89.58
Finished Goods-in-Transit	97.08	93.69
Finished Goods (Total)	366.82	183.27
<b>iii. Stock in Trade/Bought Out Products</b>	409.77	624.02
Stock in Trade/Bought Out Products-in-Transit	105.35	364.07
Stock in Trade/Bought Out Products (Total)	515.12	988.09
<b>iv. Intermediary Products</b>	74.07	37.43
<b>v. By Products</b>	2.77	2.90
<b>vi. Stores &amp; Spares, Packing Materials and Petroleum Products</b>	525.20	423.54
Less: Provision for Obsolescence etc./Loss under Investigation	(25.91)	(24.16)
	<b>499.29</b>	<b>399.38</b>
<b>vii. Certified Emission Reduction Credits (CER) / Renewable Energy Certificates (REC) / E-Certs</b>	0.33	0.38
(No. of CER Units C.Y. NIL , P.Y. 9,73,738)		
(No. of REC Units C.Y. 1622, P.Y. 4667)		
(No. of E-Cert Units C.Y. 13413, P.Y. 13509)		
<b>TOTAL</b>	<b>2585.41</b>	<b>2327.61</b>
Inventory Includes:		
Stores and Spares		
a) Under Inspection	41.91	3.74
b) Platinum & Rhodium stolen in earlier year and under investigation which is not available for verification	-	0.21
c) With Fabricators	2.03	56.67
Cost of Inventories Recognised as expense	8966.10	5623.69
Write down of Inventories Charge to P&L (Difference Between Cost & NRV)	63.00	12.76
Reversal of write downs	-	-

### NOTE NO. 11 " CURRENT INVESTMENTS"

	₹ Crore	
	AS AT 31.03.2023	AS AT 31.03.2022
<b>Current Investments - Unquoted</b>		
Investments in Mutual Funds	-	8.04
	-	<b>8.04</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

### NOTE NO. 12 "CURRENT ASSETS" "FINANCIAL ASSETS - TRADE RECEIVABLES"

	₹ Crore	
	AS AT 31.03.2023	AS AT 31.03.2022
<b>Subsidy Receivable (Unsecured - Considered Good)</b>	2097.17	2793.95
<b>Trade Receivables</b>		
Secured - Considered good	185.54	126.22
Unsecured - Considered good	326.65	106.97
Significant Increase in Credit Risk	0.15	0.03
	512.34	233.22
Less : Provision for Expected Credit Loss *	(0.69)	(0.44)
Total - Trade Receivables	511.65	232.78
<b>TOTAL</b>	<b>2608.82</b>	<b>3026.73</b>
* 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.		
<b>ECL % - Ageing</b>		
Not Due	0.07	0.10
00 - 90 days	1.69	2.92
91 - 180 days	29.44	30.26
181 - 365 days	87.06	78.46
> 365 days (fully secured)	-	-
<b>Age of Receivables (₹ Cr)</b>		
Receivable from Gol (Not tested for ECL)	12.59	7.65
Not Due - Other Trade Receivables	484.50	219.15
00 - 90 days	14.90	6.14
91 - 180 days	0.07	-
181 - 365 days	0.07	0.05
> 365 days (fully secured)	0.21	0.23
	<b>512.34</b>	<b>233.22</b>
<b>Movement in ECL allowance (₹ Cr)</b>		
Balance at Beginning of the year	0.44	0.73
Movement	0.24	(0.29)
Balance at End of the year	0.69	0.44

Out of the Total Trade Receivables, Trade Receivables amounting to ₹ 185.54 Crore as on 31.03.2023 (PY ₹ 126.22 Crore) are secured against collaterals in form of Deposits / Bank Guarantees received and held by the Company.

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023****NOTE NO. 13 "CURRENT ASSETS" "FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS"**

₹ Crore

	AS AT 31.03.2023	AS AT 31.03.2022
<b>Cash and Cash Equivalents</b>		
i. Balances with Bank	11.30	114.72
ii. Cash on Hand	-	0.01
iii. Deposits with Original Maturity less than 3months	-	985.00
<b>TOTAL</b>	<b>11.30</b>	<b>1099.73</b>

The above cash and cash equivalent have not been pledged

**NOTE NO. 14 "CURRENT ASSETS" "FINANCIAL ASSETS - OTHER BANK BALANCES"**

₹ Crore

	AS AT 31.03.2023	AS AT 31.03.2022
i. Margin Money Deposit / Bond Money Received from Employees	51.85	63.03
ii. In Unpaid Dividend Account *	1.38	1.50
<b>TOTAL</b>	<b>53.23</b>	<b>64.53</b>

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

**NOTE NO. 15 "CURRENT ASSETS" "FINANCIAL ASSETS - LOANS"**

₹ Crore

	AS AT 31.03.2023	AS AT 31.03.2022
i. Secured Considered Good		
Loans- Employees	0.03	0.08
ii. Unsecured Considered Good		
Loan- Other CPSE	5.10	5.10
iii. Significant Increase in Credit Risk	-	-
iv. Credit Impaired	-	-
<b>TOTAL</b>	<b>5.13</b>	<b>5.18</b>

The above cash and cash equivalent have not been pledged



## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

### NOTE NO. 16 "CURRENT ASSETS" "FINANCIAL ASSETS - OTHERS"

	₹ Crore	
	AS AT 31.03.2023	AS AT 31.03.2022
i. Fairvalue of Derivatives	8.19	12.05
ii. Interest Receivable	0.89	1.05
iii. Receivables towards Rent / Services provided *	138.10	56.04
<b>TOTAL</b>	<b>147.18</b>	<b>69.14</b>

\* Expected Credit Loss-NIL

\* Includes an amount of ₹ 62.32 Crore Receivable from Government of India towards Import of Urea on Government Account (P.Y. ₹ 27.11 crore)

### NOTE NO. 17 "CURRENT ASSETS" "OTHER CURRENT ASSETS"

	₹ Crore	
	AS AT 31.03.2023	AS AT 31.03.2022
<b>i. Advances other than Capital Advances</b>		
Security Deposits		
Unsecured -Considered Good	1.01	0.69
<b>ii. Other Advances</b>		
Unsecured -Considered Good		
i. Contractors	25.94	22.18
ii. Employees	0.35	0.26
iii. GST Receivable	176.80	115.20
iv. Prepaid Expenses	31.42	20.58
<b>Total Other Advances</b>	<b>234.51</b>	<b>158.22</b>
<b>iii. Employee Benefit Asset</b>	0.02	0.03
<b>TOTAL</b>	<b>235.54</b>	<b>158.94</b>

### NOTE NO. 18 "EQUITY" "EQUITY SHARE CAPITAL"

	₹ Crore	
	AS AT 31.03.2023	AS AT 31.03.2022
<b>Authorised</b>		
80,00,00,000 Equity Shares of ₹10/- each.	800.00	800.00
<b>Issued, Subscribed and Paid Up</b>		
55,16,88,100 Equity shares of ₹10/- each fully paid up.	551.69	551.69
<b>TOTAL</b>	<b>551.69</b>	<b>551.69</b>

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023****RECONCILIATION OF SHARES OUTSTANDING AT THE BEGINNING AND END OF THE REPORTING PERIOD**

Particulars	31.03.2023		31.03.2022	
	No.	₹ Crore	No.	₹ Crore
<b>EQUITY SHARES</b>				
At the beginning of the year	551688100	551.69	551688100	551.69
Issued during the year				
Outstanding at the end of the year	<b>551688100</b>	<b>551.69</b>	<b>551688100</b>	<b>551.69</b>
<b>Terms/Rights Attached to Equity shares</b>				
<p>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.</p>				

**DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY**

Particulars	31.03.2023		31.03.2022	
	% age of shareholding	No.	% age of shareholding	No.
President of India	75.00	413769483	75.00	413769483

**DETAILS OF SHAREHOLDING OF PROMOTERS IN THE COMPANY**

Particulars	31.03.2023		31.03.2022		% change during the year
	% age of shareholding	No.	% age of shareholding	No.	
President of India	75.00	413769483	75.00	413769483	0.00

Particulars	31.03.2022		31.03.2021		% change during the year
	% age of shareholding	No.	% age of shareholding	No.	
President of India	75.00	413769483	75.00	413769483	0.00

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

### NOTE NO. 19 "EQUITY" "OTHER EQUITY"

		₹ Crore	
	Note No.	AS AT 31.03.2023	AS AT 31.03.2022
<b>i. Other Reserves</b>			
<b>General Reserve</b>			
Opening Balance		3261.30	2740.78
Add: Transferred from Retained Earnings		704.36	520.52
<b>Closing Balance</b>		<b>3965.66</b>	<b>3261.30</b>
<b>Equity Instruments through Other Comprehensive Income Reserve</b>			
Opening Balance		68.88	58.84
Add: Other Comprehensive Income for the Year (Net of Tax)		3.89	10.04
Closing Balance		72.77	68.88
<b>ii. Retained Earnings</b>			
Opening Balance / Adjustments		-	-
Profit for the Year		966.31	702.39
Adjustment for Remeasurement of Defined Benefit Plans (Net of Tax)		(35.76)	(9.19)
Less: Dividends Paid	19 A	(226.19)	(172.68)
Less: Transfer to General Reserve		(704.36)	(520.52)
Closing Balance		-	-
<b>TOTAL</b>		<b>4038.43</b>	<b>3330.18</b>

For FY 2022-23, The Board of Directors have recommended a final dividend of ₹ 3.70 per equity share (P.Y. ₹ 2.50 per equity share) which is subject to approval by shareholders of the Company. This is in addition to the interim dividend of ₹ 1.60 per equity share (P.Y. 1.35 per equity share) paid by the Company.

### NOTE NO. 19A "DIVIDEND"

		₹ Crore	
		AS AT 31.03.2023	AS AT 31.03.2022
<b>Dividends on Equity Shares paid during the year</b>			
Final Dividend for the FY 2021-22 [₹ 2.50 (P.Y. ₹ 1.78) per equity share of ₹ 10 each]		137.92	98.20
Interim Dividend for the FY 2022-23 [₹ 1.60 (P.Y. ₹ 1.35) per equity share of ₹ 10 each]		88.27	74.48
<b>TOTAL</b>		<b>226.19</b>	<b>172.68</b>



## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

### NOTE NO. 20 "NON-CURRENT LIABILITIES" "FINANCIAL LIABILITIES - BORROWINGS"

₹ Crore

	As at 31.03.2023		As at 31.03.2022	
	Non-current	Current	Non-current	Current
<b>SECURED</b>				
<b>Non Convertible Debentures (NCDs)</b>				
<b>6.59% Listed Secured Non Convertible Debentures (RCF Series I -2020)</b>	499.78	-	499.70	-
Listed Secured Non Convertible Debentures(NCDs) (RCF Series I -2020) in Nos. 5000 have been issued at an interest rate of 6.59% per annum for a tenure of 5 years having face value of ₹ 10 lakhs each on 05th August 2020 which are redeemable on 05th August 2025. Such NCDs are secured by way of a Registered Debenture Trust Deed with a first pari-passu charge over subsidy receivables from Government of India and movable fixed assets (plant and machinery) present and future located at Trombay and Thal, excluding movable fixed assets of Medium Pressure (MP) and High Pressure (HP) Nitric Acid Plant situated at Trombay.				
	<b>499.78</b>	<b>-</b>	<b>499.70</b>	<b>-</b>
<b>Term Loan from Banks</b>				
<b>1 Rupee Loan from Banks</b>				
<b>a. Kotak Mahindra Bank Limited</b>	<b>88.64</b>	<b>27.27</b>	<b>115.91</b>	<b>27.27</b>
A loan of ₹150 crore availed from Kotak Mahindra Bank is secured by first pari passu charge by way of hypothecation on movable plant and machinery of any plant located at Trombay (excluding movable fixed assets of the Medium Pressure (MP) and High Pressure (HP) Nitric Acid Plant situated at Trombay) to the extent of 1.25 times of the loan amount. The rate of interest is linked to Repo Rate plus fixed spread of 1.99% per annum. Repayment of the said loan would fall due for ₹ 27.27 crore in F.Y. 2023-24, ₹ 27.27 crore in F.Y. 2024-25, ₹ 27.27 crore in F.Y. 2025-26, ₹ 27.27 crore in F.Y. 2026-27, ₹ 6.82 crore in F.Y. 2027-28.				
	88.64	27.27	115.91	27.27
<b>2 Foreign Currency Loan / External Commercial Borrowings (ECB)</b>				
<b>a. Yes Bank Limited</b>	-	-	-	6.22
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. The said loan has been fully repaid during the year.				

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

₹ Crore

	As at 31.03.2023		As at 31.03.2022	
	Non-current	Current	Non-current	Current
<b>b. State Bank of India</b>	-	37.85	35.76	35.75
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 ₹ 37.85 crore in F.Y. 2023-24.				
<b>c. State Bank of India</b>	<b>146.66</b>	<b>32.47</b>	<b>169.19</b>	<b>30.62</b>
ECB of EURO 25.00 million availed by the Company from State Bank of India, New York Branch, under RBI Loan Registration no. 202011111 is secured by way of first pari-passu charge on movable assets (both present and future) located at Thal and Trombay (excluding movable fixed assets of the Medium Pressure (MP) and High Pressure (HP) Nitric Acid Plant situated at Trombay) to the extent of 1.25 times of the loan amount. The rate of interest is 6 months EURIBOR plus margin of 1.40% per annum. Repayment of the said loan would fall due for ₹ 30.89 crore in F.Y. 2023-24, ₹ 32.47 crore in F.Y. 2024-25, ₹ 32.55 crore in F.Y. 2025-26, ₹ 32.60 crore in 2026-27, ₹ 32.65 crore in F.Y. 2027-28 crore and ₹ 16.35 crore in F.Y. 2028-29.				
	<b>146.66</b>	<b>70.32</b>	<b>204.95</b>	<b>72.59</b>
<b>UNSECURED</b>				
<b>Non Convertible Debentures (NCDs)</b>				
<b>6.59% Listed Unsecured Non Convertible Debentures (RCF Series I -2022)</b>	299.90	-	299.85	-
Listed Unsecured Non Convertible Debentures(NCDs) (RCF Series I -2022) in Nos. 3000 have been issued at an interest rate of 6.59% per annum for a tenure of 3 years having face value of ₹ 10 lakhs each on 31st January 2022 which are redeemable on 31st January 2025.				
	<b>299.90</b>	<b>-</b>	<b>299.85</b>	<b>-</b>
<b>Term Loan from Banks</b>				
<b>HDFC Bank</b>	-	-	-	140.96
A loan of ₹ 281.92 crore is availed from HDFC Bank at a rate of interest linked to Repo Rate plus fixed margin of 0.70% per annum. The said loan has been fully repaid during the year.				
	-	-	-	140.96
Amount disclosed under the head "CURRENT BORROWINGS" (Refer Note No. 26)		(97.59)		(240.82)
<b>TOTAL</b>	<b>1034.98</b>	<b>-</b>	<b>1120.41</b>	<b>-</b>



## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

₹ Crore

	As at 31.03.2023		As at 31.03.2022	
	Non-current	Current	Non-current	Current
<b>Details of Borrowings and Transaction Costs</b>				
<b>A External Commercial Borrowings</b>				
Total External Commercial Borrowings	147.11	70.78	205.86	66.87
Less: Transaction Costs	0.45	0.45	0.91	0.50
<b>Carrying value of External Commercial Borrowings</b>	<b>146.66</b>	<b>70.32</b>	<b>204.95</b>	<b>66.37</b>
<b>B Non-Convertible Debentures</b>				
i 6.59% Listed Secured Non Convertible Debentures (RCF Series I -2020)	500.00	-	500.00	-
Less: Transaction Costs	0.22	-	0.30	-
<b>Carrying value of Non-Convertible Debentures</b>	<b>499.78</b>	<b>-</b>	<b>499.70</b>	<b>-</b>
ii 6.59% Listed Unsecured Non Convertible Debentures (RCF Series I -2022)	300.00	-	300.00	-
Less: Transaction Costs	0.10	-	0.15	-
<b>Carrying value of Non-Convertible Debentures</b>	<b>299.90</b>	<b>-</b>	<b>299.85</b>	<b>-</b>

### NOTE NO. 21 "NON-CURRENT LIABILITIES" "FINANCIAL LIABILITIES - LEASE LIABILITIES"

₹ Crore

	AS AT 31.03.2023	AS AT 31.03.2022
Lease Liabilities	9.25	7.53
<b>TOTAL</b>	<b>9.25</b>	<b>7.53</b>

### NOTE NO. 22 "NON-CURRENT LIABILITIES" "FINANCIAL LIABILITIES - OTHERS"

₹ Crore

	AS AT 31.03.2023	AS AT 31.03.2022
Security Deposit from Vendors	33.98	29.98
<b>TOTAL</b>	<b>33.98</b>	<b>29.98</b>

### NOTE NO. 23 "NON-CURRENT LIABILITIES" "PROVISIONS"

₹ Crore

	AS AT 31.03.2023	AS AT 31.03.2023
<b>Provision for Employee Benefits</b>		
i. Leave Salary Encashment	63.41	78.26
ii. Post Retirement Medical Benefits	127.47	115.47
ii. Long Service Award	0.20	0.22
<b>TOTAL</b>	<b>191.08</b>	<b>193.95</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

### NOTE NO. 24 “NON-CURRENT LIABILITIES” “DEFERRED TAX LIABILITIES (NET)”

			₹ Crore	
			AS AT 31.03.2023	AS AT 31.03.2022
<b>a. Deferred Tax Liability:</b>				
i.	Depreciation		313.27	304.04
ii.	Fair Value of Investments		24.34	23.04
iii.	Revenue from TDR		10.48	8.39
iv.	Other Temporary Differences		2.37	1.49
<b>TOTAL</b>			<b>350.46</b>	<b>336.96</b>
<b>b. Deferred Tax Asset:</b>				
i.	Provision for Doubtful Debts/Claims/Advances		11.17	10.95
ii.	Provision for Obsolescence of Stores		3.86	3.42
iii.	Provision for Diminution in Value of Investments		8.91	8.91
iv.	Expenditure Allowable on Payment Basis		71.92	66.26
v.	Other Temporary Differences		17.70	33.35
<b>TOTAL</b>			<b>113.56</b>	<b>122.89</b>
<b>Net Deferred Tax Liability</b>			<b>236.90</b>	<b>214.07</b>

### NOTE NO. 25 “OTHER LIABILITIES”

			₹ Crore	
			AS AT 31.03.2023	AS AT 31.03.2022
<b>I. NON-CURRENT</b>				
<b>Others</b>				
i.	Advance Rent Received	25 A	1.01	1.53
ii.	Government Grants	25 B	0.61	0.69
iii.	Deferred Income		26.16	28.71
<b>TOTAL OTHER NON CURRENT LIABILITIES (I)</b>			<b>27.78</b>	<b>30.93</b>
<b>II. CURRENT</b>				
<b>(a) Revenue Received in Advance</b>				
	Income Received in Advance from Customers (Contract Liabilities)	25 C	70.14	111.08
<b>(b) Other Advances</b>				
	Retention Money		12.50	12.50
<b>(c) Other Liabilities:</b>				
i.	Advance Rent Received	25 A	0.70	0.75
ii.	Government Grants	25 B	0.06	0.07
iii.	Deferred Deposit		3.20	2.51
iv.	Statutory Dues:			
	a. Withholding Taxes		16.49	16.21
	b. GST Payable		-	19.23
v.	Others		16.00	15.97
			<b>36.45</b>	<b>54.74</b>
<b>TOTAL OTHER CURRENT LIABILITIES (II)</b>			<b>119.09</b>	<b>178.32</b>



**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023****NOTE NO. 25A “ADVANCE RENT RECEIVED”**

	₹ Crore	
	AS AT 31.03.2023	AS AT 31.03.2022
At at 1st April	2.28	4.43
Received / (Repaid) during the Year	-	-
Released to the Statement of Profit and Loss	0.57	2.15
<b>As at 31st March</b>	<b>1.71</b>	<b>2.28</b>
Current	0.70	0.75
Non-Current	1.01	1.53

**NOTE NO. 25B “GOVERNMENT GRANTS”**

	₹ Crore	
	AS AT 31.03.2023	AS AT 31.03.2022
At at 1st April	0.76	0.96
Received / (Repaid) during the Year	-	-
Released to the Statement of Profit and Loss	0.09	0.20
<b>As at 31st March</b>	<b>0.67</b>	<b>0.76</b>
Current	0.06	0.07
Non-Current	0.61	0.69

**NOTE NO. 25C “INCOME RECEIVED IN ADVANCE FROM CUSTOMERS (CONTRACT LIABILITIES)”**

	₹ Crore	
	AS AT 31.03.2023	AS AT 31.03.2022
At at 1st April	111.08	57.46
Received during the Year	70.14	111.08
Released to the Statement of Profit and Loss	111.08	57.46
<b>As at 31st March</b>	<b>70.14</b>	<b>111.08</b>
Current	70.14	111.08
Non-Current	-	-

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

### NOTE NO. 26 "CURRENT LIABILITIES" "FINANCIAL LIABILITIES - BORROWINGS"

	₹ Crore	
	AS AT 31.03.2023	AS AT 31.03.2022
<b>(a) Working Capital Loans</b>		
<b>I. Secured</b>		
<b>a. From Banks (Repayable on Demand) *</b>		
i. Cash Credit	-	-
ii. Working Capital Demand Loan	670.00	670.00
<b>Total Secured</b>	<b>670.00</b>	<b>670.00</b>
<b>II. Unsecured</b>		
<b>From Banks</b>		
i. Foreign Currency Loans from Banks-Buyers Credit **	-	686.99
ii. Rupee Loans ***	60.08	250.00
<b>Total Unsecured</b>	60.08	936.99
<b>Total Working Capital Loans</b>	<b>730.08</b>	<b>1606.99</b>
<b>b) Current Maturities of Long Term Debt (Refer Note No. 20)</b>		
I. Secured	97.59	99.86
II. Unsecured	-	<b>140.96</b>
	<b>97.59</b>	<b>240.82</b>
<b>TOTAL</b>	<b>827.67</b>	<b>1847.81</b>

\*Cash Credit from banks carrying interest rate of 6.75% - 7.65% per annum (PY 6.95% per annum) and Working Capital Demand Loan carrying interest of 4.10%-7.07% per annum (PY 3.75% - 4.10% 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 0.29%-1.38% per annum (PY 0.30%-2.00% per annum). These loans are repayable within 180 days.

\*\*\* Unsecured Short Term Rupee Loans carrying interest of 3.90%-6.98% per annum (PY 5.50%-6.10% per annum).

### NOTE NO. 27 "CURRENT LIABILITIES" "FINANCIAL LIABILITIES - LEASE LIABILITIES"

	₹ Crore	
	AS AT 31.03.2023	AS AT 31.03.2022
Lease Liabilities	4.71	2.77
<b>TOTAL</b>	<b>4.71</b>	<b>2.77</b>

### NOTE NO. 28 "CURRENT LIABILITIES" "FINANCIAL LIABILITIES - TRADE PAYABLES"

	₹ Crore	
	AS AT 31.03.2023	AS AT 31.03.2022
<b>Trade Payables (including Acceptances)*</b>		
(A) Outstanding Dues of Micro Enterprises and Small Enterprises	57.13	36.55
(B) Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	1954.16	2306.54
<b>TOTAL</b>	<b>2011.29</b>	<b>2343.09</b>

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023**

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 ₹ NIL (P.Y. ₹ 392.41 crores).

**NOTE NO. 29 "CURRENT LIABILITIES" "FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES"**

	₹ Crore	
	AS AT 31.03.2023	AS AT 31.03.2022
i. Interest Accrued But Not Due on Borrowings	31.74	30.69
ii. Unclaimed Dividend *	1.38	1.50
iii. Payables on Capital Account	42.86	124.14
iv. Standing Deposit from Customers	70.71	71.65
v. Trade Deposit from Customers	85.32	78.82
vi. Earnest Money Deposit & Security Deposit from Vendors	81.84	106.13
vii. Other Payables - Tie Ups	9.09	8.47
viii. Ex-gratia & Employee Benefits	123.11	97.16
<b>TOTAL</b>	<b>446.05</b>	<b>518.56</b>

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

**NOTE NO. 30 "CURRENT LIABILITIES" "PROVISIONS"**

	₹ Crore	
	AS AT 31.03.2023	AS AT 31.03.2022
<b>Provision for Employee Benefits</b>		
i. Leave Salary Encashment	111.63	97.68
ii. Post Retirement Medical Benefits	10.65	9.36
iii. Payable to Provident Fund	49.41	16.09
iv. Long Service Award	0.03	0.01
<b>TOTAL</b>	<b>171.72</b>	<b>123.14</b>

**NOTE NO. 31 "CURRENT LIABILITIES" "CURRENT TAX LIABILITIES NET"**

	₹ Crore	
	AS AT 31.03.2023	AS AT 31.03.2022
Provision for Taxation Current Year (net of Advance Tax)	-	38.39
<b>TOTAL</b>	<b>-</b>	<b>38.39</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

### NOTE NO. 32 “REVENUE FROM OPERATIONS”

		₹ Crore	
	Note No.	Year ended 31.03.2023	Year ended 31.03.2023
<b>1. Sales</b>			
<b>A. Manufactured Products</b>	32A		
Fertilizers		2865.04	2570.57
Industrial Products		3220.04	2265.51
		<b>6085.08</b>	<b>4836.08</b>
<b>B. Bought-out Products</b>	32A		
Fertilizers		1731.40	478.13
Net Sales		7816.48	5314.21
<b>2. Other Operating Revenues</b>			
Subsidy on Urea & Complex Fertilizers* (Refer Note No. 51)	32B	13568.89	7441.75
Sale of Scrap		23.53	7.39
Management Fees -For Services rendered		11.67	11.67
Margin on Tie- ups		30.97	37.15
<b>TOTAL</b>		<b>13635.06</b>	<b>7497.96</b>
Revenue from Operations		<b>21451.54</b>	<b>12812.17</b>

\*Subsidy includes ₹ 10.62 crore (P.Y. ₹ 72.09 crore) in respect of earlier years, determined during the year

### NOTE NO. 32A “SALES - PRODUCT WISE BREAK-UP”

		₹ Crore	
	Note No.	Year ended 31.03.2023	Year ended 31.03.2023
<b>1. Manufactured</b>			
<b>A. Fertilizers</b>			
Suphala 15 : 15 : 15		2865.04	2570.57
Urea / Neem Coated Urea			
Others		3220.04	2265.51
		<b>6085.08</b>	<b>4836.08</b>
<b>B. Industrial Products</b>			
Ammonia		1236.10	825.66
Dilute Nitric Acid		142.55	147.12
Concentrated Nitric Acid		186.54	158.49
Ammonium Bi-carbonate		77.06	62.48
Methylamines		130.20	126.09
Ammonium Nitrate Melt		1287.12	750.56
Others		160.47	195.11
		<b>3220.04</b>	<b>2265.51</b>

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023**

₹ Crore

	Note No.	Year ended 31.03.2023	Year ended 31.03.2023
<b>2. Bought-out Products</b>			
Imported Di Ammonium Phosphate		744.26	226.65
Imported Muriate of Potash		-	82.54
Imported Urea		562.77	-
Imported S 15 15 15		-	111.93
Imported NPK 10:26:26		78.46	-
Imported NPK 20:20:0		317.95	38.79
Others		27.96	18.22
		<b>1731.40</b>	<b>478.13</b>
<b>TOTAL</b>		<b>7816.48</b>	<b>5314.21</b>

**NOTE NO. 32B "SUBSIDY ON UREA & COMPLEX FERTILIZERS"**

₹ Crore

	Note No.	Year ended 31.03.2023	Year ended 31.03.2023
<b>1. Manufactured Fertilizers</b>			
Price		11304.03	6513.80
Freight		425.18	437.40
		<b>11729.21</b>	<b>6951.20</b>
<b>2. Bought-out Fertilizers</b>			
Price		1765.04	456.20
Freight		74.64	34.35
		<b>1839.68</b>	<b>490.55</b>
<b>TOTAL</b>		<b>13568.89</b>	<b>7441.75</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

### NOTE NO. 33 "OTHER INCOME"

₹ Crore

	Note No.	Year ended 31.03.2023	Year ended 31.03.2023
<b>1. Interest Income on Financial Assets carried at Amortised Cost</b>			
a. On Loans to Employees		0.01	0.05
b. On Deposits with Bank and Others		10.17	27.56
c. From Customers [includes ₹ 11.74 crore (P.Y. ₹ 20.72 crore) crore dues from DOF]		13.13	22.28
d. From Others		0.10	0.11
		<b>23.41</b>	<b>50.00</b>
<b>2. Interest Income on Taxes</b>			
a. On Income Tax Refund		-	0.60
b. On Sales Tax Refund		-	0.65
		-	1.25
		<b>23.41</b>	<b>51.25</b>
<b>3. Dividend Income</b>			
Dividend from Equity Investment measured at fair value through OCI		0.40	0.27
<b>4. Other Non-Operating Income</b>		<b>0.40</b>	<b>0.27</b>
a. Net Gain arising on Financial Assets measured at FVTPL			
i. Gain / (Loss) on Sale of Mutual Fund Investments		1.58	4.63
ii. Gain / (Loss) on Derivatives		(0.24)	0.36
		<b>1.34</b>	<b>4.99</b>
b. Profit on Sale of Fixed Assets (Net)		0.01	8.53
c. Bad Debts Recovered		0.78	0.28
d. Rental Income Including Other Recoveries		38.55	40.08
e. Lease Compensation of Railway Siding		0.21	0.21
f. Government Grants (Refer Note No. 25B)		0.09	0.20
g. Amortisation of Deferred Deposits		7.42	5.54
h. Miscellaneous Income		71.10	25.12
		118.16	79.96
Less: Transfer to Research and Development Expenses (Refer Note No. 40C)		(0.01)	(0.02)
		<b>143.30</b>	<b>136.45</b>

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023****NOTE NO. 34 “COST OF MATERIALS CONSUMED”**

₹ Crore

	Note No.	Year ended 31.03.2023	Year ended 31.03.2023
Raw Materials	34A	8695.78	5337.91
Packing Materials		144.18	133.24
Add: Raw Materials of Impaired Plants		-	(1.11)
Less : Transferred to Research & Development (Refer Note No. 40C)		(0.36)	(0.21)
<b>TOTAL</b>		<b>8839.60</b>	<b>5469.83</b>

**NOTE NO. 34A “ITEMWISE BREAKUP OF MATERIALS CONSUMED”**

₹ Crore

	Note No.	Year ended 31.03.2023	Year ended 31.03.2023
<b>RAW MATERIALS</b>			
Rock Phosphate		238.25	112.70
Di-Ammonium Phosphate		169.79	16.09
Mono-Ammonium Phosphate		791.02	535.81
Muriate of Potash		775.21	375.72
Sulphur		51.08	35.96
Natural Gas		6543.20	4197.15
Others		127.23	64.48
<b>SUB TOTAL</b>		<b>8695.78</b>	<b>5337.91</b>
Less : Transferred to Research and Development (Refer Note No. 40C)		(0.36)	(0.21)
<b>TOTAL</b>		<b>8695.42</b>	<b>5337.70</b>

**NOTE NO. 35 “PURCHASES OF STOCK IN TRADE”**

₹ Crore

	Note No.	Year ended 31.03.2023	Year ended 31.03.2023
Imported Urea		501.99	-
Imported Di Ammonium Phosphate		1420.53	1556.50
Imported S 15:15:15		-	151.66
Imported S : 20:20:0		797.18	18.10
NPK 10:26:26		338.83	-
Others		33.09	19.01
<b>SUB TOTAL</b>		<b>3091.62</b>	<b>1745.27</b>
<b>Less: Transferred to Plant for internal consumption</b>			
Imported DAP / MOP		(44.19)	(3.06)
<b>TOTAL</b>		<b>3047.43</b>	<b>1742.21</b>



## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

### NOTE NO. 36 “CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN TRADE”

₹ Crore			
	Note No.	Year ended 31.03.2023	Year ended 31.03.2022
<b>Opening Stock</b>			
Finished Goods	36A	183.27	205.75
Intermediary Products		37.43	28.40
By-Products		2.90	3.25
Stock in Trade	36A	988.09	114.93
Certified Emission Reduction Credits (CER) / Renewable Energy Certificates (REC) / E-Cert		0.38	0.05
<b>Sub-Total</b>		<b>1212.07</b>	<b>352.38</b>
<b>Closing Stock</b>			
Finished Goods	36B	366.82	183.27
Intermediary Products		74.07	37.43
By-Products		2.77	2.90
Stock in Trade	36B	515.12	988.09
Certified Emission Reduction Credits (CER) / Renewable Energy Certificates (REC) / E-Cert		0.33	0.38
<b>Sub-Total</b>		<b>959.11</b>	<b>1212.07</b>
<b>TOTAL</b>		<b>252.96</b>	<b>(859.69)</b>

### NOTE NO. 36A “OPENING STOCK - PRODUCT WISE BREAK-UP”

₹ Crore			
	Note No.	Year ended 31.03.2023	Year ended 31.03.2022
<b>Finished Goods</b>			
<b>1. Manufactured</b>			
<b>A. Fertilizers</b>			
Urea (Trombay)		18.47	21.41
Urea (Thal)		103.03	103.86
Complex Fertilizers		52.01	65.93
Others		5.19	8.50
<b>B. Industrial Products</b>			
Methanol		2.65	4.07
Concentrated Nitric Acid		0.10	0.13
Ammonium Bi-carbonate		0.07	0.46
Sodium Nitrate		-	0.08
Sodium Nitrite		-	0.14
Methylamines		0.10	0.72
Ammonium Nitrate Melt		0.03	0.02
Dimethyl Formamide		0.09	0.10
Dimethyl Acetamide		1.17	0.09
Argon Gas / Liquid		0.21	0.10
Others		0.15	0.14
		<b>183.27</b>	<b>205.75</b>



## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

₹ Crore

	Note No.	Year ended 31.03.2023	Year ended 31.03.2022
<b>2. Bought-out Products</b>			
<b>Fertilizers</b>			
Imported Di Ammonium Phosphate		987.93	0.05
Imported Muriate of Potash		-	86.76
Imported NPK 12:32:16		-	27.34
Others		0.16	0.78
		<b>988.09</b>	<b>114.93</b>
<b>TOTAL</b>		<b>1171.36</b>	<b>320.68</b>

### NOTE NO. 36B "CLOSING STOCK - PRODUCT WISE BREAK-UP"

₹ Crore

	Note No.	Year ended 31.03.2023	Year ended 31.03.2023
<b>Finished Goods</b>			
<b>1. Manufactured</b>			
<b>A. Fertilizers</b>			
Urea (Trombay)		2.96	18.47
Urea (Thal)		112.23	103.03
Complex Fertilizers		214.82	52.01
Others		33.60	5.19
<b>B. Industrial Products</b>			
Methanol		0.26	2.65
Concentrated Nitric Acid		0.22	0.10
Ammonium Bi-carbonate		0.21	0.07
Sodium Nitrate		-	-
Sodium Nitrite		-	-
Methylamines		1.04	0.10
Ammonium Nitrate Melt		0.04	0.03
Dimethyl Formamide		0.08	0.09
Dimethyl Acetamide		1.25	1.17
Argon Gas / Liquid		0.11	0.21
Others		-	0.15
		<b>366.82</b>	<b>183.27</b>
<b>2. Bought-out Products</b>			
<b>Fertilizers</b>			
Imported Di Ammonium Phosphate		212.03	987.93
Imported Muriate of Potash		-	-
Imported NPK 12:32:16		111.37	-
Others		8.90	0.16
		<b>515.12</b>	<b>988.09</b>
<b>TOTAL</b>		<b>881.94</b>	<b>1171.36</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

### NOTE NO. 37 “EMPLOYEE BENEFITS EXPENSE”

₹ Crore			
	Note No.	Year ended 31.03.2023	Year ended 31.03.2022
Salaries, Wages and Bonus		592.04	554.41
Contribution to Provident Fund and Other funds		66.98	59.21
Contribution to Gratuity Fund		4.92	18.78
Workmen and Staff Welfare Expenses		76.21	66.46
		<b>740.15</b>	<b>698.86</b>
Less: Transferred to Research and Development ( Refer Note No. 40C)		(2.45)	(3.50)
Share recoverable from Thal Ammonia Extension and Others		(45.33)	(41.58)
		<b>(47.78)</b>	<b>(45.08)</b>
<b>TOTAL</b>		<b>692.37</b>	<b>653.78</b>

### NOTE NO. 38 “FINANCE COSTS”

₹ Crore			
	Note No.	Year ended 31.03.2023	Year ended 31.03.2022
<b>1. Interest on Financial Liabilities carried at Amortised Cost</b>			
a. Interest on Term Loans from Banks		18.30	20.25
b. Interest on Non-Convertible Debentures		52.72	36.20
c. Interest on Working Capital from Banks		92.92	43.48
d. Interest on Other Loans and Deposits		5.47	5.68
e. Unwinding of Discount on Deposits		5.39	4.34
f. Other Borrowing Costs		1.37	1.28
g. Exchange Differences Regarded as an Adjustment to Borrowing Costs		44.52	9.26
h. Interest Expense on Lease Liabilities		1.05	0.95
		<b>221.74</b>	<b>121.44</b>
<b>2. Other Finance Costs</b>		2.12	4.45
<b>TOTAL</b>		<b>223.86</b>	<b>125.89</b>

### NOTE NO. 39 “DEPRECIATION AND AMORTISATION EXPENSES / IMPAIRMENT”

₹ Crore			
	Note No.	Year ended 31.03.2023	Year ended 31.03.2022
i. Depreciation on Property Plant and Equipment		200.74	178.55
ii. Impairment / ( reversal) on Property Plant and Equipment		5.86	0.00
iii. Depreciation on Investment Property		0.17	0.19
iv. Amortisation on Intangible Assets		1.18	1.57
v. Depreciation on Right of Use Asset		4.49	3.53
Total Depreciation / Amortisation Impairment provided during the year		212.44	183.84
Less : Under Research and Development (Refer Note No. 40C)		(0.32)	(0.29)
<b>As reported under Statement of Profit &amp; Loss:</b>		<b>212.12</b>	<b>183.55</b>

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023****NOTE NO. 40 “ OTHER EXPENSES”**

		₹ Crore	
	Note No.	Year ended 31.03.2023	Year ended 31.03.2022
Stores and Spares		71.92	54.37
Power and Fuel		5741.56	3651.05
Water Charges		61.29	110.63
Repairs and Maintenance	40A	230.57	174.52
Freight and Handling Charges		723.48	652.69
Rent		4.74	5.60
Rates and Taxes		10.00	26.34
Insurance		45.28	39.76
Miscellaneous Expenses	40B	257.47	102.01
Less: Transferred to Research & Development Expenses (Refer Note No. 40C)		(0.32)	(0.20)
		<b>7145.99</b>	<b>4816.77</b>

**NOTE NO. 40A “REPAIRS AND MAINTENANCE”**

		₹ Crore	
	Note No.	Year ended 31.03.2023	Year ended 31.03.2022
Plant and Machinery		179.58	134.22
Buildings		32.13	26.65
Other Assets		19.08	14.14
		230.79	175.01
Less: Transferred to Research & Development Expenses (Refer Note No. 40C)		(0.22)	(0.49)
<b>TOTAL</b>		<b>230.57</b>	<b>174.52</b>

**NOTE NO. 40B “MISCELLANEOUS EXPENSES”**

		₹ Crore	
	Note No.	Year ended 31.03.2023	Year ended 31.03.2022
<b>Security Expenses-Factory and Others</b>		54.14	46.77
Electricity Charges-Township and Offices		5.75	4.89
Advertisement		1.87	0.94
Bank Charges		10.46	3.96
Promotion and Publicity		6.00	5.65
Hire Charges for Vehicles		4.43	3.38
Travelling Expenses		5.35	2.31
Entertainment Expenses		0.03	-
Research and Development Expenses	40C	6.55	5.12
Loss on Fixed Assets Sold /Discarded		0.51	0.77
Losses/ Damages and Other Amounts Written Off		(0.01)	-
Foreign exchange Loss/(Gain)		109.78	14.56
Corporate Social Responsibility Expenses		11.93	6.98

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

₹ Crore

	Note No.	Year ended 31.03.2023	Year ended 31.03.2022
Provision for Doubtful Debts/ Claims/ Advances		1.49	0.64
Provision for Obsolescence of Stores		1.97	2.88
Bad Debts Written Off		0.26	-
Provision of Earlier Years no Longer Required		(0.56)	(4.06)
Liabilities for Expenses no Longer Required		(7.36)	(12.53)
Recovery of Share of Common Expenses		(18.32)	(15.66)
Other Expenses **		63.20	35.41
<b>TOTAL</b>		<b>257.47</b>	<b>102.01</b>

\*\* Includes Directors' Sitting Fees C.Y. ₹ 23,45,000, P.Y. ₹ 33,85,000

### NOTE NO. 40C "RESEARCH & DEVELOPMENT EXPENSES"

₹ Crore

	Note No.	Year ended 31.03.2023	Year ended 31.03.2022
Salaries and Staff Welfare Expenses		2.45	3.50
Repairs and Maintenance		0.22	0.49
Depreciation		0.32	0.29
Direct Research Expenditure		2.89	0.45
Other Expenses		0.17	0.06
Handling Charges		0.15	0.14
Materials Consumed		0.36	0.21
<b>SUB TOTAL</b>		<b>6.56</b>	<b>5.14</b>
Less: Transferred from Other Income		(0.01)	(0.02)
<b>TOTAL</b>		<b>6.55</b>	<b>5.12</b>

### NOTE NO. 41 "EXCEPTIONAL ITEMS"

₹ Crore

	Note No.	Year ended 31.03.2023	Year ended 31.03.2022
Fair valuation (Gain) / Loss - Transferable Development Rights		(63.32)	(0.28)
Reversal of Gas Pool Provision on Non Urea - AMRCD Award		(30.15)	(127.35)
<b>TOTAL</b>		<b>(93.47)</b>	<b>(127.63)</b>

### NOTE NO. 42 "OTHER COMPREHENSIVE INCOME"

₹ Crore

	Note No.	Year ended 31.03.2023	Year ended 31.03.2022
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of Defined Benefit Plans		(39.32)	(12.28)
Fair Value Equity Instruments (IPL Shares)		5.19	13.41
		(34.13)	1.13
Less: Income Tax / Deferred Tax Relating to Above Items		2.26	(0.28)
<b>TOTAL</b>		<b>(31.87)</b>	<b>0.85</b>

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023****NOTE NO. 43 “DISCLOSURE OF FINANCIAL ASSETS AND LIABILITIES AS PER IND AS 107”**

		₹ Crore	
	Note No.	As at 31.03.2023	As at 31.03.2022
<b>I) FINANCIAL ASSETS</b>			
BREAKUP OF FINANCIAL ASSETS AT FAIR VALUE THOROUGH OCI			
Investments - Fully Paid Shares		97.28	92.09
<b>TOTAL</b>		<b>97.28</b>	<b>92.09</b>
BREAKUP OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT & LOSS			
Derivatives		8.19	12.05
Transferable Development Rights		99.63	36.31
Investments in Mutual Funds		-	8.04
<b>TOTAL</b>		<b>107.82</b>	<b>56.40</b>
BREAKUP OF FINANCIAL ASSETS CARRIED AT AMORTISED COST / COST			
Loans		10.23	15.40
Others Financial Assets		138.99	57.09
Trade Receivables		2608.82	3026.73
Cash and Cash Equivalents		11.30	1099.73
Other Bank Balances		53.23	64.53
		<b>2822.57</b>	<b>4263.48</b>
BREAKUP OF FINANCIAL ASSETS CARRIED AT COST			
Investments - Joint Ventures		797.28	798.12
<b>Total</b>		<b>797.28</b>	<b>798.12</b>
<b>TOTAL FINANCIAL ASSETS</b>		<b>3824.95</b>	<b>5210.09</b>
<b>II) FINANCIAL LIABILITIES</b>			
BREAKUP OF FINANCIAL LIABILITIES CARRIED AT AMORTISED COST			
Borrowings		1862.65	2968.22
Trade Payables		2011.29	2343.09
Interest Accrued but Not Due on Borrowings		31.74	30.69
Unclaimed Dividend		1.38	1.50
Creditors on Capital Account		42.86	124.14
Standing Deposit from Customers		70.71	71.65
Trade Deposit from Customers		85.32	78.82
Earnest Money Deposit & Security Deposit from Vendors		115.82	136.11
Ex-gratia & Employee Benefits		123.11	97.16
Other Payables - Tie Ups		9.09	8.47
ROU Lease Liability		13.96	10.30
<b>Total</b>		<b>4367.93</b>	<b>5870.15</b>
<b>TOTAL FINANCIAL LIABILITIES</b>		<b>4367.93</b>	<b>5870.15</b>

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

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

### 44. Contingent Liabilities not provided for:

44.1 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 31.03.2023	As at 31.03.2022
1.	Claims on the Company not acknowledged as debts' Contractors / Suppliers/ Arbitrators etc.	160.17	125.15
2.	<b>Demands raised by various authorities that may arise in respect of matters in appeal</b>		
	Excise Duty (D) (Refer note no 44.1.1)	70.33	70.33
	Excise Duty (S)	18.52	18.52
	Sales Tax	6.26	6.26
	Income Tax	77.64	48.20
	Service Tax (D)	13.92	13.92
	Service Tax (S)	2.40	2.40
	Custom Duty (D)	80.93	80.93
	Custom Duty (secured by Bank Guarantee)	-	-
3.	Water charges claimed by Municipal Corporation of Greater Mumbai (Refer note no 44.1.2)	36.86	36.86
4.	Claims preferred by local authorities	8.72	8.85
	<b>GRAND TOTAL</b>	<b>475.75</b>	<b>411.41</b>

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

**44.1.1** 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.

**44.1.2** Out of the above ₹ 36.86 crores, demand of ₹ 33.48 crore raised by Municipal Corporation of Greater Mumbai (BMC) towards additional sewerage charges levied from 05.04.1987 are disputed by the Company in a Writ Petition filed in Bombay High Court. The Honorable High Court vide its interim Order dated 10-11-92 has granted stay on recovery of the demand for the period up to the date of the Order and directed the Company to pay sewerage charges from the date of the order which is being paid by the Company. The matter has been disposed off by the High Court and the Company approached Supreme Court. Supreme Court has 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.

**44.1.3** Owing to non-compliance of Corporate Governance requirements as mandated by SEBI, with reference to composition of Independent Directors in the Board, the Company is in receipt of notice of penalty aggregating to ₹ 0.43 crore (P.Y. ₹ 0.79 Crore) from the stock exchanges (BSE & NSE). Since the appointment of Directors is done by Government of India, The Company had approached its Administrative Ministry for ensuring the compliance and has also approached the stock exchanges for condonation/waiver of the penalty. The Company is confident that this penalty would be waived.



**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023**

The Company is in receipt of notice of penalty aggregating to ₹ 0.01 crore from the stock exchanges (BSE & NSE) for a period 07.03.2022 to 29.03.2022 for non-compliance of composition of the stakeholders relationship committee in line with Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has approached the stock exchanges for waiver of the penalty. Company is confident that this penalty would be waived.

**44.2** The amount of claims in respect of legal cases filed against the Company for labour matters relating to regular employees and not acknowledged as debts is not ascertainable and hence no provision is made. However, with respect to matter relating to payment of overtime wages, a stay order has been obtained by the Company from High Court, pending disposal with submission of Bank guarantee amounting to ₹ 12.00 Crore.

**44.3** In respect of clause 44.1 to 44.2 above, it is not practicable for the Company to estimate the closure of these issues and the consequential timing of cash flows, if any.

**45. Other Commitments:**

Particulars	(₹ Crore)	
	As at 31.03.2023	As at 31.03.2022
Capital Expenditure Commitments (net of advances)	418.71	187.63
Commitment Towards Investments in JV ( Talcher Fertilizers Ltd)	378.71	378.71
Corporate Guarantee	2.20	2.20

**46. Wagons leased to Indian Railways “Under Own your Wagons Scheme”**

The lease agreement with Railways has expired in FY 2019-20 and is under renewal. As the wagons are still in the custody of Railways, Company has recognized revenue of ₹ 0.35 crore (P.Y ₹ 0.35 crore) for the period after completion of finance lease based on the minimum lease rentals expected to be negotiated with Railways.

As the terms of lease are yet to be finalized the said transaction is now treated as Short-term Operating Lease.

**47.** Formalities relating to transfer of certain immovable and other properties situated at Trombay Unit, from Fertilizer Corporation of India Limited to the Company on reorganization of the former in 1978 are not yet completed. Out of property cards for a total area of 30,42,108 Sq. meters (P.Y. 30,42,108 Sq. meters), property cards for 3,75,826 Sq. meters (P.Y. 3,75,826 Sq. meters) are yet to be transferred in the name of the Company. The Company is in the process of obtaining transfer of title deeds in its favour.

Out of total area of 50,52,476 Sq. meters' area at Thal Unit, the title deeds relating to area of 32,27,573 Sq. meters (P.Y. 32,27,573 Sq. meters) area are in the name of the Company. The balance title deeds w.r.t 18,24,903 Sq meter of land are in the process of being transferred in the name of the Company. Freehold land at Thal Unit includes land at Kihim having carrying cost of ₹ 0.02 crore, pending execution of documents and transfer of title deeds in the name of the Company, due to dispute.

**48.** In respect of immovable properties other than land i.e. buildings and other structures, situated at its Trombay and Thal units they are self-constructed properties on the land owned by the Company as evidenced by property cards/title deeds of land.

The Company asserts that all these properties are its own and has clear title to the same since such properties are self-constructed on the Company's land, although no separate title documents for self-constructed properties are readily available. The Company has obtained opinion to that effect from legal and regulatory experts on land matters and also has other documentary evidence in that regard.

The Company had come into existence in 1978 as a result of Government of India reorganizing Fertilizer Corporation of India Ltd. and National Fertilizers Ltd. Consequent to the same, major portion of immovable assets at its Trombay unit became vested with the Company. In case of Thal unit, such properties on the Company's land were erected over the

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

years following land acquisition effected around 1978. Thus records pertaining to self-constructed properties are not readily available since they date back to more than 40 years.

The Company has initiated the process of obtaining appropriate evidence of the approvals/permissions taken for construction of the self-constructed properties from the respective regulatory authorities.

Apart from such properties, immovable properties, including land for which title deeds are not in the name of the Company is detailed as under: -

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ in crores)	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
<b>PPE</b>	<b>Land</b>				
	<b>Thal Land</b>	<b>1.60</b>	<b>No</b>	<b>1978-84</b>	The Company is in the process of obtaining the Transfer of title deeds in its favour and is in the process of resolving the matter in respect to its valuation.
	<b>Trombay Land</b>	<b>0.24</b>	<b>No</b>	<b>1978</b>	The Company is in the process of obtaining the Transfer of title deeds in its favour.
	<b>Building</b>				
	<b>Thal – KihimTownship</b>	<b>3.09</b>	<b>No</b>	<b>1984</b>	The Company is in the process of obtaining evidence of title / permissions / approvals etc.

49. Balance of subsidy receivables including subsidy receivable from Government are recognized on estimated basis and are subject to confirmation.

50. During the year, the Company is in receipt of debit note from Gail India Ltd. towards pooled price differential worked out on an annual basis for the year 2021-22. As per the same, the Company is required to contribute additionally to the pool account. It has been observed that the differential has been arrived at by substituting EPMC gas meant for Urea Operations with cheaper market price gases specifically contracted by the Company for non-urea operations.

Similarly, as per Department of Fertilizer's (DoF) directives, Company had sourced Spot gas for its urea operations in lieu of gas sourced under the EPMC mechanism for the period December 2022 to February 2023 which also has not been considered in the pool price and was substituted with cheaper market price gases specifically contracted by the Company for non-urea operations resulting in additional contribution to the pool account.

The Company is of the view that EPMC gas / Spot gas is specifically meant for urea operations and thus needs to be subsumed in arriving at the final pool price and the same should be considered in the subsidy of urea, since the cost of gas is a pass through. The matter has been represented to DoF.

As the non-recognition of such EPMC Gas / Spot gas sourced as per DoF's directives for Urea Operations is not in accordance with the principles of gas pooling mechanism, Company has continued to recognize such differential i.e. (EPMC / Spot gas price – Cheaper market gas price) as receivable from DoF amounting to ₹ 79.84 crores.

51. The Company is eligible to receive subsidy from Fertilizer Industry Co-Ordination Committee (FICC) / Department of Fertilizers (DOF) on Urea, Phosphatic and Potassic (P & K) Fertilizers at the rates notified from time to time.

Subsidy is further adjusted for escalations/de-escalations in the cost of inputs and other costs, as estimated by the management based on the prescribed norms in line with known policy parameters. Accordingly, the subsidy adjusted

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023**

on account of this escalations/de-escalations basis for the year amounts to ₹ 114.53 crore refundable to FICC/DOF (PY ₹ 1588.30 crore receivable).

Upon introduction of Direct Benefit Transfer (DBT) schemes for all Fertilizer Companies, there is shift in procedure for generation of subsidy claims with respect to Price subsidy & disbursement thereon. As per the same, Company is entitled for generation of claims/receipt of subsidy on the basis of actual sale by the retailers on weekly basis through POS machines. Accordingly, as on 31.03.2023, quantity of 5.77 LMT of urea and P&K having subsidy amounting ₹ 2288.95 Crore has been recognized in the current period, as such quantity has been sold to dealers but the payment of the same will become due under DBT on actual sale by the retailers through POS machines. (P.Y quantity 4.54 LMT and subsidy ₹ 1037.19 crore).

52. During installation and commissioning of a new AC Unit in the control room of the GTG Plant of RCF Thal Unit on 19th October, 2022, an explosion took place and accordingly the status of the same was notified to the Stock Exchanges. As per the Company's assessment, there is no material operational and financial impact on account of the same. Further the Company has undertaken steps to suitably compensate towards medical treatment cost of the injured and loss of life to the family of deceased.
53. On 20th and 22nd March, 2019 respectively, both the Gas Turbine Generator (GTG) plants at Thal unit stopped operating. Upon failure, the matter was taken up with the LSTK contractor who had supplied the turbines, for repair, as the same were covered under warranties. The matter was referred by the LSTK contractor for repairs to the Original Equipment Manufacturer (OEM) who had indicated a total estimated expenditure of about 98 Million SEK (₹ 74.51 crore excluding taxes and duties).

To mitigate future losses, Company procured a Gas generator and commissioned a Gas Turbine Generator plant in August 2019.

In the best interests of the Company, based on the acceptance of Notice to proceed as proposed by the LSTK contractor, the equipment's were sent for repair to the foreign Original Equipment Manufacturer (OEM) which has been received during the previous year. As per the Notice to proceed, the final settlement of the repair costs can either be decided mutually or in the event not agreed upon, the settlement of disputes clause as per contract can be invoked.

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

54. As per Ind AS 19 Employee Benefits, for Defined Benefit plans, the Company is required to ascertain the present value of the defined benefit obligation and compare with the fair value of the Plan assets to determine the surplus or deficit, if any, as at Balance Sheet date. Deficit, if any, needs to be accounted in the books of the Company. Accordingly, the Company had recognized a liability of ₹ 16.09 crore as at 31.03.2022. Upon review of fair value plan assets as compared to present value of the defined benefit obligation, the deficit stands increased to ₹ 24.21 crore as at 31.03.2023 resulting in an additional provision of ₹ 8.13 Crore during the year. (P.Y. ₹ 12.50 crore provision).

Owing to change in actuarial valuation technique for measurement of Present Benefit Obligation towards Provident Fund, in compliance with IND AS 19 Employee Benefits, for Defined Benefit plans, Company has made an additional provision of ₹.25.19 crores (P.Y. Rs. Nil) which is classified under Other Comprehensive Income.

**55. Based on the nature of business activities undertaken by the Company and requirement of Ind AS 108-Operating Segment, following are the operating segments identified**

Segment	Nature of activities
Fertilizers	Production and supply of various grades of Fertilizers for agricultural use.
Chemicals	Production of various chemicals and supply to diverse industries
Trading	Represents fertilizers imported / locally sourced and marketed for agricultural use.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

The necessary disclosures as required under Ind AS 108-Operating Segment are given in **Annexure-1**.

The segment revenue and segment results are arrived at based on the revenues generated out of sale of such products and the costs attributable are reduced for arriving at the segment results. Assets are allocated to operating segments based on the intended use for which the asset was primarily installed. Liabilities are allocated to operating segments to which it relates to.

### 56. Disclosures under Ind AS 24 on Related Party Transactions are given below:

#### 56.1 Transactions with Joint Controlled Entities

##### a. Relationship

#### JOINT CONTROLLED ENTITIES

Name of the Company	No of Shares (F.Y. 2022-23)	No of Shares (F.Y. 2021-22)	Country of Incorporation	% of Ownership interest as at	
				31.03.2023	31.03.2022
1) FACT-RCF BUILDING PRODUCTS LTD. (FRBL) *	35227000 of ₹ 10 each	32870000 of ₹ 10 each	India	50.00	50.00
2) URVARAK VIDESH LTD.(UVL)\$	180002 of ₹ 10 each	180002 of ₹ 10 each	India	33.33	33.33
3) TALCHER FERTILIZERS LIMITED (TFL) #	805480826 of ₹ 10 each	805480826 of ₹ 10 each	India	33.33	33.33

\*Consequent to full provision recognized towards the investments made in FRBL and UVL as per Indian GAAP, the carrying value as on the date of transition has been recognized as deemed cost of investment which is NIL as on Ind AS transition date. i. e. 1st April 2015.

\$Further 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 The Fertilizer Corporation of India Limited to Talcher Fertilizer Ltd.

#### Transactions during the year with the above referred related parties:

		(₹ Crore)	
Sr. No.	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
1.	Contribution towards share capital-TFL	-	270.00
2.	Reimbursement of Share of Expenses from TFL	3.58	5.74
3.	Contribution towards share capital-FRBL*	-	-

\*During the year 23,57,000 nos of shares amounting to ₹ 2.36 crores have been allotted by FRBL to RCFL towards application money paid in earlier years. Since a provision was created towards the same, the value of investment is considered as Nil.

#### Balance Outstanding:

		(₹ Crore)	
Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
		Joint Ventures	Joint Ventures
1.	Advances Given –FRBL *	37.87	40.23
2.	Reimbursement of Share of Expenses receivable from TFL	8.68	5.20

\*The same has been fully provided.

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023**

The 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.

**56.2 Transactions with other entities- where Directors are interested:****a) Name of the entity & transactions**

(i) **Indian Potash Limited (IPL)** - Shri S. C. Mudgerikar was a Nominee Director in the said entity upto 30th, May, 2022.

(₹ Crore)

Sr. no.	Particulars	2022-23	2021-22
1.	Transactions during the year*	481.23	16.72
	Dividend	0.40	0.27
	Sitting Fees	-	0.03
2.	Accounts receivable/(payable) as at 31st March	-	-

\*Procurement of raw materials during the year

(ii) **Hindustan Urvarak & Rasayan Limited (HURL)** - Shri S. C. Mudgerikar holding an additional charge as Managing Director as per directives from DOF in the said entity from 25th May, 2022 to 14th March, 2023.

(₹ Crore)

Sr. no.	Particulars	2022-23	2021-22
1.	Transactions during the year*	0.18	-
2.	Accounts receivable/(payable) as at 31st March	(0.06)	-

\*Income from renting of Investment Property

(iii) **Projects and Development India Limited (PDIL)** - Owing to Ms Nazhat J. Shaikh holding additional charge as Director (Finance) of the said entity from 04th February, 2022.

(₹ Crore)

Sr. no.	Nature of Transaction	2022-23	2021-22
1.	Transactions during the year*	2.92	1.89
2.	Accounts receivable/(payable) as at 31st March	(0.06)	(0.66)

\*Consultancy services etc.

**b) Disclosure as per Section 186 of the Companies Act, 2013**

(₹ Crore)

Sr. No.	Name of Party	Amount as on 31.03.2023	Amount as on 31.03.2022
1.	FACT Ltd(Joint Venture Partner in FRBL) Inter Corporate Loan	10.20	15.30
2.	Corporate Guarantee (FRBL)	2.20	2.20
3.	Investment in Indian Potash Limited	0.17	0.17
4.	Investment in Talcher Fertilizers Limited	805.48	805.48

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

### 56.3 Key Management Personnel

#### a) Whole Time Directors & Company Secretary

- (i) Shri S. C. Mudgerikar , Chairman & Managing Director
- (ii) Shri Sudhir Panadare, Director (Technical) (Upto 31.05.2021)
- (iii) Shri Umesh Dongre, Director (Finance) and CFO (upto 30.11.2021)
- (iv) Shri K. U. Thankachen, Director(Marketing) (upto 31.07.2022)
- (v) Ms Nazhat J. Shaikh, Director (Finance) and CFO (from 01.12.2021)
- (vi) Shri Milind M. Deo, Director (Technical) (from 27.12.2021)
- (vii) Shri Jai Bhagwan Sharma, Company Secretary

#### b) Independent Directors

- (i) Prof. Anil Kumar Singh (upto 06.03.2022)
- (ii) Dr Shambhu Kumar (upto 06.03.2022)
- (iii) Ms Shashi Bala Bharti
- (iv) Shri Chandra Bhushan Pandey (from 29.11.2021)
- (v) Shri Gopinathan Nair Anilkumar (from 27.12.2021)
- (vi) Late Shri Kashee Nath Akela (upto 12.08.2022)

#### c) Government Nominee Directors

- (i) Ms Aparna S. Sharma (upto 12.11.2022)
- (ii) Shri Satendra Singh (from 20.07.2022 to 19.10.2022)
- (iii) Ms Aneeta C. Meshram (from 13.11.2022)
- (iv) Shri Sanjay Rastogi (from 21.02.2023)

#### Details relating to parties referred above:

##### (i) Remuneration:

(₹ Crore)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Shri S. C. Mudgerikar	0.99	0.73
Shri Sudhir Panadare	-	0.65
Shri Umesh Dongre	-	0.54
Shri K. U. Thankachen	0.95	0.68
Ms. Nazhat J. Shaikh	0.69	0.18
Shri Milind M. Deo	0.79	0.14
Shri Jai Bhagwan Sharma	0.62	0.47
<b>Total</b>	<b>4.04</b>	<b>3.39</b>

The above amount includes salaries and allowances, contribution to Provident fund, pension etc. and actual payments towards leave encashment, if any including provisions made for gratuity, leave encashment and post-retirement medical benefits made on actuarial basis.

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023**

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

**(ii) Sitting Fees in case of Independent Directors**

(₹ Crore)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Shri Anil Kumar Singh	-	0.12
Shri Shambhu Kumar	-	0.10
Ms Shashi Bala Bharti	0.08	0.09
Shri Chandra Bhushan Pandey	0.07	0.01
Late Shri Kashee Nath Akela	0.01	0.01
Shri Gopinathan Nair Anilkumar	0.07	0.01
<b>Total</b>	<b>0.23</b>	<b>0.34</b>

**56.4 Transaction with other Government related Entities**

Since Government of India owns 75% of the Company's equity share capital (under the administrative control of Ministry of Chemicals and Fertilizers), the disclosures relating to transactions with Government controlled entities have been reported in accordance with para 26 of Ind AS 24- Related Party Disclosures.

Certain transactions which are individually and collectively significant carried out with Government related entities for purchase of Gases, for procurement of Raw Materials / Finished Goods, Assets / Spare parts from Original equipment manufacturers etc. the details of which are as under:

(₹ in Crore)

Name of Entity	Nature of Transaction	2022-23	2021-22
<b>Sale of Product/Services during the year</b>			
Hindustan Petroleum Corp Ltd	Renting of Pipeline/Renting of Immovable Property	25.67	4.74
Bharat Petroleum Corporation Limited	Renting of Immovable Property /Sale of Industrial chemicals/ Renting of Pipeline	19.76	43.71
Indian Oil Corporation Ltd	Sale of Industrial chemicals/ Lease Rent for Petrol Pump	537.72	252.65
The Singareni Collieries Co. Ltd.	Sale of Industrial chemicals	69.34	59.75
Fertilizers and Chemicals Travancore Ltd	Repayment of Loans and Interest received	6.11	5.60
<b>Purchase of Product/Services during the year</b>			
GAIL (India) Ltd	Procurement of Gas / Transportation Charges/Pool difference payment	10540.23	7,105.34
Mangalore Refinery & Petrochemicals	Procurement of Sulphur	50.06	38.19
Indian Oil Corporation Ltd	Procurement of Lube Oil/High Speed Diesel	106.67	4.97
Bharat Heavy Electricals Limited	Procurement of Capital Goods	5.96	3.02
Hindustan Petroleum Corp Ltd	Procurement of Furnace Oil and natural gas	236.86	3.36
Bharat Petroleum Corporation Limited	Procurement of Molten Sulphur & Lubes and natural gas	870.97	6.78



## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

Name of Entity	Nature of Transaction	2022-23	2021-22
Bharat Earthmovers Ltd	Procurement of Capital Goods	0.11	1.21
Fertilizers and Chemicals Travancore Ltd	Procurement of Ammonium Sulphate	3.71	-
Balmer Lawrie & Co . Ltd	Purchase of Chemicals	0.80	1.00
<b>Accounts Receivable</b>			
Indian Oil Corporation Ltd	Trade & other receivable	89.54	37.89
Bharat Petroleum Corporation Limited	Trade & other receivable	1.69	1.58
Fertilizers and Chemicals Travancore Ltd	Inter Corporate Loan & other receivable	10.67	15.74
Hindustan Petroleum Corp Limited	Trade & other receivable	0.42	-
<b>Accounts Payable</b>			
GAIL (India) Ltd	Trade & other payables	730.81	616.26
Mangalore Refinery & Petrochemicals	Trade & other payables	2.45	6.43
Bharat Heavy Electricals Limited	Trade & other payables	0.19	3.54
Bharat Petroleum Corporation Limited	Trade & other payables	62.94	67.72
Hindustan Petroleum Corp Limited	Trade & other payables	27.87	0.11
Indian Oil Corporation Limited	Trade & other payables	0.11	0.95
Balmer Lawrie & Co . Ltd	Trade & other payables	0.24	0.22

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

### 56.5 Transaction with Trusts

(₹ Crore)

Name of Related Party	Nature of Transactions	2022-23	2021-22
<b>Contribution to Trust</b>			
RCF Ltd Employees Provident Fund Trust	Contribution	31.14	31.32
RCF Ltd Employees Gratuity Fund	Contribution	7.94	13.94
<b>Reimbursement of Gratuity payment made on behalf of Trust</b>			
RCF Ltd Employees Gratuity Fund	Reimbursement	38.66	37.40
<b>Balance payable/(receivable) as on 31st March of financial year</b>			
RCF Ltd Employees Provident Fund Trust	Contribution	8.59	5.42
RCF Ltd Employees Gratuity Fund	Contribution/Net of reimbursement due	(4.02)	(7.58)

### 57. Earnings per Share –Basic and Diluted

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Net profit after tax as per Statement of Profit and loss (₹ crore) (A)	966.31	702.39
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)	17.52	12.73
Diluted earnings per Share (in Rupees) (Face Value of ₹ 10/- per share) (A)/(B)	17.52	12.73
EPS from continuing operations (Face Value of ₹ 10/- per share)	17.52	12.73

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023****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	
		31.03.2023	31.03.2022
1) FACT-RCF BUILDING PRODUCTS LTD.	India	50.00	50.00
2) URVARAK VIDESH LTD.	India	33.33	33.33
3) TALCHER FERTILIZERS LIMITED	India	33.33	33.33

**A) FACT-RCF BUILDING PRODUCTS LTD :-**A Joint venture Company with Fertilizers and Chemicals Travancore Ltd. (FACT) for manufacture of rapid building materials from Gypsum at Kochi.

**Summarized financial information of Company’s investment in FACT-RCF BUILDING PRODUCTS LTD. (FRBL)**

(₹ Crore)

Sr. No.	Particulars	As at 31.03.2023 (Audited)	As at 31.03.2022 (Audited)
1.	Non-Current Assets	2.34	2.84
2.	Cash and Cash Equivalent	0.16	0.29
3.	Current Assets other than Cash and Cash Equivalent	7.51	10.25
4.	Non-Current Liabilities	64.65	57.95
5.	Current Liabilities	91.80	93.96
6.	Equity	(146.44)	(138.53)
7.	Proportion of the Company’s ownership	50%	50%
8.	Carrying amount of the investment*	-	-

Sr. No.	Particulars	Year Ended 31.03.2023 (Audited)	Year Ended 31.03.2022 (Audited)
1.	Income	0.96	3.50
2.	Cost of materials consumed	-	-
3.	Change in inventories	-	1.23
4.	Depreciation and amortization expense	-	-
5.	Finance costs	7.07	6.84
6.	Employee benefits expenses	0.48	0.88
7.	Other Expenses	1.31	3.96
8.	Profit/Loss from continuing operations before exceptional item	(7.90)	(9.41)
9.	Exceptional Item	-	-
10.	Profit/Loss Before Tax	(7.90)	(9.41)
11.	Total comprehensive income for the year	(7.90)	(9.41)
12.	Company’s Share of profit / (loss) for the year	(3.95)	(4.71)

\* 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, the Company has not recognized share of loss of ₹ 3.95 crore for the year (P.Y. ₹ 4.71 crore) and ₹ 73.22 crore cumulatively upto the year ended 31.03.2023 (P.Y. ₹ 69.27 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.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

### Summarized financial information of Company's investment in URVARAK VIDESH LTD.

			(₹ Crore)	
Sr. No.	Particulars	As at 31.03.2023 (Audited)	As at 31.03.2022 (Audited)	
1.	Non-Current Assets { ₹ 1 (P.Y ₹ 1)}	-	-	
2.	Cash and Cash Equivalent	0.01	0.01	
3.	Current Assets other than Cash and Cash Equivalent	0.07	0.06	
4.	Non-Current Liabilities	-	-	
5.	Current Liabilities	0.03	0.02	
6.	Equity	0.05	0.05	
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 31.03.2023 (Audited)	Year Ended 31.03.2022 (Audited)	
1.	Income { ₹ 34,600 (P.Y ₹ 37,500)}	-	-	
2.	Cost of materials consumed	-	-	
3.	Depreciation and amortization expense	-	-	
4.	Finance costs	-	-	
5.	Employee benefits expenses	-	-	
6.	Other Expenses	0.01	0.01	
7.	Profit/(Loss) from continuing operations	(0.01)	(0.01)	
8.	Total comprehensive income for the year	(0.01)	(0.01)	
9.	Company's Share of profit /(loss) for the year	-	-	

\*The Company, on implementation of Ind AS had adopted the carrying amount as per IGAAP as its deemed cost of its investment in joint ventures. Hence the value of investment in the financial statements is Nil.

**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 31.03.2023 (Audited)	As at 31.03.2022 (Audited)	
1.	Non-Current Assets	2704.33	1949.89	
2.	Cash and Cash Equivalent	141.03	632.05	
3.	Current Assets other than Cash and Cash Equivalent	401.02	168.35	
4.	Non-Current Liabilities	489.93	-	
5.	Current Liabilities	364.67	355.98	
6.	Equity	2391.78	2394.31	
7.	Proportion of the Company's ownership	33.33%	33.33%	
8.	Carrying amount of the investment	797.26	798.10	
9.	Capital Commitment	9175.67	9216.15	



## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

Sr. No.	Particulars	Year Ended 31.03.2023 (Audited)	Year Ended 31.03.2022 (Audited)
1.	Income	5.89	21.53
2.	Cost of materials consumed	-	-
3.	Depreciation and amortization expense	0.61	0.58
4.	Finance costs	-	-
5.	Employee benefits expenses	-	-
6.	Other Expenses	3.40	26.82
7.	Profit/(Loss) from continuing operations	(2.34)	(5.87)
8.	Total comprehensive income for the year	(2.53)	(5.94)
9.	Company's Share of profit / (loss) for the year	(0.84)	(1.97)

### 59. Disclosure of additional information pertaining to the Parent Company and Joint Ventures as on 31st March, 2023

(₹ 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)
<b>Parent Company</b>								
Rashtriya Chemicals and Fertilizers Limited	82.63	3792.84	100.09	967.15	100.00	(31.87)	100.09	935.28
<b>Joint Venture (as per Equity Method)</b>								
<b>Indian</b>								
FACT –RCF Building Products Ltd.	-	-	-	-	-	-	-	-
Urvarak Videsh Limited	-	0.02	-	-	-	-	-	-
Talcher Fertilizers Limited	17.37	797.26	(0.09)	(0.84)	-	-	(0.09)	(0.84)
<b>Total</b>	<b>100.00</b>	<b>4590.12</b>	<b>100.00</b>	<b>966.31</b>	<b>100.00</b>	<b>(31.87)</b>	<b>100.00</b>	<b>934.44</b>

### 60. Contingent Assets:

- As per the Arbitration award received in its favor for the compensation claimed in respect of surrender of land to Mumbai Metropolitan Regional Development Authority (MMRDA) on 23rd May, 2018, Company is eligible for compensation either in the form of cash / TDRs amounting to ₹ 75.17 crore along with interest over and above the entitled compensation as recommended by Arbitration award. Company has filed an execution application, however MMRDA has obtained stay against the same from Mumbai High Court subject to deposit of 25% of the disputed amount with the Court. MMRDA has deposited 25% of the disputed amount as directed by the Court and the Company has withdrawn the same amounting to ₹ 27.93 crores in F.Y.2020-21 upon submission of bank guarantees of equivalent amount in favour of the Court. The matter is yet to be heard.
- Further, in respect to action initiated towards certain parties for recovery of its dues, the Company has filed Execution Petitions attaching properties in existence upon receipt of favorable orders from Court amounting to ₹ 0.63 crore (P.Y. ₹ 0.63 crore)
- In accordance with MOU entered with DOF for Import of Urea, the Company is eligible for interest on delayed settlement of claims from DOF. Accordingly, Company has preferred interest claims amounting to ₹. 25.75 crore towards delay in settlement of balance 2% claims, however has not recognized income towards the same since the same is subject to verification and finalization from DOF.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

### 61. Exceptional items:

Exceptional item consists of:

Sr. No.	Particulars	Year ended	
		31.03.2023	31.03.2022
(₹ Crore)			
<b>A.</b>	<b>Transferrable Development Right</b>		
	Loss / (Gain) on Revaluation of Development Right Certificate received / receivable from MMRDA towards surrender of land in earlier years to MMRDA/MCGM.	(36.47)	0.28
	Fair value gain on account of valuation of Development Right Certificate received from Municipal Corporation of Greater Mumbai towards surrender of land.	(26.85)	(0.56)
	<b>Net Exceptional Expense / (Income)</b>	<b>(63.32)</b>	<b>(0.28)</b>
<b>B.</b>	<b>Gas Transmission charges by GAIL</b>		
	Liability towards Gas Transmission charges as per PNGRB order on ONGC Uran Trombay Pipeline as per AMRCD order	-	19.65
	Reversal of excess liability of price differential for use of APM/Domestic gass for non-fertilizer/ Non-Urea operations as per AMRCD order.	(30.15)	(147.00)
	<b>Net Exceptional Expense / (Income)</b>	<b>(30.15)</b>	<b>(127.35)</b>
	<b>Grand Total (A+B)</b>	<b>(93.47)</b>	<b>(127.63)</b>

### 62. Disclosure as per Ind AS 116- Leases

Sr. No.	Particulars	Year ended	
		31.03.2023	31.03.2022
(₹ Crore)			
<b>Details pertaining to Lease Arrangement considered as ROU</b>			
1.	Total Gross Lease liability	17.00	15.57
2.	Total Discounted lease liability	13.95	10.31
3.	Cash Outflow due to Lease Liability	5.22	4.16
4.	Interest charged to PL	1.05	0.95
5.	Depreciation charged to PL	4.49	3.53
6.	Cancellations charged to PL	-	-
7.	<b>Maturity Profile of Lease Liability</b>		
	On Demand	-	-
	Less Than 3 Months	1.14	0.82
	3 to 12 Months	3.54	1.95
	1 to 5 years	6.70	4.21
	5 Years & Above	2.56	3.32
	<b>Grand Total</b>	<b>13.95</b>	<b>10.30</b>
<b>Details pertaining exemptions availed as Short Term Lease Arrangement and not considered above</b>			
8.	During the year charged to P&L	7.25	8.99
9.	<b>Disclosure of undiscounted lease receivables wrt to assets given on Operating lease as a lessor</b>		
	On Demand	0.10	-
	Less Than 3 Months	0.86	0.89
	3 to 12 Months	2.50	2.64
	1 to 5 years	11.35	12.05
	5 Years & Above	4.23	6.24
	<b>Grand Total</b>	<b>19.03</b>	<b>21.82</b>

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023**

63. M/s FRBL Joint Venture Company of the group has been declared as willful defaulter by the asset reconstruction company, M/s Omkara Asset Reconstruction Pvt Ltd.
64. Consolidated Employee benefit disclosures, lease disclosures, impairment disclosures, deferred tax liability (net), Trade Receivables ageing, Trade Payables ageing, Details of CWIP, Relationship with struck off Companies and other Schedule III disclosures are not materially different from those disclosed in the standalone financial statements of the Company, since the consolidation is done based on equity method.

The Notes to these consolidated Ind AS financial statements are disclosed to the extent relevant and necessary for presenting a true and fair view of the consolidated Ind AS financial statements based on section 129(4) of The Companies Act, 2013 and as clarified vide Circular No.39/2014 dated 14th October, 2014.

65. The Consolidated financial statements were prepared based on audited Financial Statements of Joint Venture entities viz Urvarak Videsh Limited and FACT-RCF Building Product Limited and Management Certified Financial Statements in respect of Joint Venture entity viz Talcher Fertilizers Limited and the same was approved by Board of Directors on 30th May, 2023. Further, as per directions received by the Company from Comptroller and Auditor General of India in earlier years, the Company was required to submit Consolidated Financial Statements based on audited Financial Statements of all the Joint venture entities mentioned above. The Board of directors took a note of the same and had directed the Company vide resolution passed on 30th May, 2023, to revise the consolidated financial statements only to the extent of adjustments on account of any change between management certified financials and audited financials of Talcher Fertilizers Limited. Accordingly, on receipt of audited Financial Statements of Talcher Fertilizers Limited, Consolidated Financial Statements of the Company stands duly revised.

The summary of Impact of the Consolidated Financial Statements based on the audited Financial Statements of the respective Joint ventures is as under:

Particulars	(₹ Crore)	
	Considering Un-audited	Considering Audited
1. Share of Profit/(Loss) of Joint ventures	(0.84)	(0.84)
2. Other Equity	4038.43	4038.43

Other disclosures relating to summarized financial information of Company's investment FACT-RCF Building Products Ltd, Urvarak Videsh Limited and Talcher Fertilizers Ltd is explained in detail in Note no.58 above.

66. The Consolidated Financial Statements were authorized for issue in accordance with a resolution passed by the Board of Directors on 22nd June, 2023.
67. 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.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

68. The figures of previous year have been re-arranged and regrouped wherever necessary and/or practicable to make them comparable with those of the current year and as per schedule III amendments as mandated by Companies Act, 2013.

For and on behalf of the Board of Directors

**RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED**

**(S. C. Mudgerikar)**

Chairman & Managing Director

DIN : 03498837

**(Nazhat Shaikh)**

Director (Finance)

DIN : 07348075

**(J. B. Sharma )**

Company Secretary

Membership No: FCS5030

Dated : 22nd June, 2023.

Place: Lucknow

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 : 22nd June, 2023.

Place: Mumbai

**For GOKHALE & SATHE**

Chartered Accountants

Firm Regn. No. 103264W

**(Atul Kale)**

Partner

Membership No: 109947



**Consolidated Segmentwise Revenue & Results for the Period ended 31<sup>st</sup> March 2023**

Annexure-1

₹ Crore

Sr. No	Particulars	Fertilizers	Trading	Industrial Chemicals	Unallocated	Total
<b>SEGMENT REVENUE</b>						
i.	Sales ( Incl. Subsidy wherever applicable)	14594.25	3571.08	3220.04	-	21385.37
ii.	Other operating Income	48.00	0.08	6.42	11.67	66.17
	<b>Total Revenue</b>	<b>14642.25</b>	<b>3571.16</b>	<b>3226.46</b>	<b>11.67</b>	<b>21451.54</b>
<b>SEGMENT RESULT</b>						
i.	Segment Results	752.33	(172.45)	885.47	(84.39)	1380.96
ii.	Share of profit / (loss) of Joint Ventures	(0.84)	-	-	-	(0.84)
iii.	Interest Expense					223.86
iv.	Interest Income					23.41
v.	<b>Profit Before Exceptional Items</b>					<b>1179.67</b>
vi.	Less: Exceptional Item - Expenditure / (Income)					(93.47)
vii.	<b>Profit before Tax</b>					<b>1273.14</b>
viii.	Tax - Current					327.33
ix.	Deferred Tax Liability / ( Asset )					21.53
x.	Tax adjustments of earlier years (excess) / short					(42.03)
xi.	<b>Net Profit</b>					<b>966.31</b>
<b>OTHER INFORMATION</b>						
i.	Segment Assets	6613.88	1076.03	537.78	1476.93	<b>9704.62</b>
ii.	Segment Liabilities	2632.08	105.80	125.77	2250.85	<b>5114.50</b>
<b>Other Disclosures</b>						
iii.	Investments in Joint Ventures	797.28	-	-	-	<b>797.28</b>
iv.	Capital Expenditure	300.64	-	0.03	2.69	<b>303.36</b>
v.	Depreciation and Amortisation	166.31	-	34.74	5.53	<b>206.58</b>
vi.	Impairment	0.34	-	5.52	-	<b>5.86</b>
vii.	Other Non Cash Expenses	3.45	-	-	0.01	<b>3.46</b>

## Consolidated Segmentwise Revenue & Results for the Period ended 31<sup>st</sup> March 2022

₹ Crore

Sr. No	Particulars	Fertilizers	Trading	Industrial Chemicals	Unallocated	Total
<b>SEGMENT REVENUE</b>						
i.	Sales ( Incl. Subsidy wherever applicable)	9521.77	968.68	2265.51	-	12755.96
ii.	Other operating Income	42.94	0.07	1.53	11.67	56.21
	<b>Total Revenue</b>	<b>9564.71</b>	<b>968.75</b>	<b>2267.04</b>	<b>11.67</b>	<b>12812.17</b>
<b>SEGMENT RESULT</b>						
i.	Segment Results	365.87	39.21	504.71	(18.87)	890.92
ii.	Share of profit / (loss) of Joint Ventures	(1.97)		-		(1.97)
iii.	Interest Expense					125.89
iv.	Interest Income					51.25
v.	<b>Profit Before Exceptional Items</b>					<b>814.31</b>
vi.	Less: Exceptional Item - Expenditure / (Income)					(127.63)
vii.	<b>Profit before Tax</b>					<b>941.94</b>
viii.	Tax - Current					267.11
ix.	Deferred Tax Liability / ( Asset )					(8.63)
x.	Tax adjustments of earlier years (excess) / short					(18.93)
xi.	<b>Net Profit</b>					<b>702.39</b>
<b>OTHER INFORMATION</b>						
i.	Segment Assets	6680.02	1054.45	370.33	2426.02	<b>10530.82</b>
ii.	Segment Liabilities	159.89	965.55	103.58	5419.93	<b>6648.95</b>
<b>Other Disclosures</b>						
iii.	Investments in Joint Ventures	798.12	-	-	-	<b>798.12</b>
iv.	Capital Expenditure	251.80	-	-	3.79	<b>255.59</b>
v.	Depreciation and Amortisation	166.63	-	11.32	5.89	<b>183.84</b>
vi.	Impairment	-	-	-	-	-
vii.	Other Non Cash Expenses	3.24	-	-	0.28	<b>3.52</b>

\*Finance income and costs, and Corporate expenses are not allocated to individual segments as the same are managed on a group basis.

\*Current taxes, deferred taxes and write back of excess tax provisions are also not allocated to those segments as they are also managed on a group basis.

\*Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties.

**Reconciliations to Amounts Reflected in Consolidated Financial Statements**

₹ Crore

Sr. No.	PARTICULARS	AS AT 31.03.2023	AS AT 31.03.2022
<b>I</b>	<b>OPERATING REVENUE</b>		
	<b>Segment Revenue</b>		
	India	20877.10	12800.50
	Outside India	562.77	-
	Segment Revenue	21439.87	12800.50
	Unallocated - Management fees	11.67	11.67
	<b>Total Operating Revenue</b>	<b>21451.54</b>	<b>12812.17</b>
<b>II</b>	<b>RECONCILIATION OF PROFITS</b>		
	Segment Profit	1464.51	907.82
	Interest Income	23.41	51.25
		<b>1487.92</b>	<b>959.07</b>
	less: Finance Costs	223.86	125.89
	Corporate Expenses (net)	84.39	18.87
	<b>Profit Before Exceptional Items</b>	<b>1179.67</b>	<b>814.31</b>
	Less: Exceptional Item - Expenditure / (Income)	(93.47)	(127.63)
	<b>Profit Before Tax</b>	<b>1273.14</b>	<b>941.94</b>
<b>III</b>	<b>RECONCILIATION OF ASSETS</b>		
	Segment Assets	8227.69	8104.80
	Investments	1002.39	941.92
	Corporate Assets + CWIP	23.06	25.96
	Non Current Tax Asset	172.83	96.33
	Derivatives (MTM Gain)	8.19	12.05
	Cash & Bank balances	51.72	1149.41
	Other assets *	218.74	200.35
	<b>Total Assets</b>	<b>9704.62</b>	<b>10530.82</b>
<b>IV</b>	<b>RECONCILIATION OF LIABILITIES</b>		
	Segment Liabilities	2863.65	1229.02
	Borrowings Long-Term	1034.98	1120.41
	Borrowings Short-Term	829.78	2304.85
	Deferred Tax Liabilities	236.90	214.07
	Current Tax Liability	-	38.39
	Other Current Financial Liabilities	146.14	122.11
	Other Non Current Financial Liabilities	0.05	0.05
	Other Liabilities	3.00	1620.05
	<b>Total Liabilities</b>	<b>5114.50</b>	<b>6648.95</b>

\* Includes an amount of ₹ 62.32 Crore receivable from Government of India towards Import of Urea on Government Account (P.Y. ₹ 27.11 Crore)

## FORM AOC-1

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

## STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARY / ASSOCIATES / JOINT VENTURES

## Part A: Subsidiaries

Name of Subsidiary Company	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of Shareholding	Reasons for non-consolidation.
Not Applicable													

## Part B: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 relating to Associate Companies and Joint Ventures

Name of Joint Venture	Shares of Associate / Joint Ventures held by the Company on year end		Amount of investment in Associate/ Joint Venture (₹ in crore)	Extent of Holding %	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 (₹ in crore)	Reason why the associate / joint venture is not consolidated
	Last audited balance sheet date	No.				Considered in Consolidation (₹ in crore)	Not Considered in Consolidation (₹ in crore)		
1. FACT -RCF Building Products Ltd.	31-Mar-2023	35,227,000	35.23	50.00%	(73.22)	-	(3.95)	Note A	**
2. Urvarak Videsh Limited	31-Mar-2023	180,002	0.18	33.33%	0.02 *	-	-	Note A	
3. Talcher Fertilizers Limited	31-Mar-2023	805,480,826	805.48	33.33%	797.26	(0.84)	-	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 ₹ (19,498)									

\*\* As per Ind AS 28 - Investments in Associates and Joint Ventures, Para 38, If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture, the entity discontinues recognizing its share of further losses

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

For and on behalf of the Board of Directors

## RASHTRIYA CHEMICALS AND FERTILIZERS LTD.

(S. C. Mudgerikar)

Chairman &amp; Managing Director

DIN : 03498837

(Nazhat Shaikh)

Director (Finance)

DIN : 07348075

(J. B. Sharma)

Company Secretary

Membership No: FCS5030

Dated : 22nd June, 2023

Place: Lucknow







RCF received Second Prize” from Dr. Mansukh Mandaviya, Hon’ble Union Minister Health & Family Welfare and Chemicals & Fertilizers for “excellent implementation of official language”.



RCF has been awarded the First Prize for Best WIPS Activity Report in the 30<sup>th</sup> Regional Forum of Women in Public Sector , Goa





साथ बढ़े समृद्धि की ओर

**RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED**  
(A Government of India Undertaking)

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



वैश्विक कुटुंबकम्

ONE EARTH • ONE FAMILY • ONE FUTURE