



साथ बढ़ें समृद्धि की ओर


नवरत्न कंपनी




 **46<sup>th</sup>**  
**Annual Report**  
**2023-24**

**Rashtriya Chemicals and Fertilizers Limited**  
A Government of India Undertaking



 Presented RCF's 'Navratna' mementos to the Hon'ble Minister for Chemicals & Fertilizers and Hon'ble Minister of State in the presence of Fertilizer Secretary.



 On the occasion of #VikasitBharatSankalpnayatra, #RCF CMD Shri Mudgerikarji visited Kolhapur Regional Office and conducted a demonstration of spraying of Nano Urea by Drone and farmer training at Hasur village of Kolhapur district.

# BOARD OF DIRECTORS

## WHOLE TIME DIRECTORS



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



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



**Ms Ritu Goswami**  
Director (Technical)  
(w.e.f. 17.01.2024)

## GOVERNMENT NOMINEE DIRECTORS



**Dr. Ajay Shanker Singh, ICAS**  
Chief Controller of Accounts  
(Additional Charge),  
Dept. of Fertilizers, New Delhi  
(w.e.f. 5.1.2024)



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



**Shri Sanjay Rastogi, IAS**  
Addl. Secretary & Financial  
Advisor, Dept. of Fertilizers,  
New Delhi (upto 4.1.2024)

## INDEPENDENT DIRECTOR



**Shri Gopinathan Nair Anilkumar**

## COMPANY SECRETARY



**Shri J. B. Sharma**

## CHAIRMAN'S MESSAGE



### Dear Shareholders,

It gives me immense pleasure to present the 46<sup>th</sup> Annual Report on the performance of your Company for the year 2023-24. The financial year 2023-24 was a year of continuing challenges, due to geopolitical conflict in Europe and heightened tensions in Middle East, coupled with high energy and commodity prices which did moderate from their peak. Despite above challenges, India continues to be amongst the fastest growing economies in financial year 2023-24

### Overview of the Economy

The growth rate in real GDP during 2023-24 is estimated at 8.2% as compared to 7% in FY 2022-23. This growth reiterates India's position as the world's fastest-growing major economy which currently holds the tag of being the world's fifth largest economy

The bright economic outlook is underpinned by a sustained strengthening of macroeconomic fundamentals, robust financial and corporate sectors and a resilient external sector. The government's continued thrust on capex while pursuing fiscal consolidation, and consumer and business optimism augur well for investment and consumption demand.

Real GDP growth for FY 2024-25 is projected at 7%, with risks evenly balanced. Even as the global economy is facing multiple challenges such as elevated inflation, tight monetary and financial conditions, and escalating geopolitical tensions, the Indian economy is exhibiting

strength and stability with robust macroeconomic fundamentals and financial stability

Geopolitical tensions, geo-economic fragmentation, global financial market volatility, international commodity price movements and erratic weather developments pose downside risks to the growth outlook and upside risks to the inflation outlook

### Overview of the Fertilizer Industry

Overall fertilizers production in India has increased by 4.03% during financial year 2023-24 as against financial year 2022-23 due to increase in production of Urea & NPK. Production of urea has increased by 10.20% during the financial year 2023-24 as against 2022-23. NPK production increased by 2.80% during financial year 2023-24 as against financial year 2022-23

Imports have decreased by 5.79% due to the decrease in Urea, DAP & NPK imports. India's fertiliser import dynamics experienced notable shifts, marked by a discernible decline of 7.10% in Urea, 15.40% in DAP, and 19.40% in NPKs imports compared to the preceding year. Conversely, MOP surged with an impressive growth rate of 53.80%. This trend seamlessly aligns with the government's vision under the Atma Nirbhar Bharat initiative, emphasizing reduced dependence on imports and the promotion of indigenous alternatives.

This shift in import pattern reflects a concerted effort to bolster domestic production and promote self-sufficiency in the fertiliser sector. It underscores India's commitment to harnessing its vast agricultural resources and leveraging indigenous capabilities to meet the nation's fertiliser requirements. As India continues to prioritize local production and reduce reliance on imports, such developments pave the way for a more resilient and self-reliant agricultural ecosystem, in line with the overarching goals of sustainable development and economic sovereignty.

India experienced a notable growth in sales across key fertilizers, with Urea, DAP, MOP and NPKs boasting impressive increases of 0.20%, 3.80%, 0.80% and 9.90% respectively, compared to the previous year. Notably, NPK sales surged significantly, showcasing excellent growth compared to the preceding year. Sales of SSP has decreased by 9.40% as compared to previous year.

Finance Ministry in the Interim Budget has lowered the allocation for fertiliser subsidy by 13% to ₹ 1.64 lakh crore for 2024-25 as compared to ₹ 1.89 lakh crore revised budget estimate for Financial year 2023-24.

### Corporate Overview of the Company

During the year, your Company achieved Revenue from Operations of ₹ 17146.74 crore. Profit Before Tax (PBT) during the year, stood at ₹ 303.63 crore. Your Company witnessed a steep reduction in subsidy owing to fall in NPK nutrients effective from October 1, 2023, impacting the operating margins of manufactured NPK fertilizers.

Your Company has been designated as State Trading Enterprise (STE) for Import of Urea on Government Account. Based on the instructions of Department of Fertilizers (DoF), your Company imported approx. 10.06 lakh MT of Urea through issue of Global Tenders during the year 2023-24.

In the face of intense market competition & falling international prices, your Company achieved revenue of ₹ 1939.16 Crore during the year from its Industrial Chemicals segment.

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

- ✓ 9% increase in total fertilizer sales over previous year.
- ✓ Sales of Imported products increased by 91% (from 4.47 LMT in 2022-23 to 8.54 LMT in 2023-24) over previous year.
- ✓ Ever highest sales volume of 8.54 LMT of Non-Urea traded products.
- ✓ Ever highest sale of all imported products (DAP, NPK 10:26:26, NPK 20:20:0:13).
- ✓ Imported DAP sales increased by 73% (from 2.98 LMT in 2022-23 to 5.17 LMT in 2023-24) over previous year.
- ✓ Imported NPK 10:26:26 sales increased by 478% (from 0.29 LMT in 2022-23 to 1.66 LMT in 2023-24) over previous year.
- ✓ Imported 20:20:0:13 sale increased by 13% (from 1.20 LMT in 2022-23 to 1.36 LMT in 2023-24) over previous year.
- ✓ Total market share of fertilizer products increased from 5.65% (2022-23) to 6.02% (2023-24).
- ✓ Market share of Imp. DAP increased from 2.86% (2022-23) to 4.78% (2023-24).
- ✓ Market share of NPK (Ind.+Imp.) increased from 7.58% (2022-23) to 8.11% (2023-24).
- ✓ The sales of PDM increased by 41% (from 8764 MT in 2022-23 to 12400 MT in 2023-24)
- ✓ Sold 610 mts of FOM through tie-up and also 3337 MTs of Sulphur Coated Urea, both for the first time
- ✓ For the first time sold 122640 (500 ml) bottles of Nano Urea under the marketing tie-up.
- ✓ Highest ever sale of AN melt of 1,77,086 MT.
- ✓ Highest ever sale of Trimethyl Amine of 2,916 MT.
- ✓ Highest ever sale of Liquid Nitrogen of 1,578 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 ₹ 1.24 per equity share of ₹ 10/- each for the financial year 2023-24, which would involve a total cash outflow of ₹ 68.41 Crore (₹ 292.39 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.

- **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 which is used for coal mining 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 fertilizers, your Company is exploring possibility of setting up NPK Fertilizer plant of 1200 MTPD (in terms of DAP) at Thal subject to economic viability.

- **Briquette Fired Boiler at RCF Thal**

Your Company is setting up an environment friendly Briquette Fired Boiler at RCF Thal at an estimated project Capital Cost of ₹ 26.75 Crore plus taxes. The low cost steam shall help in reducing the variable cost of chemicals. Briquette (Bio-Mass) or 'White Coal' is made-up from agriculture and forest natural waste. It can be efficiently used to replace fossil fuel. Use of Briquettes for steam generation will reduce the Green House Gas (GHG) emissions.

- **Sulphur Coated Urea (Urea Gold)**

Your Company has first launched Urea gold on July 27, 2023 at the hands of Prime Minister at Sikar Rajasthan. First BCN rake of 2536 MT Urea Gold was flagged off on January 25, 2024. 'Urea Gold' is a sulphur coated urea, a slow release fertilizer. It has 37% Nitrogen and 17% Sulphur. It supplies the much required sulphur – secondary nutrient along with nitrogen from Urea to crops. Sulphur is an important secondary nutrient for enhancing crop yield and crop quality which is more so for oil seeds and pulses. Your Company has developed the technology for producing Urea Gold indigenously and this will help to produce affordable Sulphur carrying fertilizers so as to reduce import dependency. The indigenous production of Urea Gold will add another page in the glorious history of India's efforts towards becoming a Self-Reliant 'Atm Nirbhar' country marching confidently towards its goal of becoming a Vikasit Bharat.

- **PROM : Phosphate Rich Organic Manure**

RCF PROM is an important alternative to nutrients for organic and conventional farming, which is prepared by processing a balanced mixture of organic residues, rock phosphate, oil cake, amino acids, humic acids and beneficial micro-organisms. It contains 8-10% phosphorus (P<sub>2</sub>O<sub>5</sub>) and organic carbon. The phosphorus PROM is an organic alternative to expensive synthetic phosphatic fertilizers, which enriches the soil with phosphorus and other nutrients and keeps it soft for a long time. During the financial year 2023-24, a quantity of 1138 MT was produced and made available to the farming

community. Dependence on expensive imported chemical fertilizers can be reduced by the use of RCF Organic PROM. PROM will help in achieving the goals of 'Atma Nirbhar Bharat' in years to come.

### 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 2023-24 and hope to see you on September 30, 2024 at the 46<sup>th</sup> Annual General Meeting of the Company.

### 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 Association 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 5, 2024

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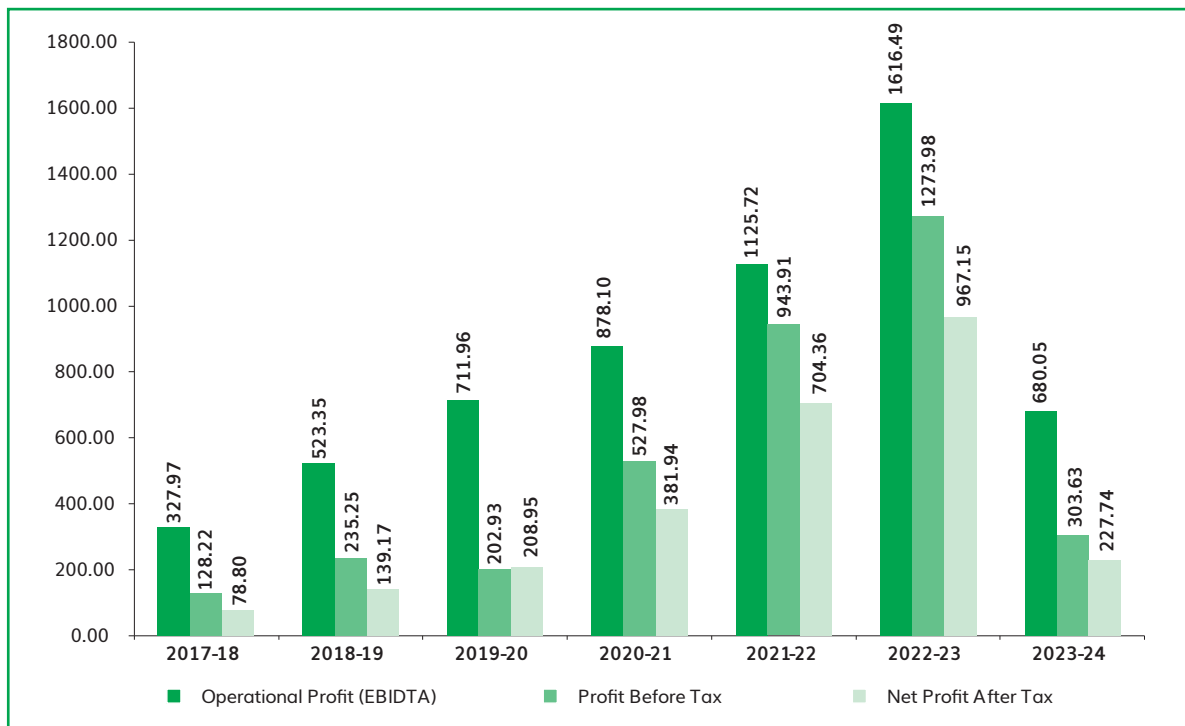
## FINANCIAL HIGHLIGHTS AT A GLANCE

₹ in crore

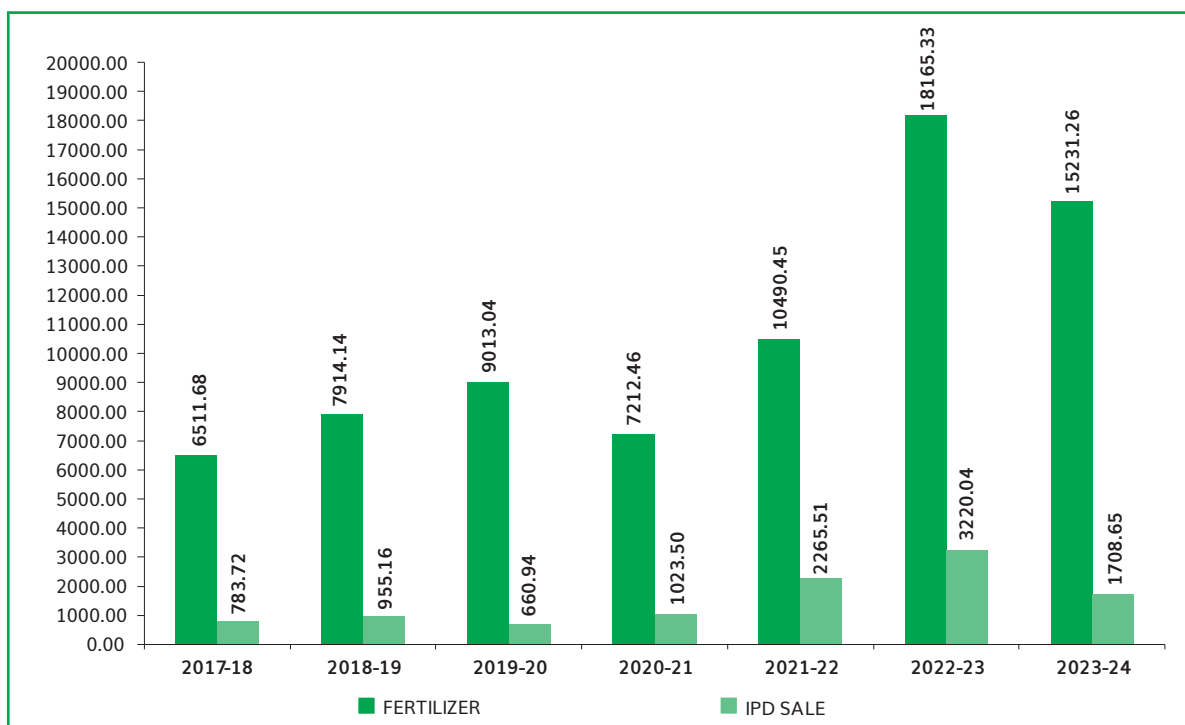
S. NO.	PARTICULARS	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
		As per IND AS					As per revised Schedule VI									
1	Gross Turnover (Gross Sales+ Subsidy + Other Income)	17598.80	21869.93	13181.19	8664.63	10017.39	9119.54	7523.42	7456.21	9019.82	8063.22	6889.28	7131.65	6698.94	5671.60	5826.25
2	Revenue From Operations (Net)	16981.31	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
3	Profit before Interest, Depreciation and Tax (EBIDTA)	680.05	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
4	Depreciation	233.10	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
5	Finance Cost	183.64	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
6	Prior year Adj. - Expenses / (Income)	0.00	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
7	Exceptional Items	(40.32)	(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
8	Profit / ( Loss ) Before Tax	303.63	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
9	Tax Provision ( Net of Adj.)	75.89	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
10	Profit / ( Loss ) After Tax	227.74	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
11	Dividend Declared															
	Rate %	12.40	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
	Amount :	68.41	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
	Dividend Payout Ratio %	30.04	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
12	Working Capital	1736.52	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
13	Capital Employed	4712.89	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
14	Net Worth	4616.40	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
15	RATIOS															
	Current Ratio [CA : 1]	1.45	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
	Debt Equity Ratio [Debts : 1]	0.30	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
	Debt Service Coverage Ratio (Times)	1.07	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
	Interest Service Coverage Ratio (Times)	3.70	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
	EBIDTA to capital employed %	14.43	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
	PBT to Capital Employed %	6.44	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
	PAT to Capital Employed %	4.83	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
	PBT to Net Worth %	6.58	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
	PAT to Net Worth %	4.93	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
	PAT to Equity %	41.28	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
	EBIDTA to Turnover %	3.86	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



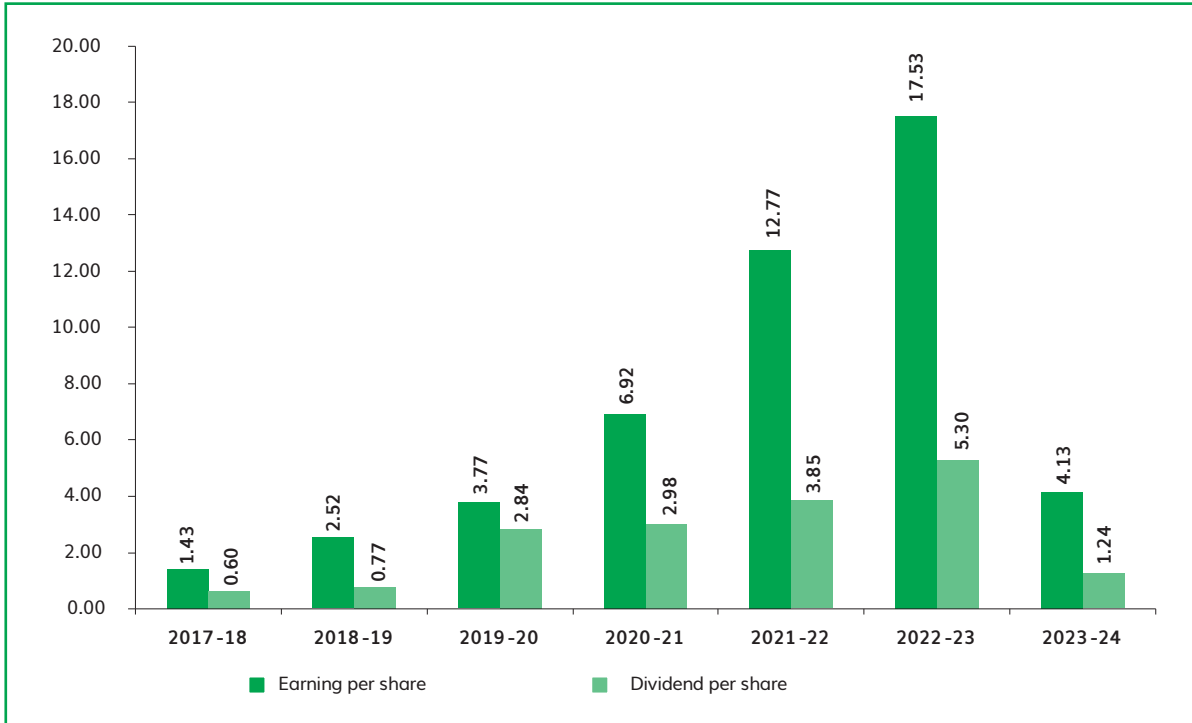
## OPERATIONAL PROFIT (EBIDTA), PBT AND PAT (₹ Crore)



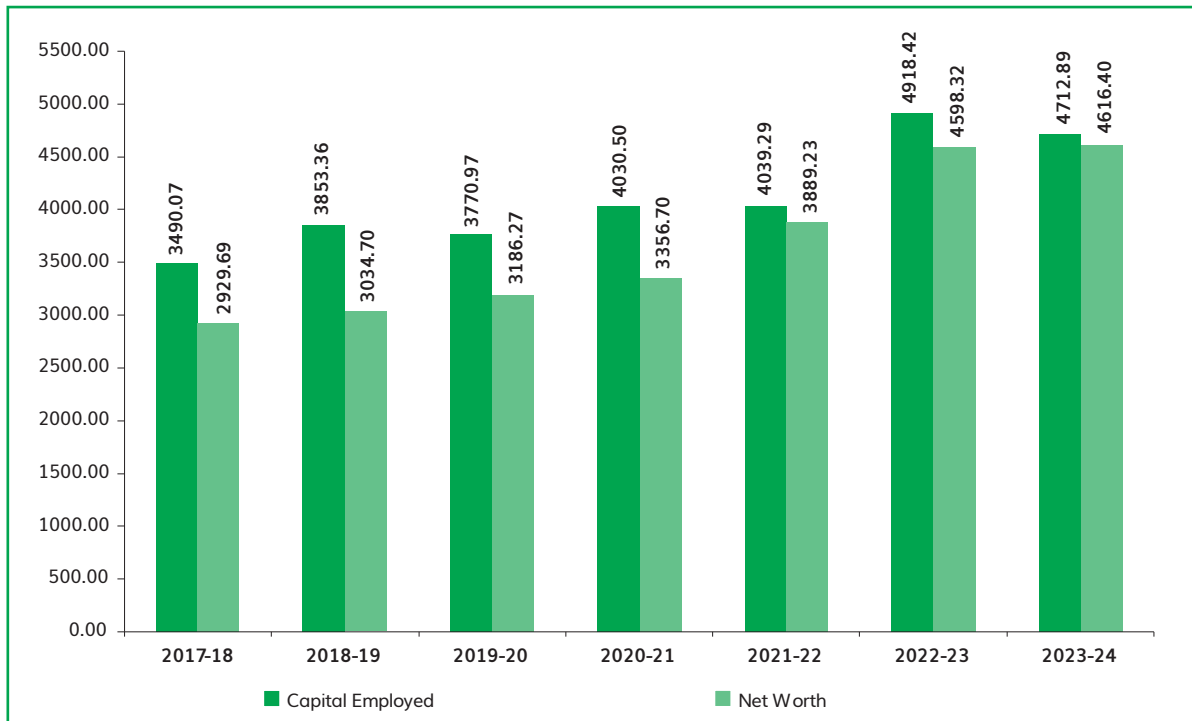
## FERTILIZER AND IPD SALES (₹ Crore)



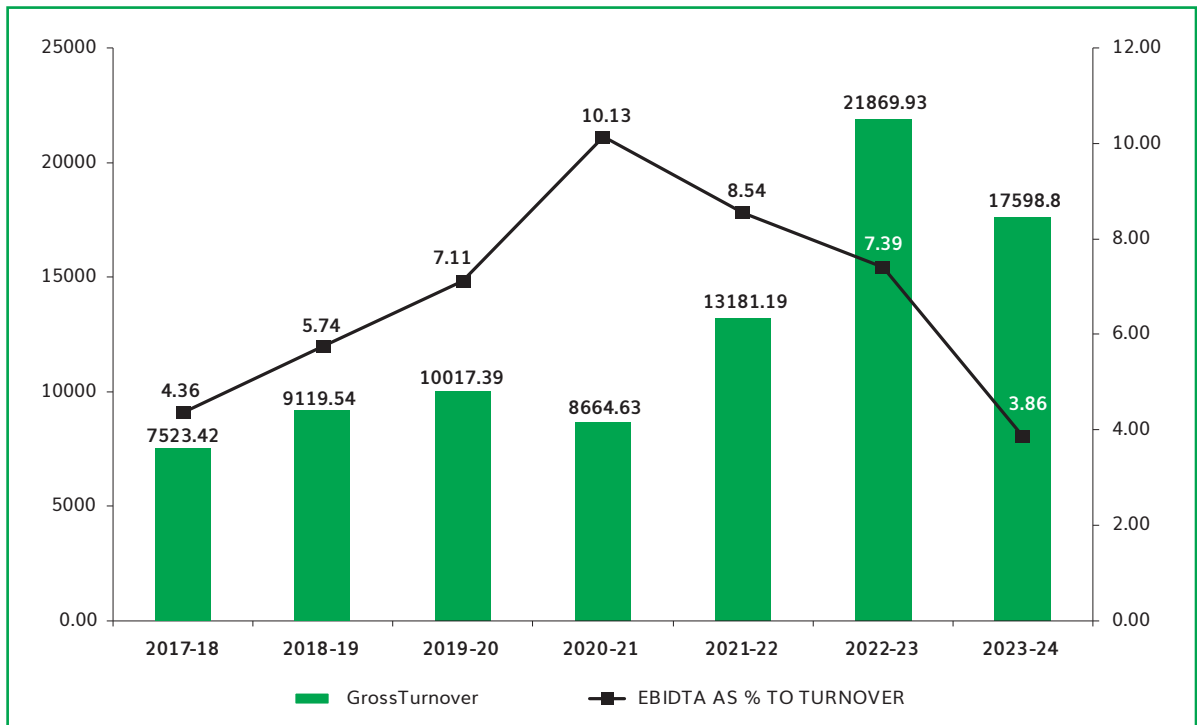
## EARNINGS & DIVIDEND PER SHARE (₹)



## CAPITAL EMPLOYED & NET WORTH (₹ Crore)



## EBIDTA AS % TO TURNOVER (₹ Crore)



### MISSION STATEMENT

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

### VISION STATEMENT

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

### VALUE STATEMENT

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

Senior Management Team as on 1.9.2024

Sr. No.	Name	Designation
1	Dr. Rahul S. Jagtap	Chief Vigilance Offic
2	Jai Bhagwan Sharma	Executive Director (Admin, Legal, Medical) & Com Secy
3	Sunetra Kamble	Executive Director (Marketing)
4	Rajiv Pande	Executive Director (HSE Corporate)
5	Gopalan Seshadri	Executive Director (Projects, Co-ordination, Corporate & IT)
6	Atul B. Patil	Executive Director (IPD)
7	Niranjan S. Sonak	Executive Director (Commercial)
8	Sharad S. Sonawane	Executive Director (HR)
9	S. Shivakumar	Executive Director (Finance)
10	Vikram K. Jawale	Executive Director (Trombay)
11	Jyoti V. Patil	Executive Director (Projects) I/c., Thal
12	Nitin B. Hirde	Executive Director (Thal) I/c.
13	M Ramesh	Chief General Manager (Purchase)
14	Sanjeev S. Doshi	Chief General Manager (HR) Corp.
15	Nanda N. Kulkarni	Chief General Manager (HRD)
16	Vijaykumar N. Gaikwad	General Manager (Marketing)
17	Sanjaykumar M. Wasnik	General Manager (HSE Unit)
18	Vivek K. Srivastava	General Manager (Talcher)
19	Mahendra K. Agrawal	General Manager (Finance)
20	Nandkishor K. Kamat	General Manager (Marketing)
21	Sanjeev N. Haraliker	General Manager (HR, Admn, ETP), Thal
22	Sudhir G. Koli	General Manager (Commercial), Thal
23	Abhay J. Kalbande	General Manager (O & M), Thal
24	V. Magesh	General Manager (Projects), Thal
25	Sanjay Jain	General Manager (N/Maint.)
26	Madhukar Pacharne	General Manager (CC & CSR)
27	Chandramani Mahanto	General Manager (Mktg. Finance)
28	Lalit Kumar Kiran	General Manager (Finance)
<b>Bankers</b>		State Bank of India Commercial Branch Fort, Mumbai.
<b>Statutory Auditors</b>		M/s. K Gopal Rao & Co., M/s. Parakh & Co.
<b>Cost Auditors</b>		M/s. K. G. Goyal & Associates
<b>Solicitor</b>		M/s. M.S. Bodhanwalla & Co., Mumbai.
<b>Internal Auditors</b>		M/s. Keshri & Associates, Chartered Accountants M/s. AMAA & Associates., Chartered Accountants
<b>Website address</b>		www.rcfltd.co
<b>Telephone</b>		022 24045024 / 022 25523114
<b>Registered Offic</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 Tel. No.: 022 49186000 www.linkintime.co.in Email id: rnt.helpdesk@linkintime.co.in

# RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED

(A Government of India Undertaking)

CIN: L24110MH1978GOI020185

Regd. Office: "Priyadarshini", Eastern Express Highway, Sion, Mumbai - 400 02

Phone: 022-24045024 Email Id: investorcommunications@rcfltd.com /

Website: www.rcfltd.co

## NOTICE 46<sup>th</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given that the 46<sup>th</sup> Annual General Meeting of the Members of Rashtriya Chemicals and Fertilizers Limited will be held on Monday, September 30, 2024 at 3.00 p.m. through electronic mode [Video Conferencing ("VC") or Other Audio Visual Means ("OAVM")] to transact the following business:

### ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended March 31, 2024, including Profit & Loss Statement for the year ended March 31, 2024 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.
- To declare final dividend of ₹ 1.24 per equity share for the financial year ended March 31, 2024
- To appoint a Director in place of Ms Nazhat J. Shaikh [DIN:07348075], who retires by rotation and being eligible, offers herself for reappointment
- To appoint a Director in place of Ms Aneeta C. Meshram [DIN: 09781436] who retires by rotation and being eligible, offers herself for reappointment
- To fix the remuneration of Statutory Auditors for the Financial Year 2024-25 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 2024-25."

### SPECIAL BUSINESS:

- To ratify the remuneration of the Cost Auditors for the financial year ended March 31, 202

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 ( including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to M/s Dhananjay V Joshi & Associates, Cost Accountants (FRN No.000030), Mumbai, appointed by the Board of Directors as Cost Auditors to conduct the audit of the Cost records of the Company for the financial year ending March 31, 2025, 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.

- 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 ₹ 1,400 Crore (Rupees One Thousand Four Hundred 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 Ritu Goswami, as Director (Technical) of the Company**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 and 161 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and on the basis of the recommendation of Nomination & Remuneration Committee, Ms Ritu Goswami [DIN: 10463372] who was appointed by the Board of Directors as an Additional Director and designated as Director (Technical) of the Company w.e.f. January 17, 2024 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as the Director (Technical) of the Company, in scale of ₹ 1,80,000/- to ₹ 3,40,000/-(IDA), for a period with effect from the date of her assumption of charge of the post till the date of her superannuation i.e. 31.03.2027, or until further orders, whichever is earlier. She shall be liable to retire by rotation."

**9. To appoint Dr. Ajay Shanker Singh, 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), Dr. Ajay Shanker Singh (DIN: 10449154) who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. January 5, 2024 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. January 5,

2024, in terms of letter no.95/1/2019/-HR-PSU(pt.2) dated December 6, 2023 issued from Ministry of Chemicals & Fertilizers, who shall be liable to retire by rotation."

**10. Adoption of New sets of Articles of Association of the Company :**

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

**"RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013, if any, read with Companies (Incorporation) Rules, 2014 and and subject to the approval of the members at general meeting by way of special resolution and administrative ministry i.e. Ministry of Chemicals and Fertilizers, Department of Fertilizers, Government of India the new sets of Articles of Association of the Company be and is hereby approved and adopted in substitution and supersession of the existing set of Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Chairman & Managing Director and/or Director and/or Company Secretary be and are hereby authorized to do all acts and take all such actions as may be necessary, proper or expedient to give effect to this resolution and to sign and execute all necessary documents, applications, returns as may be necessary to give effect to the above resolution.

By order of the Board of Directors

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

**Date:** September 5, 2024

**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 5th 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 Monday, September 30, 2024 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 specific 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 Monday, September 23, 2024 shall also follow the procedure stated herein.
10. Register of Members and Share Transfer books will remain closed from Tuesday, September 24, 2024, to Monday, September 30, 2024 [both days inclusive].
11. The Board of Directors of the Company has recommended a final dividend of ₹ 1.24 per share. The Company has fixed Monday, September 23, 2024 as the 'Record Date' for determining entitlement of members to receive final dividend for the year ended March 31, 2024, 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, 2024, and linking PAN with Aadhaar vide its circulars 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. SEBI has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities. After exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal i.e. <https://smartodr.in/login>.
  18. 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.co](http://www.rcfltd.co) 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.
  19. As per the provisions of section 124(5) of the Act the dividend(s) which remains unpaid / unclaimed for a period of 7 years is to be transferred to the Investor Education & Protection Fund ("IEPF") established by the Central Government at the end of the 7th year. Accordingly, the Company has transferred all unpaid / unclaimed dividend declared upto the financial year 2015-16 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.co](http://www.rcfltd.co).

It may please be noted that, upon completion of 7 years, the Company would transfer the unpaid / unclaimed dividend for the financial year 2016-17 on or before November 24, 2024. 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 24, 2024. The details of such unpaid / unclaimed dividend(s) as well as shares liable to be transferred to the IEPF are hosted on the website of the Company [www.rcfltd.com](http://www.rcfltd.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.

20. In line with MCA and SEBI circulars, the Notice calling the AGM along with the Annual Report for 2023-24 ("Annual Report") is being sent through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice of AGM and Annual Report will also be available on the website of the Company at [www.rcfltd.com](http://www.rcfltd.com) under 'Investor Relations' section, the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](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).
21. All the documents referred in the Notice are available for inspection electronically from the date of dispatch of Notice till Monday, September 30, 2024. Members seeking to inspect such documents are requested to write to the Company at [investorcommunications@rcfltd.co](mailto:investorcommunications@rcfltd.co).
22. A person, whose name is recorded in the Register of Members / Beneficial Owners list maintained by the depositories as on Monday, September 23, 2024 only shall be entitled to avail the facility of remote e-voting or e-voting during the AGM.
23. Members are requested to notify immediately any changes in their address to the Company or its Transfer Agents: Link Intime India Pvt. Ltd., C 101, 247 Park, L. B. S. Marg, Vikhroli West, Mumbai 400 083.
24. Any clarifications needed by the members of the Company may be addressed to the Company Secretary at the Registered Office of the Company or through e-mail [investorcommunications@rcfltd.com](mailto:investorcommunications@rcfltd.com) at least seven days prior to the date of Annual General Meeting.
25. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/Link Intime (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). Shareholders are requested to

note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to [cs@rcfltd.com](mailto:cs@rcfltd.com) or [rcfdivtax@linkintime.co.in](mailto:rcfdivtax@linkintime.co.in). The aforesaid declarations and documents need to be submitted by the shareholders on or before Monday, September 23, 2024.

Kindly note that no documents in respect of TDS would be accepted from members after Monday, September 23, 2024.

26. **Investor Grievance Redressal:** The Company has designated an exclusive e-mail ID i.e. [investorcommunications@rcfltd.co](mailto:investorcommunications@rcfltd.co) to enable the investors to register their complaints / send correspondence, if any.
27. **Webcast:** The Company is providing the facility of live webcast of proceedings of the AGM. Members who are entitled to participate in the AGM can view the proceedings of AGM by logging in the website of CDSL at [www.evotingindia.com](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 Thursday, September 26, 2024 from 9:30 a.m. (IST) and ends on Sunday, September 29, 2024 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
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> <li>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>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.</li> </ol>

Type of shareholders	Login Method
	<p>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.</p> <ol style="list-style-type: none"> <li>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> <li>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> </ol>
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> <li>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>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> </ol>

Type of shareholders	Login Method
	<p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.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.</p> <p>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.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	<p>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 &amp; voting during the meeting.</p>

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 21 099 122

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <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
<b>Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.</b>	
(i) Login method for e-Voting and joining virtual meetings for <b>Physical shareholders and shareholders other than individual holding in Demat form.</b>	
<ol style="list-style-type: none"> <li>1) The shareholders should log on to the e-voting website <a href="http://www.evotingindia.com">www.evotingindia.com</a>.</li> <li>2) Click on "Shareholders" module.</li> <li>3) Now enter your User ID <ol style="list-style-type: none"> <li>a. For CDSL: 16 digits beneficiary ID</li> <li>b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,</li> <li>c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.</li> </ol> </li> <li>4) Next enter the Image Verification as displayed and Click on Login.</li> <li>5) If you are holding shares in demat form and had logged on to <a href="http://www.evotingindia.com">www.evotingindia.com</a> and voted on an earlier e-voting of any company, then your existing password is to be used.</li> <li>6) If you are a first-time user follow the steps given below:</li> </ol>	

**For Physical shareholders and other than individual shareholders holding shares in Demat.**

PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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>
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**For Physical shareholders and other than individual shareholders holding shares in Demat.**

Dividend Bank Details OR Date of Birth (DOB)

Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.

- If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field

- (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 mandatorily to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [investorcommunications@rcfltd.co](mailto:investorcommunications@rcfltd.co), 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 Monday, September 23, 2024 to Thursday, September 26, 2024 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.
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 21 099 122.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 21 099 122.

#### 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.

#### E. Declaration of Results:

- (i) The scrutinizer shall, immediately after the conclusion of voting during the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 2 working days of conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairperson of the Company or the person authorized by him, who shall countersign the same.
- (ii) Based on the scrutinizer's report, the Company will submit within 2 working days of the conclusion of the AGM to the Stock Exchanges, details of the voting results as required under Regulation 44(3) of the SEBI Listing Regulations.
- (iii) The results declared along with the scrutinizer's report, will be hosted on the website of the Company at [www.rcflttd.co](http://www.rcflttd.co) and on the website of CDSL, immediately after the declaration of the result by the Chairperson or a person authorised by him in writing and communicated to the Stock Exchanges.

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

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id.**

#### 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 Monday, May 17, 2024 has considered and approved the appointment of M/s Dhananjay V Joshi & Associates, Cost Accountants (FRN No.000030), to conduct the audit of the cost records of the Company for the financial year ending March 31, 2025, 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

Ms Ritu Goswami has taken over charge of Director (Technical) of Rashtriya Chemicals and Fertilizers Ltd. (RCF) w.e.f. January 17, 2024.

Ms Ritu Goswami is a Chemical Engineer having more than 35 years of hands on experience in varied aspects of the fertilizer industry. She has an acumen for leadership oriented management with key areas of expertise in conceptualization of projects, project feasibility, selection of technology, project cost estimates, projects coordination, business strategies, contract management, process engineering, optimizing input costs for product manufacturing via negotiations with leading suppliers, production planning and performance monitoring of mega fertilizer plants.

She has actively represented the urea industry and taken up issues related to major raw material i.e. natural gas and policy matters with stake holders including regulatory and government bodies.

While on deputation as fertilizer expert in HURL, she lead drafting of the techno-commercial scope on LSTK basis and obtaining statutory approvals for mega fertilizer projects at Gorakhpur, Sindri and Barauni.

She has attended advanced leadership programme organised by Indian institute of Public Administration, New Delhi and International Business School, Hague

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

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

Ms Goswami does not hold any shares in the Company by herself or for any other person on beneficial basis

Except Ms Goswami, 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 (Technical).

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

#### Item No. 9

Dr. Ajay Shanker Singh, who has been appointed by President of India as Government Nominee Director on the Board of the Company w.e.f. January 5, 2024, 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 46<sup>th</sup> Annual General Meeting.

Dr. Ajay Shanker Singh is an officer of 1994 batch of Indian Civil Accounts Service. He is an electronics and Communication Engineer, MBA, MA in economics and PhD in corporatization of govt. department to Security printing and Minting Corporation of India Ltd.(a mini-ratna PSU). He is currently working as Chief Controller of Accounts in Ministry of Information and Broadcasting with additional charge of Ministry of Chemicals and Fertilizers and Ministry of Petroleum and Natural Gas. Before this posting, he worked as Director-Finance at Board level in Punatsangchhu-I Hydroelectric Project Authority, and Mangdechhu Hydroelectric Project Authority, Bhutan. Both mega hydro projects are executed by respective Bi-lateral Authority and fully funded by Govt. of India. Earlier, he has worked in different capacities in the Ministry of Rural Development, Ministry of Panchayati Raj, Ministry of Drinking Water and Sanitation, Ministry of Labour, Ministry of Skill Development, Ministry of Finance, Ministry of Road Transport and Highways etc. He has handled Public Financial Management which includes budgeting, payment, accounting and internal audit. Extensively dealt with DBT of schemes like MGNREGA, PMAY, PMGSY, DDUGKY, NSAP, SBM, IWMP, Skill India, EPS, Labour welfare schemes etc.

Earlier as Director, Multi-lateral Institution, Department of Economic Affairs, he handled loan portfolio of ADB and World Bank and country affairs in AfDB. He has also worked in Security Printing and Minting Corporation of India Ltd. (Currency Printer and Mint of India) and headed finance, accounts, internal audit, PPP projects and CSR as General Manager. He has also worked in NHAI where he handled financial management of Golden Quadrilateral and North South corridors.

He has co-authored a book on Blockchain Technology and written several articles on the blockchain, public financial management, Governance and counterfeit currency.

Dr Singh 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.

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

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

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

#### Item No. 10

The existing Articles of Association of the Company are based on the Companies Act, 1956. Upon enactment of the Companies Act, 2013, various provisions of the Companies Act, 1956 have been repealed and in view of the same the Articles of Association of the Company needs to be re-aligned as per the provisions of the new Act.

Ministry of Chemicals and Fertilizers Limited, vide letter ref no. 18016/01/2023-PSU (E.33343) dated August 30, 2023, has conveyed that Department of Public Enterprises (DPE), vide OM ref no.PD-26/0003/2023-DPE dated August 29, 2023, has approved the proposal for grant of Navratna Status to Rashtriya Chemicals and Fertilizers Limited (RCF) w.e.f. August 29, 2023.

In terms of Office Memorandum, the exercise of Navratna powers by the Board of RCF will be subject to guidelines and conditions laid down vide O.M. No. DPE/11(2)/97Fin. dated July 22, 1997 read with O.M. No. dated August 5, 2005 and other guidelines made in this regard and amendments made from time to time. Further, the continuation of Navratna status is subject to continued fulfilment of Navratna criteria and conditions and review of the performance relating to Navratna status prescribed in this regard by the Department from time to time. The Company propose to incorporate the provisions with regard to grant of Navratna status to Rashtriya Chemicals and Fertilizers Limited in the Articles of Association and accordingly has proposed adopt new set of Articles of Association in place of and to the exclusion of existing Articles of Association of the Company.

The new Articles of Association to be substituted in place of the existing AoA are mostly based on Table 'F' of the Act which sets out the model Articles of Association for a company limited by shares.

As per the provisions of the Section 14 of the Companies Act, 2013, any amendment in Articles of Association requires approval of the Shareholders by Special Resolution in the General Meeting.

Proposed revised set of Articles of Association of the Company as approved by the Board in its Meeting held on 12.08.2024 being put up before the shareholders of the Company for their approval by way of passing a Special Resolution.

Proposed revised set of Articles of Association is available for inspection during business hours i.e. between 9:00 a.m. to 6:00 p.m. on all working days up to the date of the Annual General Meeting at the Company's Registered Office [Rashtriya Chemicals and Fertilizers Limited,

Priyadarshini, Eastern Express Highway, Sion, Mumbai 400 022] and copies thereof shall also be made available for inspection at Annual General Meeting venue. Same is also available at Company's website [www.rcfltd.co](http://www.rcfltd.co)

None of the Directors, Key Managerial Personnel and/ or their relatives, is/ are interested or concerned, financially or otherwise in the resolution except as may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company.

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

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

**Date:** September 5, 2024

**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	Ms Nazhat J. Shaikh (DIN: 07348075)	Ms Aneeta C. Meshram (DIN 09781436)	Ms Ritu Goswami (DIN: 10463372)	Dr. Ajay Shanker Singh (DIN 10449154)
Age	57 years	52 years	57 years	56 years
Date of birth	27.03.1967	04.12.1971	17.03.1967	01.07.1967
Date of Appointment	01.12.2021	13.11.2022	17.01.2024	05.01.2024
Qualificatio	Bachelor's degree in Commerce from Mumbai University, Chartered Accountant & certified SAP FI Consultant	IAS	Chemical Engineer	Indian Civil Accounts Service.  He is an electronics and Communication Engineer, MBA, MA in economics and PhD in corporatization of govt. department to Security printing and Minting Corporation of India Ltd.(a mini-ratna PSU)
Terms & Conditions of appointment	Appointed as Director (Finance) by President of India through Ministry of Chemicals & Fertilizers.	Appointed as Part-time Official Directo by President of India through Ministry of Chemicals & Fertilizers.	Appointed as Director (Technical) by President of India through Ministry of Chemicals & Fertilizers.	Appointed as Part-time Official Directo by President of India through Ministry of Chemicals & Fertilizers.
Expertise in specific Functional Area	Ms Shaikh has a very rich and varied experience in various facets of Financial Management	Ms Meshram is a 1996 Batch IAS officer an 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.	Ms Goswami is more than 35 years of hands on experience in varied aspects of the fertilizer industry. She has an acumen for leadership oriented management with key areas of expertise in conceptualization of projects, project feasibility, selection of technology, project cost estimates, projects coordination, business strategies, contract management, process engineering, optimizing input costs for product manufacturing via negotiations with leading suppliers, production planning and performance monitoring of mega fertilizer plants.	Dr Singh is currently working as Chief Controller of Accounts in Ministry of Information and Broadcasting with additional charge of Ministry of Chemicals and Fertilizers and Ministry of Petroleum and Natural Gas. Before this posting, he worked as Director-Finance at Board level in Punatsangchhu-I Hydroelectric Project Authority, and Mangdechhu Hydroelectric Project Authority, Bhutan. Both mega hydro projects are executed by respective Bi-lateral Authority and fully funded by Govt. of India. Earlier, he has worked in different capacities in the Ministry of Rural Development, Ministry of Panchayati Raj, Ministry of Drinking Water and Sanitation,

Name	Ms Nazhat J. Shaikh (DIN: 07348075)	Ms Aneeta C. Meshram (DIN 09781436)	Ms Ritu Goswami (DIN: 10463372)	Dr. Ajay Shanker Singh (DIN 10449154)
				Ministry of Labour, Ministry of Skill Development, Ministry of Finance, Ministry of Road Transport and Highways etc. He has handled Public Financial Management which includes budgeting, payment, accounting and internal audit. Extensively dealt with DBT of schemes like MGNREGA, PMAY, PMGSY, DDUGKY, NSAP, SBM, IWMP, Skill India, EPS, Labour welfare schemes etc.
Details of remuneration last drawn (Financial year 2022-23)	₹ 0.89 Crore	N.A.	₹ 0.11 Crore	N.A.
Number of Meetings of the Board held during the year and number of Board Meetings attended	11/11	3/11	1/1	2/2
Relationship with any other Director, Manager and other KMP of the Company	N.A.	N.A.	N.A.	N.A.
Directorship held in other companies	Nil	Nil	Nil	Nil
Memberships/ Chairmanship of Committees in other Companies*	Nil	Nil	Nil	Nil
No. of Shares held	100	Nil	Nil	Nil

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

## DIRECTORS' REPORT

Dear Members,

The Directors of your Company have pleasure in presenting this 46<sup>th</sup> Annual Report on the working of your Company together with the Audited Financial Statements for the year ended March 31, 2024.

### FINANCIAL PERFORMANCE

Particulars	₹ Crore	
	2023-24	2022-23
<b>Total Income (Net)</b>	<b>17146.7</b>	<b>21594.84</b>
<b>Total Operating Cost</b>	<b>16466.7</b>	<b>19978.35</b>
Operational Profit	680.05	1616.49
Depreciation/Impairment	233.1	212.12
Finance Cost	183.64	223.86
<b>Profit before exceptional items</b>	<b>263.31</b>	<b>1180.51</b>
Net Exceptional Items (income) / Expense	(40.32)	(93.47)
<b>Profit before Tax</b>	<b>303.63</b>	<b>1273.98</b>
Provision for Tax (including deferred Tax liability/ Asset)	75.89	306.83
<b>Net Profit</b>	<b>227.74</b>	<b>967.15</b>
<b>Retained Earnings</b>		
Add / (less): Re-measurement of Defined Benefit Plan	(22.37)	(35.76)
Less: Dividend Paid (Previous Financial Year)	(204.12)	226.19
Less: Balance Transferred to / ( from ) General Reserve	1.25	705.20

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

- Lower margins of Industrial products impacted profitability on account of volatility in international markets
- Production of Urea beyond reassessed capacity adversely impacted Total Urea profitability on account of lower import purchase price.
- The steep reduction in subsidy owing to fall in NPK nutrients effective from October 1, 2023, impacted the operating margins of manufactured NPK fertilizers.

### 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 2022-23.

The performance rating for 2023-24 MoU is yet to be finalised by the Government

### 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 ₹ 1.24 per equity share of ₹10/- each for the financial year 2023-24, which would involve a total cash outflow of ₹68.41 Crore (₹88.27 Crore as Interim Dividend and ₹ 204.12 Crore as Final Dividend 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 ₹227.74 Crore (₹ 967.15 Crore in the previous year). Re-measurement of defined benefit plans resulted in loss of ₹ 22.37 crore (previous year ₹35.76 crore). The dividend pay-out pertaining to financial year 2022-23 was ₹204.12 Crore (₹137.92 Crore pertaining to financial year 2021-22 and interim dividend pertaining to financial year 2022-23 was ₹88.27 Crore). The balance amount of ₹ 1.25 Crore (₹705.20 Crore in the previous year 2022-23) was transferred to General Reserves.

### AWARDS WON

As in the past, your Company has won many awards during the year 2023-24, some of which are as under:

- 21<sup>st</sup> Annual Greentech Safety Award 2023 for Safety Excellence
- Golden Peacock Awards for Energy Efficiency 20
- Green Excellence Award in Environment Management at Navabharat Environment Conclave and Summit 2023.
- Highest Platinum Award in Fertilizer Sector for outstanding Achievement in OHS Management announced by Grow Care India at the hands of Hon. Shri Daya Shankar Singh, Minister of Transportation, UP.
- "23<sup>rd</sup> Annual Greentech Environment Award-2023" for outstanding achievements in "Environment Protection" category
- Winner" of "Greentech Pollution Control Waste Management & Recycling (PCWR) Award 2024" for outstanding achievements in "Innovative Waste Management Technology" Category.
- SCOPE award for best women employee (non-executive category) for the year 2023-24 in the 1<sup>st</sup> runner up position was bestowed on Mrs. Swardha Tirlokar of R&D department.

## OPERATIONAL RESULTS

### Thal Unit

During the year, the unit produced 18.42 lakh MT of Urea compared to 18.80 lakh MT produced during the previous year. In terms of nutrients in the fertilisers, the unit produced 8.47 lakh MT of N during the year, compared to 8.65 lakh MT during previous year.

### Trombay Unit

The Trombay Unit produced 3.35 lakh MT of Urea & 5.77 lakh MT of Suphala during the year compared to 3.16 lakh MT of Urea & 6.43 lakh MT of Suphala produced respectively during the previous year. In terms of Nutrient values, the unit produced 2.41 lakh MT of N, 0.87 lakh MT of P<sub>2</sub>O<sub>5</sub> and 0.87 lakh MT of K<sub>2</sub>O during the year compared to 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 respectively during the previous year.

## INDUSTRIAL PRODUCTS

Your Company produces industrial chemicals at both its units. During the year, your Company produced approx. 5.08 lakh MT of various major industrial chemical products as against approx. 5.79 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%), Strong Sulphuric Acid, Weak Sulphuric Acid, Phosphoric Acid 27%, MonoMethyl Amine, DiMethyl Amine, Tri-Methyl Amine, Di-Methyl Acetamide, Argon, Nitrogen, Refrigerant Grade Ammonia, Gypsum, Chalk etc.

## MARKETING PERFORMANCE

### FERTILIZER DIVISION

Your Company achieved sales volume of 36.01 lakh MT during the year 2023-24 as compared to 33.14 lakh MT during the previous year. Your Company sold 21.57 lakh MT of Urea, 5.60 lakh MT of Suphala, 0.24 lakh MT of City Compost/PDM/PROM and 8.54 lakh MT of other bought out products i.e. DAP, MOP, Imp NPK etc. As compared to 22.08 lakh MT of Urea, 6.09 lakh MT of Suphala, 0.38 lakh MT of City Compost/PDM/PROM and 4.47 lakh MT of other bought out products i.e. DAP, MOP, Imp. NPK etc. during the previous year. The Total sale of manufactured fertilizers (Urea & NPK) during 2023-24 was 27.17 lakh MT as against 28.23 lakh MT during the previous year.

Your company sold 8.54 LMT Imported products i.e. DAP, MOP and Imp NPK etc. as compared to 4.47 LMT during previous year. Sales of imported fertilizers registered growth of 91 % over previous year.

The sale of Microla touched 312 KL during the year. Other products such as Biola, Sujala, pH balancer, Shubhada, Silica and OGS also registered healthy volumes during the year.

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

- ✓ 9% increase in total fertilizer sales over previous year.
- ✓ Sales of Imported products increased by 91% (from 4.47 LMT in 2022-23 to 8.54 LMT in 2023-24) over previous year.
- ✓ Ever highest sales volume of 8.54 LMT of Non-Urea traded products.
- ✓ Ever highest sale of all imported products (DAP, NPK 10:26:26, NPK 20:20:0:13).
- ✓ Imported DAP sales increased by 73% (from 2.98 LMT in 2022-23 to 5.17 LMT in 2023-24) over previous year.
- ✓ Imported NPK 10:26:26 sales increased by 478% (from 0.29 LMT in 2022-23 to 1.66 LMT in 2023-24) over previous year.
- ✓ Imported 20:20:0:13 sale increased by 13% (from 1.20 LMT in 2022-23 to 1.36 LMT in 2023-24) over previous year.
- ✓ Total market share of fertilizer products increased from 5.65% (2022-23) to 6.02% (2023-24).
- ✓ Market share of Imp. DAP increased from 2.86% (2022-23) to 4.78% (2023-24).
- ✓ Market share of NPK (Ind.+Imp.) increased from 7.58% (2022-23) to 8.11% (2023-24).
- ✓ The sales of PDM increased by 41% (from 8764 MT in 2022-23 to 12400 MT in 2023-24)
- ✓ Sold 610 mts of FOM through tie-up and also 3337 MTs of Sulphur Coated Urea, both for the first time
- ✓ For the first time sold 122640 (500 ml) bottles of Nano Urea under the marketing tie-up.

## INDUSTRIAL PRODUCTS DIVISION

In the face of intense market competition & falling international prices, Industrial Products Division has achieved the sales turnover of ₹1939.16 Crore as against ₹3406.03 Crore during the previous year. During the year, your Company has achieved the following:

1. Highest ever sale of AN melt of 1,77,086 MT.
2. Highest ever sale of Trimethyl Amine of 2,916 MT.
3. Highest ever sale of Liquid Nitrogen of 1,578 MT.

Taking into consideration the requirement of coal industry, production capacity of AN Melt is enhanced from 1.40 Lakh MT to 1.90 Lakh MT per annum. Also setting up a new AN Melt plant with capacity of 1.40 Lakhs MT per annum and new 100 MTPD liquid CO<sub>2</sub> plant

at Trombay is in process. Sale of high volume products like Ammonia, Ammonium Nitrate (Melt) & DNA will facilitate improvement in turnover as well as profitability. Maximizing sale of CNA98%, SNA 72% & 68% will also support in improving Profitability. IPD is also planning to enter in Agrochemical business which is a booming industry.

## EXPORTS

Considering the 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 2023-24, your Company has done third party export of 384 MT Ammonium Bicarbonate (ABC) under "MRUDULA" brand to the tune of ₹78.22 lakh as against 264 MT Ammonium Bicarbonate (ABC) to the tune of ₹ 70.97 lakh during the previous year.

## IMPORT OF UREA ON GOVERNMENT ACCOUNT

- Your Company has been designated as State Trading Enterprise (STE) since October, 2019 for Import of Urea on Government Account. Based on the instructions of Department of Fertilizers (DoF), RCF imported approx. 10.06 lakh MT quantity of Urea through issue of total Two (2 Global tenders during the year 2023-24.)
- 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 2023-24, fourteen (14) Urea shipments have been shipped from OQ Trading Ltd. under this LTA, with a total quantity of approx. 6.79 Lakh MT.
- 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 has already been delivered to three designated warehouses in Nepal by the end of February 2023. Further against this MOU with M/s KSCL Nepal, RCF has received an indent for supply of 25,000 MT DAP in bagged conditions to Nepal warehouses which has also been delivered .

## 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.

- 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 which is used for coal mining 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 help in ensuring power security for the country.

- 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 fertilizers, your Company is exploring possibility of setting up NPK Fertilizer plant of 1200 MTPD (in terms of DAP) at Thal subject to economic viability.

- Briquette Fired Boiler at RCF Thal**

Your Company is setting up Briquette Fired Boiler at RCF Thal at an estimated project Capital Cost is ₹26.75 Crore plus taxes. The low cost steam shall help in reducing the variable cost of chemicals. Briquette (Bio-Mass) or 'White Coal' is made-up from agriculture and forest natural waste. It can be efficiently used to replace fossil fuel. Use of Briquettes for steam generation will reduce the Green House Gas (GHG) emissions.

- **Sulphur Coated Urea (Urea Gold)**

Your Company has developed the technology for producing Urea Gold indigenously and this will help to produce affordable Sulphur carrying fertilizers so as to reduce import dependency. Urea Gold production was started on October 17, 2023 from ANP plant @ 100 MTPD. First rake of Urea Gold was fl gged of on January 25, 2024. 'Urea Gold' is a sulphur coated urea, a slow release fertilizer. It has Nitrogen 37% and Sulphur 17%. It supplies the much required sulphur – secondary nutrient, along with Nitrogen from Urea. Sulphur is an important secondary nutrient for enhancing crop yield and crop quality which is more so for oil seeds and pulses.

- **PROM : Phosphate Rich Organic Manure**

RCF PROM is an important alternative to nutrients for organic and conventional farming, which is prepared by processing a balanced mixture of organic residues, rock phosphate, oil cake, amino acids, humic acids and beneficial micro-organisms. It contains 8-10% phosphorus (P<sub>2</sub>O<sub>5</sub>) and organic carbon. The phosphorus PROM is an organic alternative to expensive synthetic phosphatic fertilizers, which enriches the soil with phosphorus and other nutrients and keeps it soft for a long time. During the financial year 2023-24 , a quantity of 1138 MT was produced and made available to the farming community.

## 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: 40,578 number of NPK and 16,126 number of Micro-nutrient analysis have been done and Soil Health Cards distributed.
2. Farmer Training Centres are operational at Thal and Nagpur for imparting residential training to farmers. A total of 28 programs were undertaken benefitting 1281 farmers during the year.
3. RCF Kisan Care Toll Free service 1800-22-3044 was operated for imparting Agricultural information to the farming community.
4. RCF Sheti Patrika: 6.60 lakh copies of RCF Sheti Patrika (Marathi edition) covering the relevant subjects pertaining to Agriculture and allied fields were printed & distributed to farmers.
5. Social Media: Information has been shared through Social Media (WhatsApp, Facebook, Twitter, Instagram and You Tube) with handle @ rcfkisanmanch.

6. Agricultural Extension Services: 406 Field Demonstrations, 192 Soil Testing Days, 374 Farmers' Meetings, 16 Krishi Melas, 2 Veterinary Camp/Rural Sports, 34 Exhibitions, etc. were organized for the benefit of the farmers
7. Adoption of Villages for Promotion of City Compost/ Biofertilizer/ PDM/PROM/Nano Urea, etc: 3 villages from Maharashtra & Karnataka were selected for promotion of City Compost/ Biofertilizer/ PDM/ PROM/Nano Urea, etc.
8. RCF has established 12071 Pradhan Mantri Kisan Samrudhi Kendra (PMKSK) on Pan India Basis. These PMKSK are unique initiative to support the farmers as a one stop solution.
9. With active participation in Government's (DOF) flag ship program i.e. Vikasit Bharat Sankalp Yatra (VBSY), RCF has Organized 26000 No.'s, fertilizer Spraying demonstrations, through Drone's at Gram panchayat level, in Maharashtra, Karnataka Goa & Rajasthan states.
10. Drone Pilot training was organized by RCF at different DGCA approved Pilot training centers for Drone Didis (Members of Self-Help Group).
11. Seventy No. of Agricultural Spray drones procured by RCF and distributed among Drone Didis of Namo Drone Didi Scheme (NDD) in Maharashtra, Andhra Pradesh, Telangana, Karnataka and Uttar Pradesh states.
12. RCF is organizing Broadcasting of Farming related Radio Programs, "Samrudha Shetitun Vikasit Bharat" through Five Community Radio Stations in Maharashtra since Dec-2023 for the Purpose of information dissemination, education and communication. Department of Fertilizers intends to create awareness about various programs and scheme of Department of Fertilizers viz. PM- PRANAM, balanced use of fertilizers, nutrient management etc.

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

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year 2023-24 and to the date of this report

## 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 implemented as a part of energy improvement schemes to meet the new energy norms for Trombay Urea plant. The estimated project cost is ₹101.88 Crore. The scheme is envisaged to result in energy saving of 0.18 Gcal/MT of Ammonia. Project was completed in May 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 proposed project is planned as a response to Hon'ble PM's call of Atmanirbhar Bharat. Due to shortage of AN melt, Coal production is affected. This in turn has affected the power generation from the Coal based plants. In order, to meet the growing power need of the country, enhancement in domestic production of AN melt is very important. The work order for execution of the project on LSTK basis has been 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 September 2024.

#### ETP up-gradation at Thal:

Your Company is upgrading the existing Effluent Treatment Plant at Thal for treating 10,000 M3/day effluent to ensure the quality of treated effluent not

only meeting the statutory norms but also suitable for recycling the treated effluent as raw water

Benefit of the project will be better environment management on sustained basis through recycling of treated effluent as a raw water. The project is executed in two phases. In 1st phase, around 5000 m3/day treated water will be recycled. Pre-commissioning activities are in progress and commissioning of 1st phase is expected in September 2024. In 2nd phase, balance effluent will be recycled, to achieve "Zero Effluent Discharge" goal. Action for 2nd Phase has been initiated.

#### Nano Urea plant:

Nanotechnology is an emerging field with potential to provide efficient nutrient management as compared to existing fertilizer management practices. Nano Urea is expected to reduce Urea consumption and being an eco-friendly product will protect the health of soil. Your Company is setting up Nano Urea Plant of 75 KL per day capacity at Trombay based on IFFCO Technology. The estimated Project Cost is ₹238 Crore.

#### Briquette Fired Boiler at RCF Thal

Briquette (Bio-Mass) or 'White Coal' is made-up from agriculture and forest natural waste. It can be efficiently used to replace fossil fuel. Use of Briquettes for steam generation will reduce the Green House Gas (GHG) emissions. Your Company 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 ₹26.75 Crore plus taxes. The project is expected to be completed by November 2024.

### PROJECTS UNDER CONSIDERATION

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

India is largely dependent upon Imported NPK nutrients to meet its domestic requirements. As an "Atmanirbhar Bharat" initiative, Your Company is exploring possibility of setting up NPK Fertilizer plant at Thal subject to economic viability. The plant would be capable of producing various grades of NPK fertilizer as per market requirements. Environment Clearance for the project is received from Ministry of Environment, Forest and Climate Change (MoEFCC). Selection of LSTK contractor through tendering process is underway.

#### Zero Liquid Discharge scheme at Trombay

Your Company is exploring the possibility of setting up Zero Effluent Discharge plant at Trombay Unit to treat the effluent and recycle the treated effluent as raw water. It consists of treatment of the various liquid effluent streams generated in the various plants at Trombay unit and converting the effluent 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.

### Ammonia Plant revamp (HTAs scheme) at Thal

Your Company is exploring the possibility to implement energy schemes suggested by M/s Topsoe A/S – Technology supplier of Ammonia plant at Thal. The expected energy saving is 0.40 Gcal/MT of Ammonia at existing Ammonia production level.

### 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 setting-up 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 Regasified Liquefied Natural Gas (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. ₹17080.69 Crore (±10%) (RCF share is ₹2169.67 Crore (±10%)). M/s Wuhuan Engineering has been engaged through competitive bidding as LSTK contractor for Coal Gasification and Ammonia/Urea packages of the project. The various site activities are in progress.

### 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.co](mailto:investorcommunications@rcfltd.co). 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.co](http://www.rcfltd.co)).

### 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. National Company Law Tribunal (NCLT) proceedings have been initiated vide order dated 11th December, 2023 on FACT-RCF Building Products Limited (FRBL) a joint venture entity with a 50:50 partnership between the Company and Fertilizers and Chemicals Travancore (FACT) Limited and an Interim Resolution Professional (IRP) has been appointed in place

The audited financial statements of FRBL as at March 31, 2024 reported loss of ₹ 2.63 Crore, thus resulting in accumulated loss of ₹219.52 Crore.

#### Urvarak Videsh Limited (UVL)

Urvarak Videsh Limited (UVL) was incorporated on 18th July, 2008 as Special Purpose Vehicle (SPV) with equity participation of Rashtriya Chemicals and Fertilizers Limited (RCF), National Fertilizers Limited (NFL) and Krishak Bharti Co-operative Limited (KRIBHCO) with the object of setting up joint venture in India and abroad for manufacturing, mining, long term tie ups for Nitrogenous, Phosphatic and Potassic Fertilizers and fertilizer raw materials including exploring the possibility of making investments and rendering Consultancy services, etc. The company explored many alternatives to take up various projects but the same did not fructify due to want of funds as UVL business objective requires heavy capital investment. As the company could not take up any business, the Board of UVL has decided to declare the company as a Dormant company for the time being in terms of 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, 2024 reported loss of ₹61,700/-, thus resulting in accumulated loss of ₹0.50 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 2024 reported a loss of ₹7.34 Crore, thus resulting in accumulated loss to ₹ 32 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	
	2023-24	2022-23
Total Income (Net)	17146.74	21594.84
Total Operating Expenses	16466.69	19978.35
Operational Profit	680.05	1616.49
Depreciation/Impairment	233.10	212.12
Finance Cost	183.64	223.86
Share /(loss) of Associates/JVs	(2.46)	(0.84)
Profit/ (Loss) before Exceptional Item	260.85	1179.67
Exceptional Item (income) / Expense	(40.32)	(93.47)
Profit/ (Loss) before Tax	301.17	1273.14
Provision for Tax (including deferred Tax liability/ Asset)	75.89	306.83
Net Profit / (loss) after tax	225.28	966.31

### 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:

#### A step towards sustainable Agriculture: PROM

Phosphate rich organic manure (PROM) is an organo-mineral product that contains 10% organic carbon and 8% Phosphate. It is an important alternative to nutrient for organic and conventional farming which is prepared by processing a balanced mixture of organic residue, rock phosphate, soil cake, amino acids, humic acids and beneficial micro-organisms. It has all the potential to partially replace imported fertilizers. 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. It can be used for all cereals, pulses, vegetables, fruits, and flowers for all plants Flowers, vegetables or crops.

Production of PROM commenced on December 1, 2023 at Trombay unit. The first despatch to Kolhapur Maharashtra

was flagged off on December 16, 2023. The MoU target of 1111 MT PROM production has been successfully completed during 2023-24.

#### Slow Release fertilizer: Sulphur Coated Urea (Urea Gold)

Your Company has developed the technology for producing Urea Gold indigenously and applied for the patent for the same. Sulphur Coated Urea increases the Nitrogen use efficiency (NUE). 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. 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.

Urea gold was first launched on July 27, 2023 at the hands of Prime Minister at Sikar Rajasthan.

Urea Gold production commenced on October 17, 2023 at ANP plant @ 100 MTPD. First BCN rake of 2536 MT Urea Gold was flagged off on January 25, 2024

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

The value added products (VAP) like Micronutrient fertilizer -Microala, bio-inoculants or biofertilizer- Biola, water pH corrector-pH Balancer, plant growth regulators-Bio stimulants and Silica fertilizer- Silicon fertilizers are gaining significance in the market. The demand for these products are increasing year on year basis. To meet the market demand, to cater to the farming community and contribute towards sustainable agriculture; a new manufacturing setup with higher capacity for production of various VAPs is being installed at Trombay unit.

#### Crop Strengthening: Secondary nutrient Fertilizer

Secondary nutrients like Ca, Mg & S 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. This grade has been developed in powder form as well as in granular form. Granular Ca:Mg:S : 6:2:4 has been produced successfully at pilot plant.

#### 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) is done for carrying out field trials of Sulphur Coated Urea, Nano DAP, Nano Urea, and Nano NPK product. These trials will immensely support towards provision of new products to the farming community for doubling their income through enhanced crop productivity.

## ENVIRONMENT MANAGEMENT AND POLLUTION CONTROL

Your Company is committed to ensuring a 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 neighbors around operating units are taken care. Various schemes with state of the art technologies and modernization schemes are implanted to reduce energy consumption and wastages. As a proactive measure, RCF Trombay unit has two nos. of Sewage treatment Plants to treat sewage of Mumbai city & use the purified water after treatment for industrial purpose, thereby saving equivalent quantity of potable water for consumption by Mumbaikars.

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.

At Trombay unit, Sludge generated in Effluent Treatment Plant, Sulphur Sludge Generated in Sulphuric Acid plant and waste streams of effluent 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.

Your Company is upgrading the existing Effluent Treatment Plant at Thal for treating 10,000 M<sup>3</sup>/day effluent to ensure the quality of treated effluent not only meeting the statutory norms but also suitable for recycling the treated effluent as raw water. It will reduce burden on fresh water resources. Thal unit implemented various schemes to reduce specific water consumption. Briquette boiler project is in full swing which uses briquette a carbon neutral fuel for boiler feed.

RCF being the Brand Owner is Recycling Plastic Waste since last three years as per Plastic Waste Management Rule-2016 issued by MoEFCC. Your Company has disposed of 9227 MT plastic waste during the year 2023-24.

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.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

As part of its initiatives under "Corporate Social Responsibility", your Company has undertaken several projects in the areas of promoting health care, Nutrition, rural development, Women empowerment, Skill Development 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 ₹17.93 Crore including ₹0.50 Crore set off for succeeding financial year on CSR activities. The activities, in brief, are as under:

The key activities in brief, are as under:

### 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

### Medical equipment to Primary Healthcare centre :

RCF has provided medical equipment 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.

**Installation of Community Fitness Centers across Bidar district, Karnataka:**

RCF has been supported the project for installation of full fledged fitness center for youth, Bidar. This programme implemented by - Sarvodaya Integrated Rural Development Society (SIRDS) and it has been successfully implemented by the organization.

**Project for Women's Income Generation Through Sanitary Pads manufacturing units, Delhi:**

RCF has been supported the project to increase affordability and access to sanitary pads to girls and women, together with providing income generation opportunities to women and reduce unhygienic menstrual practices and disease burden. This programme implemented by - BADLO RE and it has been successfully implemented by the organization.

**Project for conducting mass screen programme for ovarian cancer and other tests including free distribution of sanitary napkins to underprivileged society:**

RCF has organized programme for conducting community based mass screen programme for ovarian cancer and relationship of risk factors of vitamin D including free distribution of sanitary napkins to underprivileged society of Delhi NCR or other area. It was organized by Savera Foundation Trust (SFT).

**Medical equipment to Govt. Hospital :**

RCF has been provided Microscope to the Department of Ophthalmology of Rajawadi Municipal Hospital, Ghatkopar under CSR. An appeal has been received from Rotary club. This microscope is required during eye surgeries of Cataract, Glaucoma, Corneal Transplant, etc. With addition of this microscope, more cases of surgeries can be done thereby reducing waitlist of operations.

**Gym Equipment for gymnasium for senior citizens:**

RCF has been provided gym equipment for Gurukul Gymnasium under CSR. They have one park for the senior citizens in same premises. The organization is planning to open well equipped gymnasium for senior citizens. The gymnasium will conduct health and wellness programs such as nutrition guide programmes, Yoga and seminars on health related topics etc.

**Purchase of Modular Toilet blocks for Fisherman Societies, Local Schools nearby RCF Thal unit:**

RCF has assist Thal unit for the building of Modular Toilets for two fisherman societies and two schools of Thal and Nagaon villages under CSR budget.

**Gymnasium Equipment for nearby Grampanchayat of RCF Thal unit:**

RCF has been provided gymnasium equipments for local gym of villages under CSR budget. This note has been submitted by Thal unit to promote Fit India Moment and motivate local youth for daily exercise and healthy lifestyle.

**Construction of Toilet block for Science Innovation and Activity centre:**

RCF has assist to Devrukh Shikshan Prasarak Mandal, Dist. Ratnagiri a well-known educational institution working in the field of Education for the building of Toilet.

**Sponsorship for Construction of New Hospital Building:**

Lions Health Foundation, Alibag is the registered NGO working in the field of health care in the rural area of Raigad district. RCF has financially supported Lions Health Foundation for construction of new hospital under CSR budget.

**Purchase of Ration to Divija Old age Home:**

Swastik Foundation is an NGO working for welfare and wellbeing of senior citizen in society through their Old age Home "Divija Old Age Home" at Alsade, Sindudurg District, Maharashtra.

RCF has purchased grocery and other food requirements for Divija Old Age Home. The CSR project was successfully implemented the through Swastik Foundation.

**Medicines and Hygiene kits for school:**

RCF has contributed for purchase of medicine and hygiene kits to distribute to students. The proposal have been received from Pancharatn Mitra Mandal and they organize Health checkup camp at Anandnagar Municipal Special School, Chembur.

**Distribution of Educational Material and stationary items to school:**

RCF has supported for the purchase of Educational Material and stationery items i.e School Bags, note books, book shelves, stationery Items, Biscuits and Chocolate including awareness banners for Anandnagar Municipal Special School, Chembur under CSR budget. The CSR project was successfully implemented the through Pancharatna Mitra Mandal.

**Medical Camps:**

RCF has arranged free health check up , including free distribution of medicines and spectacles under CSR. We have organized 10 health camp in the surrounding area with the help of Asmita Mahila Mandal.

#### **Distribution of Educational Material to students nearby Chembur:**

RCF has supported for the purchase of Educational Material and stationery items one school bag, one compos box, six note books, six long and six short books for Students living in Indira Nagar, Naga Baba Nagar, Rahul Nagar, Prabuddha Nagar, Aziz Bagh, MMRDA Campus, Kukreja Campus, Ayodhya Nagar and Shastri Nagar in Chembur under CSR budget. The CSR project was successfully implemented the through Asmita Mahila Mandal.

#### **Installation of Solar system in college building:**

RCF has contributed in installation of New Solar System for J.S.M. College, Alibag, Raigad under CSR. An appeal has been received from Janata Shikshan Mandal, Alibag. The project is for energy conservation and using sustainable energy and renewable energy.

#### **New Audio System for School:**

RCF has contributed for the purchase of New Audio System for Javahar Vidya Bhavan Marathi, Hindi and English medium school, Chembur under CSR. An appeal has been received from Lokmanya Shikshan Sanstha, the registered organization running Javahar Vidya Bhavan schools at Chembur.

#### **Vocational/ Skill Training cum livelihood project for the disabled:**

RCF has financially assisted the project Unnati under CSR. National Association of Disabled's Enterprises (NADE) is providing training, employment and other rehabilitation services to disabled persons from all over Maharashtra and other part of the nation.

Under the project Unnati , NADE is providing Umbrella making training for a period of one year to make them independent in the society.

#### **Promotion of prevention of Cancer Program in Schools at Kharghar, Mumbai:**

RCF has financially assisted for organizing Promotion of Prevention of cancer programme in 25 schools of Kharghar, CBD Belapur area of under CSR. An appeal has been received from Brahmaputra Cancer care society. From the above project the organization has created awareness on prevention of Cancer among the school students through Quiz competitions.

#### **Provided general OPD and Free Medicines to Patients visiting Sushrut Hospital, Chembur:**

RCF has provided the financial assistance of ₹ 5 Lakhs to operate free OPD and dispensing free medicines to needy & deserving patients at CHPT. RCF has been contributing ₹ 5 lakh annually to the CHPT towards the noble cause as the RCFL is one of the trustee organization of CHPT. From

this contribution CHPT can be able to operate and able to provide free consultation and medicines to the patients.

#### **Project for Educational Empowerment of SC/ST students:**

RCF has been contributing for the implementation of educational empowerment project for SC/ST student residing in the Marathwada, Vidarbha and Western Maharashtra region. The CSR project was successfully implemented the through Rural Development Center (IRDC).

#### **Medical Camps at Mankhurd, Chembur:**

RCF has arranged free health check up , including free distribution of medicines and spectacles for villages in Mankhurd, Chembur under CSR. Chandra Sundra Trust is a registered NGO working in the field of Healthcare, Women Empowerment and education in the surrounding area of Chembur, Mumbai.

The CSR project was successfully implemented the through Chandra Sundra Trust.

#### **Life Saving Medical Aid to 50 Patients:**

RCF has contributed to organize varies schemes expenses that includes Life saving medical Aid to 100 beneficiaries and Six months dialysis support schemes to 50 beneficiaries. An appeal has been received through Modern Education Social & Cultural Organization (MESCO).

#### **Nutrition and Patients Welfare Centre:**

RCF has financially assisted for operational expenditure of Mumbai center of the organization under CSR. An appeal has been received from Access Life Assistance Foundation. Access Life Foundation is registered NGO working in the field of Healthcare and offering lifesaving support to Childhood cancer patients.

#### **Strengthening Self Help Groups and uplifting women and girls through entrepreneurship for social impact:**

RCF has contributed for project women power "Strengthening self-help groups and uplifting women and girls through entrepreneurship for social impact" in Uttar Pradesh State under CSR. An appeal has been received from All India Institute of Local Self-Government (AIISSG), a registered NGO implementing sustainable employment opportunities by providing skill sets to rural women in Uttar Pradesh.

Under this project the organization implementing three such project at Prayagraj, Varanasi and Sultanpur districts with the help of self-help groups of the surrounding of respected area.

#### **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 been 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 good transportation of villagers.

#### Installation of Air Purification System in Chembur

RCF has installed Air Purification Units at two locations in Chembur area through the allocated technology provider by BMC M/s Amida Cleantech Pvt. Ltd under CSR. To support the pilot project of govt of Maharashtra to resolve the pollution issue in Mumbai city.

#### Purchase of Agriculture Spray Drones under PM Mahila Kisan Drone Kendra Scheme to Distribute SHGs of all over India:

RCF has contributed to purchase Agriculture Spray Drones under PM Mahila Kisan Drone Kendra Scheme to Distribute Self Help Groups for education and empowerment of Women under CSR budget.

Under Secretary, Department of Fertilizers (Fertilizer Innovation Division), Ministry of Chemicals and Fertilizers, Govt. of India has sent a letter to Director, CSR Cell and MCA for inclusion of above activity under CSR.

#### Implementation of Swachha Bharath Abhiyan at District Civil Hospital, Alibaug:

RCF has contributed to implement various activities under Swachha Bharat Abhiyan at District Civil Hospital , Alibaug under CSR budget. The Surabhi Swayansevi Sanstha, Alibaug is registered NGO working in the field of education, health care, rural sports and rural development. The district civil hospital has requested to the NGO for implementation of cleanness drive in the hospital building hence the organization has requested to RCF for the financial assistance to implement the said drive for maintain hygiene in the Hospital premises.

#### Construction of School at Sree Krishna Vidyalaya Matric High School, Alampadi, Tamilnadu:

RCF has financially assisted for construction of Sree Krishna Vidyalaya Matric High School, Alampadi, Choozhikkonam, Maruthancode, Vilavancode Taluk, Dist. Kanyakumari, Tamilnadu. The proposal has been received from Shree Krishna Educational Trust. Shree Krishna Educational Trust is the registered organization running Sree Krishna Vidyalaya Matric High School at Alampadi since 1995.

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

Government of India, Ministry of Micro, Small and Medium Enterprises, vide order dated March 23, 2012, notified the public procurement policy in respect of procurement of goods and services produced and provided by Micro, Small and Medium Enterprises and further amended it

vide Govt. of India Gazette Notification S.O. 5670(E) dated November 9, 2018.

With amendment in Public procurement policy for Micro & Small Enterprises (MSEs) order, 2012 vide Gol Gazette Notification S.O. 5670(E) dated 9th November 2018, the percentage target of procurement of goods and services by Govt. Departments/CPSEs from MSEs is increased from 20% to at least 25% along with the provision of minimum 3% reservation for Women owned MSEs within this 25% reservation. This amendment is made applicable from 9th Nov 2018. Due to the very nature of operations of our Company, the procurement targets for Women owned MSEs could not be achieved in the year 2023-24.

With the efforts taken by the company, the procurement from MSEs, cost of the items procured through MSEs is ₹893.88 Crore out of the total procurement cost of ₹2071.24 Crore (excluding raw material, gas, water, electricity, catalysts, proprietary items etc.) which works out to be 43.16 %. The procurement from MSEs owned by SC/ST Entrepreneurs is ₹ 0.8136 Crore which is 0.04 % and procurement from women owned MSEs is ₹22.69 Crore which is 1.1 % of the total procurement of the year 2023-24. The percentage procurement is calculated excluding Raw materials, gas, water, electricity, catalyst and proprietary items which cannot be procured from MSEs.

### SUSTAINABLE DEVELOPMENT

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

#### Sewage Treatment plants

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 2023-24, about 8,152.82 Million litres 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 2.12 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 2023-24, 4439 MWh of solar power was generated. Also, during the year 2023-24, 2218 no. of Solar Renewable Energy Certificates (RECs) were generated.

## VIGILANCE

Shri. Sameer Rastogi from Indian Forest Service headed the Vigilance Department of RCF as Chief Vigilance Office (CVO) till completion of his tenure on February 19, 2024. Dr. Rahul S. Jagtap from Indian Statistical Service assumed the charge of CVO w.e.f. March 30, 2024. The CVO leads a team of Vigilance Officer who are drawn from various functional departments of RCF and posted in Vigilance department at Mumbai Corporate office and Thal Unit, Alibag.

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 guidelines of Central Vigilance Commission (CVC). With the preventive vigilance objectives of being watchfulness and alertness, regular watch is being kept on various activities of finance, personnel, operation, marketing, material, and contracts etc. in the location of Corporate Office Trombay Unit, Thal Unit and Marketing office situated across the country. Vigilance Department collect intelligence about the corrupt practices committed, or likely to be committed by the employees and carry out investigations on the allegations reported. During the period of April 2023 to March 2024, Vigilance Department has processed 44 number of complaints. Systemic improvements and corrective actions are suggested wherever necessary. Online Vigilance complaints Management System (VCMS) is being used for handling of complaints and online NOC system is being used for issuing speedy Vigilance clearances to the employees for foreign visits, promotion, gratuity, job application and resignation.

Vigilance Department has always given emphasis on spreading awareness about rules/regulations, procedures and solicited information as well as complaints from all regarding any malpractices or corruption. Besides, carrying out such awareness through the online and offline preventive vigilance training programs for Management trainees, junior, middle, senior level Managers, Vigilance team has given thrust on inculcating the importance of ethics and integrity among the employees and always encouraged them to follow the ideology "All officer are Vigilance Officers and to implement various directives of CVC.

As per CVC's circulars 06/08/23 dated 02.08.2023, three

month's Precursor campaign on preventive vigilance measures cum housekeeping activities were taken up and successfully completed during the period 16th August to 15th November, 2023 as a prelude to Vigilance Awareness Week with focus areas like; Awareness Building about Public Interest Disclosure and Protection of Information (PIDPI) Resolution (through workshops, posters, banners, videos), Capacity Building Programs (on role of IO/PO, Public Procurements, Ethics and Governance, Systems and Procedure of organization, Cyber Hygiene and Security), Identification and implementation of systematic improvements measures, Leveraging of IT for complaint disposal, Updation of Circulars/Guidelines/ Manuals, Disposal of complaints pending before June 30, 2023. The Vigilance department initiated the alignment of existing RCF's procurement manual in line with the Goods, Works and Services procurement manuals of Government of India given by CVC and adopted the same by RCF during this campaign period on October 1, 2023.

Vigilance Awareness Week on the theme "Say no to Corruption; commit to the nation" based on the CVC circular 08/09/2023 dated 11.09.2023, was observed by Vigilance Department, from October 30 to November 5, 2023 in RCF Trombay unit, Thal unit, Industrial Products division and Fertilizer Marketing office across the country. During this week, the activities received wholehearted participation from stakeholders in various activities such as; taking integrity pledge, conducting workshop on policies and procedures of company and workshop of Vigilance Study Circle, building awareness about PIDPI within the stakeholders, conducting competitions like Quiz, Posters, Slogan, Essay, Skit Play for employees and their family members as well as for dealers and retailers of Fertilizer Marketing and Industrial Products division. Social media platforms like Twitter, WhatsApp and Email/SMS were extensively used for spreading the awareness among the stakeholders and the citizens about activities of abovesaid precursor campaign and Vigilance Awareness Week.

## 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 K. Gopal Rao & Co. (Firm Registration Number 000956S ) and M/s. Parakh & Co. (Firm Registration Number 001475C ) as Joint Statutory Auditors of your Company for the financial year 2023-24. The Auditors would be retiring at the conclusion of the Forty Sixth 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 2024-25 will be appointed by the CAG. However, their remuneration is required to be fixed at the AGM by the members.

### b. COST AUDITORS AND THEIR REPORT

Your Directors, on the recommendation of Audit Committee, has appointed M/s. Dhananjay V. Joshi & Associates, Cost Accountants (FRN No.000030), Mumbai as Cost Auditor to audit the cost accounts of the Company for the year 2024-25 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. Dhananjay V. Joshi & Associates, 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 2023-24 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) As per Regulation 17(1)(a) of the Listing Regulations, the Board of directors of top 1000 listed entities shall have at least one independent woman director by April 1, 2020. The Company was in top 500 listed entities on the basis of market capitalisation as at March 31, 2023 and the Company did not have an independent woman director on its Board from June 25, 2023 to March 31, 2024.
- b) As per Regulation 17(1)(b) of the Listing Regulations and DPE Guidelines, the Chairman being an Executive Director, at least half of the Board of Directors should be comprised of Independent Directors. The Board of Directors comprised of six Directors, constituting of three Executive Directors (including the Chairman & Managing Director); two Nominee Directors (non-executive) and one Independent Director as on March 31, 2024 and therefore, the Company did not have at least half of the Board as Independent Directors for the period from April 1, 2023 to March 31, 2024. Further, the Company did not have at least one-third of the total number of Directors as Independent Directors for the period from June 25, 2023 to September 30, 2023 and from November 07, 2023 to March 31, 2024 as required under section 149(4) of the Act.
- c) As per Regulation 17(1)(c) of the Listing Regulations, the Board of Directors of the top 2000 listed entities with effect from April 1, 2020 shall comprise of not less than six directors. The Board of Directors comprised of five directors from November 07, 2023 to January 16, 2024 and therefore, the Company did not have at least six directors for the aforesaid period.
- d) i. As per Regulation 18(1)(a) of the Listing Regulations, section 177 of the Act and DPE Guidelines, the Audit Committee shall comprise of at least three directors. The Audit Committee comprised of two directors constituting of one Independent Director and one Nominee Director (non-executive) on November 07, 2023 and November 8, 2023 and therefore, Audit Committee did not have requisite number of directors for the aforesaid period.
- ii. As per Regulation 18(1)(b) of the Listing Regulations and DPE Guidelines, at least two-thirds of the directors shall be independent directors and as per section 177 of the Act, the Audit Committee shall consist of a minimum of three directors with

- independent directors forming a majority. The Audit Committee comprised of three directors (including one Independent Director) for the period from November 9, 2023 to March 31, 2024 and therefore, the Audit Committee did not have requisite number of Independent Directors for the aforesaid period as per above mentioned provisions.
- iii. As per Regulation 18(2)(b) of the Listing Regulations, the quorum for Audit Committee meeting shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors. The Audit Committee meetings held on November 10, 2023 and February 13, 2024 were attended by two directors (including one Independent Director) and therefore, requisite quorum was not present in the aforesaid Audit Committee meetings.
- e) i. As per Regulation 19(1)(a) of the Listing Regulations, section 178 of the Act and DPE Guidelines, the Nomination and Remuneration Committee shall comprise of at least three directors. The Nomination and Remuneration Committee (NRC) comprised of two directors constituting of one Independent Director and one Nominee Director (non-executive) on November 07, 2023 and November 08, 2023 and therefore, the NRC did not have requisite number of directors for the aforesaid period.
- ii. As per Regulation 19(1)(c) of the Listing Regulations and DPE Guidelines, at least two-thirds of the directors shall be independent directors and as per section 178 of the Act, not less than one-half of the directors shall be independent directors. The NRC comprised of three directors (including one Independent Director and one Whole Time Director) for the period from November 09, 2023 to March 31, 2024 and therefore, the NRC did not have requisite number of Independent Directors for the aforesaid period as per above mentioned provisions.
- iii. As per Regulation 19(1)(b) of the Listing Regulations and section 178 of the Act, all directors of the committee shall be non-executive directors. The NRC comprised of three directors (including one Whole Time Director) for the period from November 09, 2023 to March 31, 2024 and therefore, the NRC did not have all the members as non-executive directors for the aforesaid period.
- f) As per Regulation 25(6) of the Listing Regulations, an independent director who resigns or is removed from the Board of Directors of the listed entity shall be replaced by a new independent director by listed entity at the earliest but not later than three months from the date of such vacancy. The vacancy was arisen in the Company due to resignation of an Independent Director with effect from November 07, 2023 which has not yet been fulfilled by the Company.

**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 Woman Independent Director on the Board in order to comply with the provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- b. 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.
- c. Due to cessation of One Independent Director on the Board of the Company w.e.f. 07.11.2023, the strength of the Board of the Company is Five Directors from period of 07.11.2023 to 16.01.2024. 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 Government of India appointed Director (Technical) w.e.f. January 17, 2024. Hence, the Company has complied with the said regulation w.e.f. January 17, 2024.
- d. (i), (ii) & (iii) Due to cessation of one independent director & Member of the audit Committee w.e.f. 07.11.2023, there was shortfall of number of members of Audit Committee. Due to this, the Company has only one Independent Director on the Board from 07.11.2023. The Company reconstituted the Audit Committee on November 09, 2023. 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 has been continuously following up with the Government of India for appointment of Independent Directors and it is given to understand that the Government is in the process of appointing requisite number of Independent Directors.
- e. (i), (ii) & (iii) Due to cessation of one independent director & Member of the Nomination and Remuneration Committee w.e.f. 07.11.2023, there was



shortfall of number of members of Nomination and Remuneration Committee. Due to this, the Company has only one Independent Director on the Board from 07.11.2023. The Company has reconstituted the Nomination and Remuneration Committee on November 09, 2023. 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 has been continuously following up with the Government of India for appointment of Independent Directors and it is given to understand that the Government is in the process of appointing requisite number of Independent Directors.

- f. 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 has been continuously following up with the Government of India for appointment of Independent Directors and it is given to understand that the Government is in the process of appointing requisite number of Independent Directors.

#### d. SECRETARIAL STANDARDS

During the year 2023-24, 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, 2024, 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, 2024 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; an
- 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 2022-23.

## 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 statement

## KEY MANAGERIAL PERSONNEL

The following are Key Managerial Personnel of the Company as on March 31, 2024 :

1. Shri S. C. Mudgerikar [DIN 03498847], Chairman & Managing Director
2. Ms Nazhat J. Shaikh [DIN 07348075], Director (Finance) & CFO
3. Ms Ritu Goswami [DIN 10463372], Director (Technical) (w.e.f. 17.01.2024)
4. Shri Milind M. Deo [DIN 08715250], Director (Technical) (upto 30.09.2023)
5. Shri Jai Bhagwan Sharma [FCS 5030], Company Secretary

## CHANGES IN THE BOARD OF DIRECTORS

Shri Chandra Bhushan Pandey [DIN 09407412], Independent Director ceased to be Director due to resignation on November 7, 2023.

Shri Milind M. Deo [DIN 08715250], ceased to be Director (Technical) on the Board of the Company w.e.f. October 1, 2023.

Shri Sanjay Rastogi (DIN 07722405) ceased to be Government Nominee Director w.e.f. January 5, 2024.

Dr. Ajay Shanker Singh (DIN 10449154) appointed as Government Nominee Director on the Board of the Company w.e.f. January 5, 2024.

Ms Ritu Goswami [DIN 10463372] appointed as Director (Technical) on the Board of the Company w.e.f. January 17, 2024.

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

As per Section 152 of the Companies Act, 2013, Ms Nazhat J. Shaikh [DIN 07348075] and Ms Aneeta C. Meshram (DIN: 09781436), 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

Eleven (11) Board Meetings were held during the year. The details of the Board Meetings held during the financial year 2023-24 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 2023-24 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, 2024 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 Rs 39 crore during the year 2018-19) to Dena Bank as one time settlement which includes an amount of ₹ 25.50 crore being the share of The Fertilisers and Chemicals Travancore Limited (FACT), the joint venture partner in FRBL. This amount is shown as interest bearing inter corporate deposit given. FACT shall repay the same in five annual equal instalments commencing from December 2020. FACT has made payment of Four installment total amounting of ₹ 20.40 crore out of the total 5 installments as per agreement.

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

Your Company has allotted 30,000, Listed, Unsecured, Rated, Redeemable, Taxable, Non-Convertible Bonds in the nature of Debentures (NCDs) of face value of ₹1,00,000/- ((Rupees One Lakh only) each, aggregating to ₹ 300 crore (Rupees Three Hundred Crore only) on private placement basis for cash at par, in dematerialized form (ISIN: INE027A08028), through BSE Electronic Book Platform (EBP) on August 7, 2024 .

The NCDs are for a tenure of Three years, carrying interest @ 7.99% p.a. payable annually. NCDs are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), on the Whole Sale Debt Market (WDM) Segment. The Company has appointed M/s SBICAP Trustee Company Limited as Debenture Trustee for the said debt securities.

## 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/office across the Company to provide information to citizens under the provisions of the RTI Act.

During the year under review, your Company has received 348 RTI applications out of which 331 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, 2024 is available on the Company's website on [www.rcfldtd.com/investorrelations/agm-1](http://www.rcfldtd.com/investorrelations/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 & Sustainability Report is also available on the Company's website [www.rcflt.com](http://www.rcflt.com).

## FUND RAISING BY ISSUANCE OF DEBT SECURITIES BY LARGE CORPORATES

As per the Securities and Exchange Board of India (SEBI) circular SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/172 dated October 19, 2023, The Company, is a Large Corporate and Company shall endeavor to comply with the requirement of raising 25% of their incremental borrowings done during FY 2022, FY 2023 and FY 2024 respectively by way of issuance of debt securities till 31st March, 2024.

Accordingly the disclosure requirements towards compliance for the year 2023-24 is as under:

Sr No.	Particulars	₹ Crore
1	Incremental Borrowings (a)	275.45
2	Mandatory borrowings to be done through issuance of debt (b)=(25% of (a))	68.86
3	Actual borrowings done through Debt securities in FY 2023-24 (c)	0.00
4	Shortfall in the mandatory borrowing through debt securities, if any (d)=(b)-(c)	68.86
5	Reasons for shortfall, if any, in mandatory borrowings through debt securities	Availability of alternative source of finance and unfavourable bond market

## 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.

You Board wishes to acknowledge with sincere gratitude, the help and unstinted support from Trade Unions & Officers Association for your unwavering support

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 5, 2024

## ANNUAL REPORT ON CSR ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 ('the Act') & Rules made thereunder]

### 1. Brief outline on CSR Policy of the Company

Rashtriya Chemicals and Fertilizers Limited ('the Company') is committed to upholding the highest standards of Corporate Social Responsibility ('CSR'). The Company endorses the RCF's purpose of improving the quality of life of the communities it serves through long-term stakeholder value creation. The Company believes in positively impacting the environment and supporting the communities it operates in focusing on sustainability of its programmes and empowerment of its communities.

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

The Company has framed a CSR Policy in compliance with the provisions of the Act, as amended, which is available on the Company's website at [https://www.rcfltd.co/public/storage/cmspages/cmspdfFile/F1565001231-CSR\\_POLICY.pdf](https://www.rcfltd.co/public/storage/cmspages/cmspdfFile/F1565001231-CSR_POLICY.pdf)

### 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 (upto 22.06.2023)	Chairperson and Independent Director	1	1
2	Shri Gopinathan Nair Anilkumar (from 22.06.2023)	Chairperson and Independent Director	4	4
3	Ms Nazhat J. Shaikh	Member and Director (Finance)	5	5
4	Ms Aneeta C. Meshram	Member and Govt. Nominee Director	5	0
5	Shri Chandra Bhushan Pandey (from 22.06.2023 to 06.11.2023)	Member and Independent Director	2	2

### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company

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

<https://www.rcfltd.com/public/storage/investers/1712925732.pdf>

CSR policy –

[https://www.rcfltd.com/public/storage/cmspages/cmspdfFile/F1565001231-CSR\\_POLICY.pdf](https://www.rcfltd.com/public/storage/cmspages/cmspdfFile/F1565001231-CSR_POLICY.pdf)

CSR projects –

<https://www.rcfltd.com/socialresponsibility/annual-report-on-csr-activities>

### 4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable

Not Applicable

5. (a) Average net profit of the company as per sub-section (5) of section 135: ₹ 88,398 Lakh
- (b) Two percent of average net profit of the company as per sub-section (5) of section 135: ₹1768 Lakh
- (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: Nil
- (d) Amount required to be set-off for the financial year if any: ₹ 50 Lakh

(e) Total CSR obligation for the financial year [(b)+(c)-( )] ₹1718 Lakh

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) ₹ 1793 Lakh  
 (b) Amount spent in Administrative Overheads: Nil  
 (c) Amount spent on Impact Assessment, if applicable: Not Applicable  
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)] ₹1793 Lakh  
 (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (Rs in lakh.)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
1793	Nil	NA	Nil	Nil	NA

(g) Excess amount for set off, if any : 265.00 Lak

Sl. No.	Particulars	Amount (₹ in lakh)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	1768
(ii)	Total amount spent for the Financial Year	2058
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	290
(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)]	265 *

\* Total CSR spent for the year 2023-24 is ₹ 2058.00 Lakh. Total CSR expenditure accounted for the year 2023-24 is ₹1793 lakh. Excess amount available for set off in succeeding financial year is 265 (i.e ₹2058 lakh - ₹1793 lakh)

## 7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
Not Applicable								

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

If Yes, enter the number of Capital assets created/ acquired: **Not Applicable**

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

Sl No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of The property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owne		
					CSR Registration Number, if applicable	Name	Registered Address

Not Applicable

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

**9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135.**

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

Sd/-  
Gopinathan Nair Anilkumar  
Chairperson – CSR Committee

Date : 16<sup>th</sup> May, 2024  
Place : Mumbai



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### OVERVIEW OF THE ECONOMY

India's gross domestic product (GDP) for the January-March quarter of fiscal 2023-24 (Q4FY24) came in at 7.8 %, driven by strong growth in the manufacturing sector according to the provisional national income data released by the National Statistical Office (NSO). India's growth continues to surprise on the upside. Provisional estimates peg India's GDP growth for fiscal 2024 at 8.2 % compared to the growth rate of 7% in FY 2022-23. This growth reiterates India's position as the world's fastest-growing major economy which currently holds the tag of being the world's fifth largest economy.

The bright economic outlook is underpinned by a sustained strengthening of macroeconomic fundamentals, robust financial and corporate sectors and a resilient external sector. The government's continued thrust on capex while pursuing fiscal consolidation, and consumer and business optimism augur well for investment and consumption demand.

Real GDP growth for FY25 is projected at 7%, with risks evenly balanced. The economy had expanded at a robust pace in FY24, with real GDP growth accelerating to 7.6% from 7% in the previous year – the third successive year of 7% or above growth.

Even as the global economy is facing multiple challenges such as elevated inflation, tight monetary and financial conditions, and escalating geopolitical tensions, the Indian economy is exhibiting strength and stability with robust macroeconomic fundamentals and financial stability.

Geopolitical tensions, geo-economic fragmentation, global financial market volatility, international commodity price movements and erratic weather developments pose downside risks to the growth outlook and upside risks to the inflation outlook.

### INDUSTRY STRUCTURE AND DEVELOPMENT

Overall fertilizers production has increased by 4.03% during financial year 2023-24 as against financial year 2022-23 due to increase in production of Urea & NPK. Production of urea has increased by 10.20% during the financial year 2023-24 as against 2022-23. NPK production increased by 2.80% during financial year 2023-24 as against financial year 2022-23.

Imports have decreased by 5.79% due to the decrease in Urea, DAP & NPK imports. India's fertiliser import dynamics experienced notable shifts, marked by a discernible decline of 7.10% in Urea, 15.40% in DAP, and 19.40% in NPKs imports compared to the preceding year. Conversely, MOP surged with an impressive growth rate of 53.80%. This trend seamlessly aligns with the government's vision under the Atma Nirbhar Bharat initiative, emphasizing reduced dependence on imports

and the promotion of indigenous alternatives.

This shift in import pattern reflects a concerted effort to bolster domestic production and promote self-sufficiency in the fertiliser sector. It underscores India's commitment to harnessing its vast agricultural resources and leveraging indigenous capabilities to meet the nation's fertiliser requirements. As India continues to prioritize local production and reduce reliance on imports, such developments pave the way for a more resilient and self-reliant agricultural ecosystem, in line with the overarching goals of sustainable development and economic sovereignty.

India's fertiliser industry is thriving, not just marking increases in production and sales, but serving as a testament to the nation's steadfast dedication to bolstering agriculture, meeting growing demands, and nurturing a future of prosperous farms.

India experienced a notable growth in sales across key fertilizers, with Urea, DAP, MOP and NPKs boasting impressive increases of 0.20%, 3.80%, 0.80% and 9.90%, respectively, compared to the previous year. Notably, NPK sales surged significantly, showcasing excellent growth compared to the preceding year. Sales of SSP has decreased by 9.40% as compared to previous year.

Finance Minister in the Interim Budget has lowered the allocation for fertiliser subsidy by 13% to ₹ 1.64 lakh crore for 2024-25 as compared to ₹ 1.89 lakh crore revised budget estimate for FY24. The allocation for fertiliser subsidy for FY24 was budgeted at ₹ 1.75 lakh crore in FY24.

### STRENGTHS, WEAKNESSES, OPPORTUNITIES & THREATS

#### Strengths

- i) Your Company's strength lies in its skilled manpower, high Brand Equity of its products such as 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 corners of the country.
- iii) Increased usage of digital technology to reach-out to farmers through Mobile Apps, Facebook pages, 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 have applications across several sectors like pharmaceuticals, dyes etc.
- vii) The well maintained plants and equipments ensure efficient productio
- viii) Continuous technology upgradation, revamping, modernization and implementation of energy & production improvement schemes in the plants.
- ix) Well established infrastructure and R&D facility.

#### Weaknesses

- i) The Plants have been in operation for a very long time and need significant investment for upkeep and upgradation.
- ii) As the ultimate customers of the Company are farmers, agro-climatic conditions have 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 prices for non-Urea operations are 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 / Diversific tion in the field of manufacturing and mining of raw materials as well as fertilizers thereby presenting an opportunity for marketing of variety of products.
- ii) Huge demand and import dependency in case of NPK fertilizers in the Country provides an opportunity to Company for expanding its NPK fertilizer base.
- iii) Alternate feedstock such as Coal gives an opportunity for undertaking Fertilizer Projects in other parts of the country closer to coal mines based on latest coal gasification technology
- iv) Experienced and Skilled Manpower of your Company has been in demand for rendering O&M services in India and abroad. In view of your Company's training facilities, as well as the available skilled Engineers and Technicians, your Company is in a position to impart training to many foreign and Indian Companies.

- v) Energy and environment improvement projects planned will give positive impact on the profitability and sustainability of your Company.

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

#### Threats

- i) Manufacturing and marketing of Fertilizers is the core business of your Company. In recent years, there has been high volatility in the prices of raw material resulting in an adverse impact on production and marketing plans. The profit bility 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.

#### OUTLOOK

The government provides nutrient-based subsidy on fertilisers and subsidy on urea. The cut in the subsidy in FY25 is being seen because of a drop in international prices, government push towards schemes for the use of bio and organic fertilisers, and increased use of nano urea.

The government push towards nano urea, the liberalised Market Development Assistance (MDA) scheme and the PM PRANAM (PM Programme for Restoration, Awareness, Nourishment and Amelioration of Mother Earth) are expected to result in less expenditure on subsidy towards indigenous urea and thus a lower allocation in FY25.

Fertilizer sector driven by Moderation in international raw material and finished fertiliser prices and Adequate allocation of subsidy and its timely release. Industry faced challenges such as any adverse agro-climatic conditions impacting volumes, Delays in subsidy payments, leading to an increase in short-term debt and thus increase in interest costs and Inadequate Nutrient Based Subsidy (NBS), resulting in muted profitability in the non-urea segment.

#### 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).

### 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 2023-24, 2024-25 and 2025-26 and the entire audit area of RCF is divided between two Audit firms of Chartered Accountants : 1) M/s. Keshri & Associates & 2) M/s. AMAA & Associates.

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

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

### SEGMENT – WISE PERFORMANCE

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

#### Fertilizer:

Your Company produces fertilizers such as Urea (Nitrogenous Fertilizer) at both Trombay and Thal Units, and 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 21.77 LMT of Urea compared to 21.96 LMT produced during the previous year. Your Company has also produced 5.77 LMT of Suphala as compared to 6.43 LMT produced during the previous year. In terms of Nutrients, your Company has produced 10.88 LMT of "N", 0.87 LMT of " $P_2O_5$ " and 0.87 LMT of " $K_2O$ " as compared to 11.07 LMT of "N", 0.96 LMT of " $P_2O_5$ " and 0.96 LMT of " $K_2O$ " respectively during the previous year.

### Industrial Products

Your Company produces industrial chemicals at its both units. During the year, your Company produced approx. 5.08 lakh MT of various major industrial chemical products as against approx. 5.79 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 June 1, 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 April 1, 2018 in respect of Thal unit and from October 1, 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 June 1, 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 has liberalized import of chemicals to meet the ever increasing consumption level of chemicals in almost all sectors of the economy. International manufacturers are having huge production capacities thus benefiting from the economies of scale, making available their products at a cheaper rate compared to domestic manufacturers which has put strain on producing products like Methanol, DMAC, DMF, Formic Acid, Sodium Nitrate/Nitrite. As a result, our plants like Methanol, DMAC, DMF, Formic Acid & Sodium Nitrate/Nitrite are shut down due to unviability since more than a year. Cheaper imports & our high cost of production has made Methanol, DMAC, Sodium Nitrite/Nitrate difficult to run.

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

#### Review of the financial performance

During the year, your Company achieved Revenue from Operations of ₹ 17146.74 crore as against ₹ 21451.54 crore in previous year (PY). Profit Before Tax (PBT) during the year, stood at ₹ 303.63 crore as against ₹ 1273.98 Crore in the PY. This decline was primarily due to lower margins of Industrial products and Complex Fertilizers, lower energy efficiencies and the production of Urea beyond reassessed capacity, which has adversely impacted Thal Urea profitability. Additionally, a steep reduction in subsidy owing to fall in NPK nutrients effective from 01st October 2023, impacted the operating margins of manufactured NPK fertilizers. Profit After Tax (PAT) stood at ₹227.74 crore as against ₹ 967.15 Crore.

Your Company achieved fertilizer sales volume of 36.01 lakh MT during 2023-24 as compared to 33.14 lakh MT during the previous year. The Total sale of manufactured fertilizers during 2023-24 was 27.17 lakh MT as against 28.23 lakh MT during the previous year. Sales of manufactured fertilizers registered decrease of 3.75% over previous year owing to lower sales of Urea and Suphala.

Your Company produced 27.54 lakh MT of fertilizers (21.77 lakh MT of Urea & 5.77 lakh MT of Suphala during the year as against 28.39 lakh MT of (21.96 lakh MT of Urea & 6.43 lakh MT of Suphala produced during the previous year.

#### Energy Consumption

The energy consumption achieved during the year ended March 31, 2024 as compared to the previous year ending March 31, 2023 is given below:

Plant	Gcal/Mt	
	For the year 2023-24	For the year 2022-23
Ammonia Trombay-V	8.613	8.736
Ammonia Thal	8.292	8.207
Urea Thal	5.766	5.700
Urea Trombay	6.501	6.599

Energy efficiency at Trombay unit was lower as compared to previous year.

### 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, and 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.

- National Technology Day Celebration included a Hybrid Session for Technical Team Of RCF from Thal & Trombay on "Integrated Approach in Science & Technology for Sustainable Future".
- Vigilance Awareness Week celebration included a Hybrid session for employees on "Awakened on Cyber Security".

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
- Personal Effectiveness for various level of office

#### C) Develop People Capabilities

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

- **Specialized Programmes**
- **First Aid with CPR Basics** - First Aid knowledge is invaluable for both as the individual and for community. It enables us to assist persons who become injured in the event of an accident or emergency situation until help arrives. First Aid skills can be applied in the home, the workplace or in public locations.

- Awareness on Cyber Security - Session addressed the common cyber threats and attacks that an organization/individual may face and the preventive measures that can be taken for safeguarding. Cybersecurity is critical because it helps to protect organizations and individuals from cyber attacks. Cybersecurity can help to prevent data breaches, identity theft, and other types of cybercrime.

- Rights, Duties and Welfare measures adopted by Govt. of India for OBC employees

- **UDID Card & Welfare Benefit Facilities for the Wellbeing of Differently Abled Persons(Divyangjan)"** for Differently Abled(Divyangjan) RCF Employees and their Family Members

- **QC & LQC- Tools & techniques**

- Problem solving by using QC- Tools & techniques

- **Training and Development** One of the strengths of our Company lies in its skilled and professional manpower. This could be achieved by adopting good HR policies and undertaking training and development of all employees. Training imparted includes enhancing general management skills of the employees in various functions viz. Marketing, Finance, Commercial and Health Services. Your organization is a learning organization that has created a culture which encourages and supports continuous employees learning and value employee's contributions. As an initiative towards overall development, all women employees were covered under "Mission LiFE (Lifestyle for Environment)", Launched by Prime Minister Narendra Modi is envisioned as an India-led global mass movement that will nudge individual and collective action to protect and preserve the environment. The actions related to Mission LiFE have been categorized as: save water, reduce waste, save energy, reduce e-waste, reduce single-use plastic, adopt sustainable food systems, and adopt healthy lifestyle.

- and "Women health & Wellness" programs were conducted for women employees.

- As a part of our expertise sharing initiative, HRD department has conducted 'Short Term Training Program' for engineering college students and also provided Hands on training on ERP to the College Students HR students pursuing their Master in Management Studies which enables them to exploit the powers of ERP in their domain from day one of their career in the Corporate World.

- **Cross-functional Learning opportunity:** It improves communication and transparency within the organization as employees are aware 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.
  - Risk management enables public sector organisations to become more reactive to change and make better decisions on how they can operate more effectively in the future, ultimately leading to better citizen outcomes and improved internal efficiency, session on "Risk Management" organized for Trombay & Thal Unit Risk Managers and Risk Officer  
"Enduring Financial Fitness" various sessions related to finance related issues for Finance Team.
  - Awareness on TAX REGIME and Awareness on EPS Scheme session were organised to share the government rules and regulations related to the Taxes and various schemes insights to our employees.
  - "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.
  - **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.
- 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.
  - Induction training including organisational, Functional inputs and plant visit for new joiners in Finance discipline and Marketing discipline officer
  - 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.
  - Health talk on "Orthopedic Wellness: Prevention and Treatment"
  - Less Scrolling- More Living!! Social Media De-Addiction
  - Health talk on "Cardio care: Prevention and Treatment"
  - Motivational interview with padmashree awardee Dr. Mr. and Mrs. Kohle.
  - **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 mindset.
  - 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.
  - Age based Financial planning program.
- 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.
  - First Aid with CPR Basics Training Program covers all RCF women employees
  - Mission Life Style session for RCF women employees
- 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 employee
- General Instructions on Procurement for Marketing Team
  - Cyber Security Awareness for Marketing Team
  - EPS Awareness Session
- New/Old Tax Regime 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.co](http://www.rcfltd.co) 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 of 2 weeks duration in Fertilizer Technology Under the stream, 'Agriculture, Food and Fertilizers' and Sewage Treatment Process under 'Urban Planning', RCF is the only PSU registered to conduct the Certificate Course for the Developing Countries by Ministry of External Affairs

## 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 2526 employees comprising 1313 Officer and 1213 non-officers as on March 31, 2024 compared to 2655 employees (1332 officer and 1323 non-officers) as on the corresponding date of the previous year.

During the year, 88 employees of various streams have joined your Company.

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 Officer for SC/ST/OBC/PWBD separately including Grievance Office 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.

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.

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 March 31, 2024, your company has on its rolls, 413 employees belonging to Scheduled Caste, 184 belonging to Scheduled Tribe and 635 Other Backward Classes, 33 EWS, 2 Ex-servicemen & 42 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 6th December, on the occasion of 'Mahaparinirvan Day'. Financial assistance for distribution of food packets and making arrangement for medical camp including medicines along with the vehicles and Doctors was made available by the company on this occasion.

## 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 office 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	2023-24	2022-23	% Change	Reasons
1	Debtors Turnover (Days)	66.19	47.94	38.05	Market conditions warranting extended credit terms and build of subsidy receivables
2	Inventory Turnover (Days)	26.27	18.47	42.25	Increase in inventory and reduced revenue from operations
3	Interest Coverage Ratio	3.70	7.22	(48.72)	High interest rates with Decrease in profit
4	Current Ratio	1.45	1.62	(10.57)	Increased in Current Liabilities
5	Debt Equity Ratio (Long Term Borrowings incl Current Maturities)	0.30	0.25	22.53	Increased borrowings
6	Operating Profit Margin (%)	3.03	6.87	(55.87)	Increase in Cost of Sales on account of high pool gas rate
7	Net Profit Margin (%)	1.34	4.51	(70.25)	Increase in Cost of Sales on account of high pool gas rate
8	Change in return on Net Worth	4.93	21.03	(76.54)	Adverse Profitabilit

## DISCLOSURE OF ACCOUNTING TREATMENT

The financial statement for the year ended March 31, 2024 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 MARCH 31, 2024

[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, 2024** 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, 2024 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 Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- 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, 2013 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 ["DPE Guidelines"]; 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) As per Regulation 17(1)(a) of the Listing Regulations, the Board of directors of top 1000 listed entities shall have at least one independent woman director by April 1, 2020. The Company was in top 500 listed

entities on the basis of market capitalisation as at March 31, 2023 and the Company did not have an independent woman director on its Board from June 25, 2023 to March 31, 2024.

- b) As per Regulation 17(1)(b) of the Listing Regulations and DPE Guidelines, the Chairman being an Executive Director, at least half of the Board of Directors should be comprised of Independent Directors. The Board of Directors comprised of six Directors, constituting of three Executive Directors (including the Chairman & Managing Director); two Nominee Directors (non-executive) and one Independent Director as on March 31, 2024 and therefore, the Company did not have at least half of the Board as Independent Directors for the period from April 01, 2023 to March 31, 2024. Further, the Company did not have at least one-third of the total number of Directors as Independent Directors for the period from June 25, 2023 to September 30, 2023 and from November 07, 2023 to March 31, 2024 as required under section 149(4) of the Act.
- c) As per Regulation 17(1)(c) of the Listing Regulations, the Board of Directors of the top 2000 listed entities with effect from April 1, 2020 shall comprise of not less than six directors. The Board of Directors comprised of five directors from November 07, 2023 to January 16, 2024 and therefore, the Company did not have at least six directors for the aforesaid period.
- d) i. As per Regulation 18(1)(a) of the Listing Regulations, section 177 of the Act and DPE Guidelines, the Audit Committee shall comprise of at least three directors. The Audit Committee comprised of two directors constituting of one Independent Director and one Nominee Director (non-executive) on November 07, 2023 and November 08, 2023 and therefore, Audit Committee did not have requisite number of directors for the aforesaid period.
- ii. As per Regulation 18(1)(b) of the Listing Regulations and DPE Guidelines, at least two-thirds of the directors shall be independent directors and as per section 177 of the Act, the Audit Committee shall consist of a minimum of three directors with independent directors forming a majority. The Audit Committee comprised of three directors (including one Independent Director) for the period from November 09, 2023 to March 31, 2024 and therefore, the Audit Committee did not have requisite number of Independent Directors for the aforesaid period as per above mentioned provisions.
- iii. As per Regulation 18(2)(b) of the Listing Regulations, the quorum for Audit Committee meeting shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors. The Audit Committee meetings held on November 10, 2023 and February 13, 2024 were attended by two directors (including one Independent Director) and therefore, requisite quorum was not present in the aforesaid Audit Committee meetings.
- e) i. As per Regulation 19(1)(a) of the Listing Regulations, section 178 of the Act and DPE Guidelines, the Nomination and Remuneration Committee shall comprise of at least three directors. The Nomination and Remuneration Committee (NRC) comprised of two directors constituting of one Independent Director and one Nominee Director (non-executive) on November 07, 2023 and November 08, 2023 and therefore, the NRC did not have requisite number of directors for the aforesaid period.
- ii. As per Regulation 19(1)(c) of the Listing Regulations and DPE Guidelines, at least two-thirds of the directors shall be independent directors and as per section 178 of the Act, not less than one-half of the directors shall be independent directors. The NRC comprised of three directors (including one Independent Director and one Whole Time Director) for the period from November 09, 2023 to March 31, 2024 and therefore, the NRC did not have requisite number of Independent Directors for the aforesaid period as per above mentioned provisions.
- iii. As per Regulation 19(1)(b) of the Listing Regulations and section 178 of the Act, all directors of the committee shall be non-executive directors. The NRC comprised of three directors (including one Whole Time Director) for the period from November 09, 2023 to March 31, 2024 and therefore, the NRC did not have all the members as non-executive directors for the aforesaid period.
- f) As per Regulation 25(6) of the Listing Regulations, an independent director who resigns or is removed from the Board of Directors of the listed entity shall be replaced by a new independent director by listed entity at the earliest but not later than three months from the date of such vacancy. The vacancy was arised in the Company due to resignation of an Independent Director with effect from November 07, 2023 which has not yet been fulfilled by the Company.

**We report that** the Stock Exchanges have imposed fine on the listed entity for non-compliance of certain provisions of Regulation 17, Regulation 18 and Regulation 19 of the Listing Regulations during FY 2023-24. However, pursuant to Regulation 30 of the Listing Regulations, the Company has only intimated the fines levied for the quarter ended March 31, 2024.

**We further report that –**

Subject to foregoing, the Board of Directors of the Company is constituted 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 other than those held at shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

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

**We further report that** during the audit period, the Company has undertaken the following events / actions –

1. Members' approval was obtained at the 45<sup>th</sup> Annual General Meeting held on December 20, 2023, for raising of capital by way of issuance of secured or unsecured non-convertible debentures (NCDs) up to an amount of Rs. 1,000 Crores through Private Placement Issue.
2. The Board of Directors of the Company at their meeting held on October 31, 2023 has revised the equity investment limit to Rs. 2,169.67 crores in Talcher Fertilizers Limited, a Joint Venture company, from earlier investment limit of Rs. 1,184.20 crores.

For **Bhandari & Associates**

**Company Secretaries**

Unique Identification No.: P1981MH04370

Peer Review Certificate No.: 611/201

**S. N. Bhandari**

**Partner**

FCS No: 761; C P No.: 366

Mumbai: August 12, 2024

ICSI UDIN: F000761F000952448

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

## 'Annexure A'

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

Our Secretarial Audit Report for the financial year ended on March 31, 2024 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**  
Unique Identification No.: P1981MH04370  
Peer Review Certificate No.: 611/201

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

Mumbai: August 12, 2024  
ICSI UDIN: F000761F000952448

## 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 2023-24 which has resulted in significant reduction in the energy consumption

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

##### TROMBAY UNIT

##### ➤ Urea Plant

- Old Steam Traps replaced with New Steam Traps in Urea plant. (Total 47 nos)
- Instrument Air Dryer Heating and Cooling Cycle for maintaining required Dew point during changeover cycle optimized

##### ➤ GT-HRSG

- New instrument dry air line provision from IR compressor of SGP to GTG provided.

##### ➤ Steam Generation Plant

- Dry instrument air connection given to GT-HRSG plant from SGP.
- Cooling water pump-2 replaced with lower capacity pumps and decommissioning of CW booster pumps

##### ➤ SAP-CNA

- Descaling / cleaning of melter and Pumping tanker for proper heat transfer

##### ➤ EES WORKSHOP

- 20 Nos. of smart energy saving device for Air Conditioners in plant premises area installed
- 2 Tr 50 Nos. old Hitachi make split AC replaced with Ductable AC.

##### ➤ MPNAP

- MPNAP GHH Compressor overhauled
- Utilizing Air from SGP IR-2 Compressor in MPNAP plant process

##### ➤ PHS

- Faulty Steam Trap Replacement in various plants

##### THAL UNIT

- Super cup trays were installed in New Urea reactor for Urea-21. Energy saving is 7.15 Lakhs Nm<sup>3</sup> of NG per year.
- 6 nos. of energy efficient motors were installed in place of conventional motors in Ammonia Plant, Urea Plant and Steam Generation Plant. Energy saving is 0.327 Lakhs KWh per year.
- 4 nos. of Hybrid powered roof ventilator were installed in Steam Generation Plant. Energy saving is 0.701 Lakhs KWh per year.
- 2 nos. of Hybrid powered roof ventilator were installed in Product Handling Plant. Energy saving is 0.617 Lakhs KWh per year.
- 11 nos. Solar Piped Lights on TG and DA floor were installed in Steam Generation Plant. Energy saving is 0.092 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 of Ammonia in Ammonia Plant without capacity enhancement.
- It is proposed to install 02 nos. of additional cooling tower cells in each Ammonia stream to reduce Cooling water temperature by 3 Deg. C (Expected energy saving is 0.037 Gcal/MT of Urea).
- It is proposed to install new urea reactors (R1) with Super Cup Trays for Urea-11 and Urea31 for reduction of steam consumption in Urea Plant (Expected energy saving is 0.006 Gcal/MT of urea).
- Urea Technology Supplier M/s SAIPEM is studying Urea plant and will suggest modification, new installations to reduce energy consumption by 0.13 Gcal/MT of urea in Urea plant.
- It is proposed to install Ultrafiltration in Water Treatment Plant to minimise Silica in DM water. This will reduce energy losses through excessive blow down of service boilers and waste heat boilers (Expected energy saving is 0.004 Gcal/MT of urea).

- It is proposed to install Briquette Fired boiler of capacity 15 MT/hr for producing low cost steam.
- Replacement of Primary Prism in HGRU section of Ammonia plant to reduced energy consumption by 0.006 Gcal/MTof Urea.

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

**THAL UNIT**

- 11 nos. Solar Piped Lights on TG and DA floor were installed in Steam Generation Plant. This has resulted in energy saving and compliance to use of energy from non-conventional sources.
- Total solar plant power generation capacity at RCF Thal is 1780 KWp. Total solar power produced is 2122 MW power in the year 2023-24

**TROMBAY UNIT**

- 2 MWp Ground mounted Solar Power Plant in Trombay unit.
- 370 kWp rooftop solar power plants.

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

The Company has made capital investment of Rs.12.56 Crore on energy conservation equipment.

**B. TECHNOLOGY ABSORPTION**

**I. Major efforts made towards technology absorptio**

New urea reactor (R1) with Super Cup Trays for Urea-21 was procured and installed in April 2023.

New generation high efficienc super cup trays are patented by M/S Saipem who is Technology supplier of Urea plant. This will reduce medium pressure steam consumption in the plant, thus lower energy consumption.

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

Nil

**III. Information regarding imported technology (Imported during last three years)**

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

**IV. Expenditure incurred on Research and Development**

Sl No.	Particulars	Amount ₹ in Crore)
1.	Capital	5.05
2.	Recurring	7.38
3.	Innovation Schemes	30.71
4.	Total	<b>43.14</b>
5.	Total R&D expenditure as a percentage of total turnover	0.25
6	Total R&D expenditure as a percentage of PBT	14.21

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Sl No.	Particulars	Amount ₹ in Crore)
i.	Total foreign exchange earned	-
ii.	Total foreign exchange used	6,863.89

# BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

## SECTION A: GENERAL DISCLOSURES

### I) Details of the listed entity

1.	Corporate Identity Number (CIN) of the 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 <sup>1</sup>	Priyadarshini, Eastern Express Highway, Sion, Mumbai 400 022
6.	E-mail <sup>2</sup>	<a href="mailto:investorcommunications@rcfltd.co">investorcommunications@rcfltd.co</a>
7.	Telephone <sup>3</sup>	022-2552 3000
8.	Website	<a href="http://www.rcfltd.com">www.rcfltd.com</a>
9.	Financial year for which reporting is being done	2023-24
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited & BSE Limited
11.	Paid-up Capital	INR 551,68,81,000
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report <sup>4</sup>	Shri G. Seshadri, Executive Director (Project, Co-ordination, Corporate & IT) Tel. No.: 022 25523071 email id: <a href="mailto:corpotech@rcfltd.co">corpotech@rcfltd.co</a>
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). <sup>5</sup>	Standalone
14.	Name of assurance provider	Not Applicable
15.	Type of assurance obtained	Not Applicable

### II) Products/services

#### 16. Details of business activities (accounting for 90% of the turnover): <sup>6</sup>

S. No	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing and Marketing of Fertilizers and chemicals	Manufacturing and sale of fertilizers & industrial chemicals	99.04

#### 17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover): <sup>7</sup>

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Urea	20121	51.42
2	Complex Fertilizers	20122	13.05
3	Traded fertilizers	46692	25.10
4	An Melt	20123	4.10
5	Ammonia	24121	3.08
6	Nitric Acid	24121	1.30

<sup>1</sup> GRI 2-1, <sup>2</sup> GRI 2-3, <sup>3</sup> GRI 2-3, <sup>4</sup> GRI 2-3, <sup>5</sup> GRI 2-2, <sup>6</sup> GRI 2-6, <sup>7</sup> GRI 2-7



### III) Operations

#### 18. Number of locations where plants and/or operations/offices of the entity are situated <sup>8</sup>

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

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

##### a. Number of locations <sup>9</sup>

Location	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? Nil

##### c. A brief on types of customers <sup>10</sup>

RCF is engaged in manufacturing and trading on fertilizers which is supplied to Customers (Farmers) through Wholesale and Retail dealers and manufacturing of Industrial Chemicals which are sold for Industrial use.

### IV) Employees

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

##### a. Employees and workers (including differently abled): <sup>11</sup>

S.no.	Particulars	Total (A)	Male		Female	
			No.(B)	%(B/A)	No. (C)	%(C/A)
<b>EMPLOYEES*</b>						
1.	Permanent (D)	1313	1187	90.40	126	9.60
2.	Other than Permanent (E)	-	-	-	-	-
3.	<b>Total employees (D + E)</b>	<b>1313</b>	<b>1187</b>	<b>90.40</b>	<b>126</b>	<b>9.60</b>
<b>WORKERS</b>						
4.	Permanent (F)	1213	1123	92.58	90	7.42
5.	Other than Permanent (G)	3576	3381	94.55	195	5.45
6.	<b>Total workers (F + G)</b>	<b>4789</b>	<b>4504</b>	<b>94.05</b>	<b>285</b>	<b>5.95</b>

\* Permanent employees reported during the year have been restated to exclude permanent workers

##### b. Differently abled Employees and workers: <sup>12</sup>

Sr no.	Particulars	Total (A)	Male		Female	
			No.(B)	%(B/A)	No. (C)	%(C/A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	42	38	90.48	4	9.52
2.	Other than Permanent (E)	-	-	-	-	-
3.	<b>Total employees (D + E)</b>	<b>42</b>	<b>38</b>	<b>90.48</b>	<b>4</b>	<b>9.52</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	22	19	86.36	3	13.64
5.	Other than Permanent (G)	-	-	-	-	-
6.	<b>Total workers (F + G)</b>	<b>22</b>	<b>19</b>	<b>86.36</b>	<b>3</b>	<b>13.64</b>

<sup>8</sup> GRI 2-6, <sup>9</sup> GRI 2-6, <sup>10</sup> GRI 2-6, <sup>11</sup> GRI 2-7; GRI 2-8, <sup>12</sup> GRI 405-1

21. Participation/Inclusion/Representation of women <sup>13</sup>

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors*	6	3	50
Key Management Personnel**	1	-	-

\* 3 whole time directors (Including CMD), 2 government nominee directors and 1 independent director

\*\* Company Secretary

22. Turnover rate for permanent employees and workers <sup>14</sup>

	FY 2023-24 (Turnover rate in current FY) (In %)			FY 2022-23 (Turnover rate in previous FY) (In %)			FY 2021-22 (Turnover rate in the year prior to the previous FY) (In %)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	3.37	0.08	3.45	4.40	0.19	4.59	4.10	0.48	4.58
Permanent Workers	4.84	0.12	4.96	4.35	0.11	4.46	4.65	0.07	4.72

\* The turnover rate includes regular retirement of employees & workers and accordingly numbers for FY23 and FY22 have been restated

V) Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures <sup>15</sup>

S. 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

24. Whether CSR is applicable as per section 135 of Companies Act, 2013 <sup>16</sup> : Yes

I) Turnover (in Rs. crores): 16,981.31

II) Net worth (in Rs. crores): 4,593.60

VII) Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct: <sup>17</sup>

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 2023-24 Current Financial Year			FY 2022-23 (Previous Financial Year)		
		No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Communities	<a href="https://pgportal.gov.in/">https://pgportal.gov.in/</a>	15	-	-	38	-	-

<sup>13</sup> GRI 405-1, <sup>14</sup> GRI 401-1, <sup>15</sup> GRI 2-2, <sup>16</sup> GRI 201-1 <sup>17</sup> GRI 2-25

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 2023-24 Current Financial Year)			FY 2022-23 (Previous Financial Year)		
		No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Investors (other than shareholders)	-	-	-	-	-	-	-
Shareholders	Yes, Shareholders can register their grievances on SCORES Portal at <a href="https://scores.sebi.gov.in/">https://scores.sebi.gov.in/</a> and on ODR Portal at <a href="https://smartodr.in/">https://smartodr.in/</a>	10	-	-	7	-	-
Employees and workers	Yes <a href="http://grievances.rcfltd.om/">http://grievances.rcfltd.om/</a>	4	-	-	-	-	-
Customers	Yes, <a href="https://mgms.rcfltd.com/">https://mgms.rcfltd.com/</a>	1*	-	-	11*	-	-
Value Chain Partners	-	-	-	-	-	-	-

\*Complaints received through Customer Care

## 26. 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

The company has performed its First ESG Materiality Assessment and has identified 14 material topics which are important to the business and stakeholders. The topic has been identified by factoring in Global ESG Standard & Frameworks, peer benchmarking, domestic regulations, and frameworks adopted by ESG Rating Agencies. The highest material topics have been specified as risk or opportunity and RCF is taking actions to mitigate the risk and leverage on the opportunities identified <sup>18</sup>. The ESG Materiality Matrix and the process of devising the same is enclosed in the **Annexure**.

S. No.	Material issue identified <sup>19</sup>	Indicate whether risk or opportunity (R/O) <sup>20</sup>	Rationale for identifying the risk / opportunity) <sup>21</sup>	In case of risk, approach to adapt or mitigate <sup>22</sup>	Financial implications of the risk or opportunity (Indicate positive or negative implications) <sup>23</sup>
1	R&D and Agricultural Innovation	Opportunity	Focus on development of innovative products which are sustainable, increases crop yields and ensure food security thus giving a competitive edge in the market.	NA	Positive

<sup>18</sup> GRI 3-1, <sup>19</sup> GRI 3-2, <sup>20</sup> GRI 3-3, <sup>21</sup> GRI 3-3, <sup>22</sup> GRI 3-3, <sup>23</sup> GRI 201-2

S. No.	Material issue identified <sup>19</sup>	Indicate whether risk or opportunity (R/O) <sup>20</sup>	Rationale for identifying the risk / opportunity) <sup>21</sup>	In case of risk, approach to adapt or mitigate <sup>22</sup>	Financial implications of the risk or opportunity (Indicate positive or negative implications) <sup>23</sup>
2	Health, Safety and Wellbeing	Risk	It is essential to provide safe and healthy work environment as it can impact human well-being, loss prevention and business reputation. Promoting a safe and healthy work environment also helps prevent workplace accidents and injuries.	Regular health inspections of our employees are carried out. RCF also has an in-house primary health centre. The company conducts regular plant audits to evaluate the processes in place from safety aspects and regularly try to enhance the safety at the workplace. RCF also has HSE Management Plan, Process Safety & Risk Management, Emergency Mitigation System.	Negative
3	GHG Emissions & Climate Change	Risk	Growing importance on climate change concerns by Regulators and Stakeholders requires integration of energy transition initiatives into business. Increasing regulatory requirements may lead to increase in operational costs and also has a potential to cause reputational damage.	Focus on Renewable source of energy, Energy efficient equipment, Carbon capture.	Negative
4	Product Safety and Quality	Opportunity	Creating an awareness among the consumers on safe usage of products enhance brand reputation, build customer trust, ensure regulatory compliance, increase efficiencies leading to lower consumption, with a potential to increase market share and long-term business success.	N.A.	Positive
5	Human Capital	Opportunity	Employees and Workers are valuable assets for achieving organizational goals, investing in employee skills and wellbeing will boosts productivity, fosters innovation, enhances company reputation, and drive long-term growth and offer competitive advantage	N.A.	Positive
6	Governance, Ethics and Compliance	Risk	Non-compliance with regulations and unethical practices may lead to penalties, reputational damage, financial losses, and operational disruptions. This may impact the brand and trust of stakeholders	RCF's Code of Conduct and Monitoring Mechanism helps to ensure Ethical Conduct. Periodic review of regulatory changes and requirements can proactively address compliance.	Negative

<sup>19</sup> GRI 3-2, <sup>20</sup> GRI 3-3, <sup>21</sup> GRI 3-3, <sup>22</sup> GRI 3-3, <sup>23</sup> GRI 201-2

## 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	P1	P2	P3	P4	P5	P6	P7	P8	P9
<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	<a href="http://www.rcfltd.co">www.rcfltd.co</a>								
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, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 9001 Quality Management System; ISO 14001 Environmental Management System; ISO 27001 Information Security Management; ISO 45001 Occupational Health and Safety; ISO 50001: 2011 Energy Management System;								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any. <sup>24</sup>	<p>RCF commits to conduct its business with highest ethical and governance standards. It has taken proactive quality improvement targets internally to ensure our customers are able to use best-in-class products. The business has also defined initiatives to enhance employee engagement and well-being. Our ESG Framework consists of three interlinked pillars, i.e., Protective Environment, Minimising Resource Use, and Inclusive Growth that reflect our commitment to minimizing the adverse impact of our operations on the planet and people. Each pillar encompasses specific themes and focus areas that guide our sustainability roadmap.</p> <p>The company is also in the process of setting ESG targets at organizational level within the defined boundaries. Ammonia-V revamp project is being implemented as a part of energy improvement schemes to meet the new energy norms for Trombay Urea plant. The scheme is envisaged to result in energy saving of 0.18 Gcal/MT of Ammonia. Project was completed in May 2024.</p> <p>The Company is upgrading the existing Effluen Treatment Plant at Thal for treating 10,000 M3/day effluen to ensure the quality of treated effluen not only meeting the statutory norms but also suitable for recycling the treated effluen as raw water. Benefit of the project will be better environment management on sustained basis through recycling of treated effluen as a raw water. The project is executed in two phases. In 1st phase, around 5000 m3/day treated water will be recycled. In 2nd phase, balance effluen will be recycled, to achieve "Zero Effluen Discharge" goal. Project was completed in May 2024.</p>								

<sup>24</sup> GRI 3-3

**Disclosure Questions**      **P1**   **P2**   **P3**   **P4**   **P5**   **P6**   **P7**   **P8**   **P9**

The 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 into 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. Both STP plants of the 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 2023-24, about 8,152.82 million litres of treated water was generated at both STP plants.

The Company is setting up Briquette Fired Boiler at RCF Thal. The low-cost steam shall help in reducing the variable cost of chemicals. Briquette (Biomass) or 'White Coal' is made-up from agriculture and forest natural waste. It can be efficiently used to replace fossil fuel. Use of Briquettes for steam generation will reduce the Green House Gas (GHG) emissions. The project is expected to be completed by September 2024.

As part of achieving ecologically sustainable growth, Company has forayed into solar power generation. The Company has set up a 2 MWp ground mounted Photovoltaic Solar power plant in Trombay Unit. In addition to this, the Company has commissioned solar rooftop facilities at Thal and Trombay with an aggregate capacity of 2.25 MWp. 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. During the year 2023-24, 4439 MWh of solar power was generated.

**6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met** <sup>25</sup>

The organization has enforced governing policies enabling it to conduct its operations in compliance with the highest governance standards. RCF has been able to offer quality products and services. At the same time, improvement initiatives have also been taken up basis the customer feedback received. It adheres to the product stewardship principles by further improving environmental, health, and safety impacts of products and services.

**Governance, leadership, and oversight**

**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)** <sup>26</sup>

The Company is committed to integrating Environmental, Social and Governance ('ESG') principles into its businesses which is central to improving the overall environment and quality of life of the communities it serves. It adheres to the principles of product stewardship by enhancing health, safety and environmental impacts of products and services across their lifecycle. RCF has established policies for Safety, Health & Environment ('SHE').

The company has performed its First ESG Materiality Assessment and has identified 14 material topics which are important to the business and stakeholders. The topic has been identified by factoring in Global ESG Standard & Frameworks, peer benchmarking, domestic regulations, and frameworks adopted by ESG Rating Agencies. The highest material topics have been specified as risk or opportunity and RCF is taking actions to mitigate the risk and leverage on the opportunities identified

<sup>25</sup> GRI 3-3, <sup>26</sup> GRI 2-22

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.

The Company is committed to conducting beneficial and fair business practices to the labour, human capital and to the community. It provides employees and business associates with working conditions that are clean, safe, healthy and fair. It strives to be the neighbour of choice in the communities in which it operates and contributes to their equitable and inclusive development. The Company is firmly committed to pursuing ethical practices across its business segments.

Our governance framework comprises of systems, policies, processes and practices that enable to build an environment of trust along with ethical practices. RCF's manufacturing units are accredited with ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System), ISO 27001 (Information Security Management), ISO 45001 (Occupational Health and Safety), and ISO 50001: 2011 (Energy Management System).

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). <sup>27</sup>	Shir S. C. Mudgerikar, Chairman & Managing Director
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 <sup>28</sup>	Yes, RCF Board of Directors provide guidance and direction to the management to ensure that health, safety and sustainability implications are duly addressed in all strategic initiatives.

#### 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	Yes, as a practice, Business Responsibility policies of the Company are reviewed periodically or on a need basis by the Board of Directors. During this assessment, the efficacy of the policies is reviewed and necessary changes to policies and procedures are implemented.									Need Basis								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company is in compliance with the existing regulations as applicable and a Statutory Compliance Certificate on applicable laws is provided by the Company Secretary to the Board of Directors.									Quarterly								

	P1	P2	P3	P4	P5	P6	P7	P8	P9
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.	The working of policies is not assessed/evaluated by external agency. However, the Company conducts review of the charters, policies internally by the Board of Directors as and when required, which then drives the policies, projects and performance of the aspects of business responsibility and sustainability.								

<sup>27</sup> GRI 2-13, <sup>28</sup> GRI 2-9

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
The entity does not consider the principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

All Principles are covered by policies. Hence not applicable

### SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

**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:<sup>29</sup>

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	5	Organizational leadership, FAI Annual Seminar, Orientation program for functional directors, Familiarisation program for Independent Directors & 2 Day Certification Programme for Effectiveness of Audit Committee	100
Key Managerial Personnel	1	Building Resilient & Sustainable Economics.	100
Employees other than BoD and KMPs	299*	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.	79.34
Workers	102*	Leadership, technical, functional, financial	92.92

\*35 number of training were given to both officers and worker

<sup>29</sup> GRI 2-17



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): <sup>30</sup>

Monetary					
	NGRBC 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	P1	National Stock Exchange of India Limited and BSE Limited	₹ 54,28,000	The Stock Exchanges have imposed fines on the Company for non-compliance of Regulation 17 (i.e. non appointment of requisite number of Independent Directors including woman independent director), Regulation 18 (i.e. Non-compliance with the constitution of audit committee) and Regulation 19 (Non-compliance with the constitution of nomination and remuneration committee) of the Listing (Obligations and Disclosure Requirements) Regulations, 2015 during FY 2023-24	Yes, The Company is a Central Public Sector Undertaking (CPSU) 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 Independent Directors including woman independent director on the Board in order to comply with the provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Considering the above, the Company has made applications to Stock exchanges for waiver of fines
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-

#### Non-Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	-	-	-	-
Punishment	-	-	-	-

<sup>30</sup> GRI 2-27

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.<sup>31</sup>

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
<p>During FY 2023-24, the Stock Exchanges have imposed fine amounting to ₹ 54,28,000 on the Company for non-compliance of Regulation 17 (i.e. non appointment of requisite number of Independent Directors including woman independent director), Regulation 18 (i.e. Non-compliance with the constitution of audit committee) and Regulation 19 (Non-compliance with the constitution of nomination and remuneration committee) of the Listing (Obligations and Disclosure Requirements) Regulations, 2015.</p> <p>Since your Company is a CPSU, its Directors on the Board are nominated / appointed by the President of India.</p> <p>To mitigate such default, the Company is continuously pursuing with the Government of India for the appointment of requisite number Independent Directors including woman independent director on the Board in order to comply with the provisions of the SEBI (Listing Obligations &amp; Disclosure Requirements) Regulations, 2015. Considering the above, the Company has made applications to Stock exchanges for waiver of fines.</p>	<p>National Stock Exchange of India Limited and BSE Limited</p>

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.<sup>32</sup>

Yes

The Company has 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 has 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 officer 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/c\\_spaces/cmspdfFile/F1565000758-whistle\\_blower\\_policy.pdf](https://www.rcfltd.com/public/storage/c_spaces/cmspdfFile/F1565000758-whistle_blower_policy.pdf)

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

<sup>31</sup> GRI 2-27, <sup>32</sup> GRI 2-23; GRI 3-3

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:<sup>33</sup>

	FY 2023-24 (Current Financial Year)	FY 2022-23 (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 <sup>34</sup>

	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Number	Remark	Number	Remark
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 <sup>35</sup>

Not Applicable

8. Number of days of accounts payables ((Accounts payable \*365) / Cost of goods/services procured) in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Number of days of accounts payable	42.67 days	42.15 days

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Concentration of Purchases	a) Purchases from trading houses as % of total purchases	38.06	40.30
	b) Number of trading houses where purchases are made from	1345	1353
	c) Purchases from top 10 trading houses as % of total purchases from trading houses	28.24	28.41
Concentration of Sales	a) Sales to dealers / distributors as % of total sales	100.00	100.00
	b) Number of dealers / distributors to whom sales are made	3663	3824
	c) Sales to top 10 dealers/ distributors as % of total sales to dealers /distributors	17.98	33.07

<sup>33</sup> GRI 205-3, <sup>34</sup> GRI 2-25, <sup>35</sup> GRI 205-3

Parameter	Metrics	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Share of RPTs in	a) Purchases (Purchases with related parties / Total Purchases)	Nil	Nil
	b) Sales (Sales to related parties / Total Sales)	Nil	Nil
	c) Loans & advances (Loans & advances given to related parties / Total loans & advances)	Nil	Nil
	d) Investments (Investments in related parties / Total Investments made)	Nil	Nil

#### Leadership Indicators

- Awareness programmes conducted for value chain partners on any of the principles during the financial year

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
	Nil	

- 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.<sup>36</sup>

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 are required to ensure that any 'conflicts of interest' with the Company should be avoided. The Company obtains declaration from all BoDs, 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 is required to 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 is to be obtained.

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

##### Essential Indicators

- 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	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	100%	100%	All 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	55.56%	36.08%	RCF's Capex schemes are primarily aimed towards energy saving and/or adoption of newer efficient technologies.

<sup>36</sup> GRI 2-15

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) <sup>37</sup>

Yes,

The Company has a well-established vendor selection process that addresses social, ethical, and environmental considerations as mandated by law. The Company employs a transparent tendering process for vendor selection. All tender invitations of the Company include General Conditions of Contract covering aspects regarding prohibition of child labor and welfare of contractual labor. Environmental screening parameters such as adherence to IS/BIS/OSHAS standards or performance criteria, are specified on tender-to-tender basis. Additionally, the Company has implemented purchase preference conditions to engage vendors from categories such as local suppliers, MSE vendors, startups, and women entrepreneurs.

b. If yes, what percentage of inputs were sourced sustainably? <sup>38</sup>

43.16% of the Company's inputs were sourced from MSE vendors.

With the efforts taken by the company, procurement from MSEs i.e., cost of items procured is ₹ 893.88 Crore out of the total procurement cost of ₹ 2071.24 Crore which works out to be 43.16%. The procurement from MSEs owned by SC/ST Entrepreneurs is ₹ 0.81 Crore which is 0.04 % and procurement from women owned MSEs is ₹ 22.69 Crore which is 1.1 % of the total procurement of the year 2023-24. The percentage procurement is calculated excluding Raw materials, gas, water, electricity, catalyst and proprietary items which cannot be procured from MSEs.

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. <sup>39</sup>

RCF manufactures Neem coated urea, Ammonia, Methyl amines, Di methyl formamide, Formic acid, Di methyl acetamide, Heavy water, Liquid argon, Liquid nitrogen, 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): RCF uses plastic as a packaging material for its products like Neem coated Urea, Di methyl acetamide drums (200 Litres), Di methyl Formamide Drums (200 Litres), Urea, Suphala, DAP, SSP etc. RCF has a registration number as a Brand Owner under Plastic Waste Management Rules 2022. RCF has disposed 9227 MT plastic waste for the financial year 2023-24. To fulfil its obligation, RCF has engaged agencies to fulfil its EPR obligation by recycling / disposing off the plastic waste on behalf of RCF.
- b) E-waste: Specified procedures are in place for disposal of e-waste. Total 19.19 MT e- waste has been disposed of through authorized recyclers for the financial year 2023-24.
- c) Hazardous waste: RCF has majorly four main hazardous wastes i.e. Spent Catalyst, Spent Oil, ETP Sludge and Sulphur Sludge. Spent Catalyst and Spent Oil are disposed of at designated places in a specified manner through CPCB/SPCB approved parties as and when required. Total of 527.17MT and 192.9 MT of Spent catalyst and spent oil respectively were disposed of for the year 2023-24. Sulphur Sludge and ETP Sludge, 23.50 MT and 3655.68 MT respectively recycled in 2023-24.
- d) Other waste: As per MPCB guidelines, Other generated waste of 0.7 MT has been disposed of through MPCB authorized recycler.

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

RCF has a registration number as a Brand Owner under Plastic Waste Management Rules 2022. RCF is committed to complying the requirements of Extended Producer Responsibility (EPR) as mandated by Central Pollution Control Board (CPCB). To fulfil its obligation, RCF has engaged agencies to fulfil its EPR obligation by recycling/ disposing off the plastic waste on behalf of RCF. For this reporting period, RCF has fulfilled EPR target of 100% for the year 2023-24.

<sup>37</sup> GRI 414-1, <sup>38</sup> GRI 414-1, <sup>39</sup> GRI 3-3; GRI 306-2

## Leadership Indicators

- 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 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Not Applicable	Not Applicable	Not Applicable

- 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: <sup>40</sup>

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics(including packaging)	Nil	Nil	9226.88	Nil	4402.21	7725.00
E-waste	Nil	Nil	19.20	Nil	Nil	Nil
Hazardous waste	Nil	3673.15	726.20	Nil	2112.21	739.94
Other waste	Nil	Nil	-	Nil	Nil	0.70

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

### Essential Indicators

- a. Details of measures for the well-being of employees:<sup>41</sup>

Category	% of employees covered by										
	Total (A)	Health insurance*		Accident insurance		Maternity benefit		Paternity Benefit		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	1187	1187	100	1187	100	NA	NA	99	8.34	8	0.67
Female	126	126	100	126	100	10	7.94	NA	NA	10	7.94
<b>Total</b>	<b>1313</b>	<b>1313</b>	<b>100</b>	<b>1313</b>	<b>100</b>	<b>10</b>	<b>0.76</b>	<b>99</b>	<b>7.54</b>	<b>18</b>	<b>1.37</b>
<b>Other than Permanent employees</b>											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</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:

<sup>40</sup> GRI 301-2, <sup>41</sup> GRI 401-2

Category	% of workers covered by										
	Total (A)	Health insurance*		Accident insurance		Maternity benefit		Paternity Benefit		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	1123	1123	100	1123	100	NA	NA	52	4.63	5	0.45
Female	90	90	100	90	100	7	7.78	NA	NA	10	11.11
Total	1213	1213	100	1213	100	7	57.71	52	4.29	15	1.24
<b>Other than Permanent Workers</b>											
Male	3381	NA	NA	3381	100	NA	NA	NA	NA	NA	NA
Female	195	NA	NA	195	100	NA	NA	NA	NA	NA	NA
Total	3576	NA	NA	3576	100	NA	NA	NA	NA	NA	NA

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

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the company	0.52	0.42

2. Details of retirement benefits, for Current FY and Previous Financial Year.<sup>42</sup>

Benefit	FY 2023-24 (Current Financial Year)			FY 2022-23 (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	100	100	Y	100	100	Y
Gratuity	100	100	Y	100	100	Y
ESI	NA	NA	NA	NA	NA	NA
Others – please specify	NA	NA	NA	NA	NA	NA

3. Accessibility of workplaces

Are the premises / office 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 <sup>43</sup>

Yes, all the RCF's premises/office 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. <sup>44</sup>

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

<sup>42</sup> GRI 201-3, <sup>43</sup> GRI 3-3, <sup>44</sup> GRI 3-3

5. Return to work and Retention rates of permanent employees and workers that took parental leave.<sup>45</sup>

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100	100	100	100
Female	100	100	100	100
Total	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.<sup>46</sup>

	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	Yes, Grievance portal
Other than Permanent Employees	Yes, Public Grievance Process, email & regular interactions

\* A Statutory Grievance Redressal committee for grievance redressal including Management and Union Representatives is set up. The employees can submit their grievances to the grievance committee. The committee studies the grievances and gives suitable reply to the employees.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity.<sup>47</sup>

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (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)
Total Permanent Employees	1313	1313	100	1332	1332	100
-Males	1187	1187	100	1215	1215	100
-Females	126	126	100	117	117	100
Total Permanent Workers	1213	1213	100	1323	1323	100
-Males	1123	1123	100	1232	1232	100
-Females	90	90	100	91	91	100

8. Details of training given to employees and workers:<sup>48</sup>

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	On Health and Safety Measures		On skills upgradation		Total (D)	On Health and Safety Measures		On skills upgradation	
		Number (B)	% (B / A)	Number (C)	% (C / A)		Number (E)	% (E / A)	Number (F)	% (F / A)
Employees*										
Male	1187	619	52.15	1885	158.80	1215	1622	133.50	705	58.02
Female	126	75	59.52	118	93.65	117	58.00	49.57	96	82.05
Total	1313	694	52.86	2003	152.55	1332	1680	126.13	801	60.14

<sup>45</sup> GRI 401-3, <sup>46</sup> GRI 2-25, <sup>47</sup> GRI 2-30, <sup>48</sup> GRI 403-5; GRI 404-2



Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	On Health and Safety Measures		On skills upgradation		Total (D)	On Health and Safety Measures		On skills upgradation	
		Number (B)	% (B / A)	Number (C)	% (C / A)		Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Workers</b>										
Male	1123	334	29.74	648	57.70	1232	2698	218.99	335	27.19
Female	90	40	44.44	100	111.11	91	72	79.12	39	42.86
<b>Total</b>	<b>1213</b>	<b>374</b>	<b>30.83</b>	<b>748</b>	<b>61.67</b>	<b>1323</b>	<b>2,770</b>	<b>209.37</b>	<b>374</b>	<b>28.27</b>

\* Permanent employees reported during FY23 have been restated to exclude permanent workers

9. **Details of performance and career development reviews of employees and worker:** <sup>49</sup>

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total (A)	Number (B)	% (B/A)	Total (C)	Number (D)	% (D/A)
<b>Employees</b>						
Male	1187	1187	100	1215	1215	100
Female	126	126	100	117	117	100
<b>Total</b>	<b>1313</b>	<b>1313</b>	<b>100</b>	<b>1332</b>	<b>1332</b>	<b>100</b>
<b>Workers</b>						
Male	1123	1123	100	1232	1232	100
Female	90	90	100	91	91	100
<b>Total</b>	<b>1213</b>	<b>1213</b>	<b>100</b>	<b>1323</b>	<b>1323</b>	<b>100</b>

10. **Health and safety management system:** <sup>50</sup>

- 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 wellbeing 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?** <sup>51</sup>

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.

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.

<sup>49</sup> GRI 404-3, <sup>50</sup> GRI 403-1, <sup>51</sup> GRI 403-2

- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N) <sup>52</sup>

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) <sup>53</sup>

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

11. Details of safety related incidents<sup>54</sup>, in the following format:

Safety Incident/Number	Category	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.22	1.31
	Workers	0.34	1.13
Total recordable work-related injuries	Employees	6	13
	Workers	4	13
No. of fatalities	Employees	0	1
	Workers	0	5
High consequence work-related injury or ill-health (excluding fatalities)	Employees	1	5
	Workers	2	2

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.<sup>55</sup>

RCF has implemented various measures to ensure a safe and healthy workplace 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.  
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.
- 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.
- 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.
- 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.
- 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.

<sup>52</sup> GRI 403-2, <sup>53</sup> GRI 403-6, <sup>54</sup> GRI 403-9; GRI 403-10, <sup>55</sup> GRI 3-3; GRI 403-9; GRI 403-10

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 official
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 Stat-of-art safety gadgets and PPEs. Regular training sessions and demonstrations are also 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 office 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 wellbeing.
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 workplace. Overall, RCF is committed to providing a safe and healthy workplace for its employees and takes all necessary measures to achieve this goal.

13. Number of Complaints on the following made by employees and workers:<sup>56</sup>

	FY 2023-24 (Current Financial Year)			FY 2022-23 (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	2608	313	All the short comings in working conditions are daily discussed during morning meeting chaired by ED (Tr)-Occupier and immediate corrective actions are taken which are reviewed regularly.	1480	56	-
Health & Safety	1145	37	All the cases under Health & Safety heading are reviewed on Weekly basis in Morning meeting chaired by ED(Tr)-Occupier and corrected immediately.	838	19	-

14. Assessments for the year:<sup>56</sup>

	% of your plants and office 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/ Department head, all sectional heads, Civil department representative and Safety Department representative nominated by Senior Management.
Working Conditions	

<sup>56</sup> GRI 2-25, <sup>57</sup> GRI 3-3

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 <sup>58</sup>

In the event of a significant incident, RCF 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. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

- a) Employees: Yes
- b) Workers: Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

All of the value chain partners of the Company are covered under the PF and ESI Act. As per contractual agreements, vendors must submit a copy of their wage register and PF/ ESI Act challans to process monthly invoices.

This serves as proof of payment to contract workers. Furthermore, the Company's General Conditions of Contract (GCC) include clauses to ensure that all statutory dues and fines are collected as applicable. Additionally, the company collects TDS from all its vendors to ensure the submission of applicable taxes. RCF does monthly reconciliation of recording of GST charged by the supplier and availing of input tax credit in its books with the data populated from the supplier in the GST portal on filing of return. Through this mode, it is possible to identify the GST defaulters and accordingly alert the concerned stakeholders as well as user to block such GST defaulter's payment.

3. 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 rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment: <sup>59</sup>

	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 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)<sup>60</sup>

Yes, the Company provides Functional Training Program, Skill Development Program, Modular Training, Management Development Program, Leadership Development Program, Personal Effectiveness and Productivity for the Medical Team, Personal Effectiveness for various level of officers Mentor Mentee Programmes, Retirement Planning Training, Orientation program for Retiring Employees, programme on Tax Saving Scheme Under Income Tax Act, to its employees.

<sup>58</sup> GRI 3-3; GRI 403-9; GRI 403-10, <sup>59</sup> GRI 3-3, <sup>60</sup> GRI 404-2

The Company also provides various facilities for employees upon retirement, including a defined contribution plan/pension scheme, provident fund, gratuity, and post-retirement medical benefit facility (PRMBF). Further, resettlement benefits are also offered to help employees settle down after retirement. Furthermore, the Company has developed app to assist its employees.

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.

#### 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<sup>61</sup>

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 its strategy, organisational culture and business verticals. RCF identifies stakeholders 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 its business.

##### 2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.<sup>62</sup>

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels 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

<sup>61</sup> GRI 2-29, <sup>62</sup> GRI 2-29; GRI 3-1

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels 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
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.

## 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: <sup>63</sup>

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	1313	611	46.53	1332	226	16.97
Other than permanent	-	-	-	-	-	-
<b>Total Employees</b>	<b>1313</b>	<b>611</b>	<b>46.53</b>	<b>1332</b>	<b>226</b>	<b>16.97</b>
<b>Workers</b>						
Permanent	1213	117	9.65	1323	-	-
Other than permanent	3576	-	-	3847	-	-
<b>Total Workers</b>	<b>4789</b>	<b>117</b>	<b>2.44</b>	<b>5170</b>	<b>-</b>	<b>-</b>

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

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		Number (B)	% (B / A)	Number (C)	% (C / A)		Number (E)	% (E / D)	Number (F)	% (F / D)
Employees										
Permanent	1313	0	0	1313	100	1332	0	0	1332	100
Male	1187	0	0	1187	100	1215	0	0	1215	100
Female	126	0	0	126	100	117	0	0	117	100

<sup>63</sup> GRI 2-24; GRI 403-5

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		Number (B)	% (B / A)	Number (C)	% (C / A)		Number (E)	% (E / D)	Number (F)	% (F / D)
<b>Other than Permanent</b>										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Workers</b>										
<b>Permanent</b>	1213	0	0	1213	100	1323	0	0	1323	100
Male	1123	0	0	1123	100	1232	0	0	1232	100
Female	90	0	0	90	100	91	0	0	91	100
<b>Other than Permanent</b>	3576	2234	62.47	1342	37.53	3847	1853	48.17	1994	51.83
Male	3381	2089	61.79	1292	38.21	3574	1666	46.61	1908	53.39
Female	195	145	74.36	50	25.64	273	187	68.50	86	31.50

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

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (Rs. Lakhs)	Number	Median remuneration/ salary/ wages of respective category (Rs. Lakhs)
Board of Directors (BoD)*	1	113.77	2	88.88
Key Managerial Personnel**	1	70.09	0	NA
Employees other than BoD and KMP Workers	1185	25.25	124	25.91
Workers	1123	16.22	90	12.86

**Notes:**

- \*Includes Whole Time Directors only
- \*\*KMP means Company Secretary
- Remuneration of BOD & KMP includes Actuarial provision & Medical expenses incurred for the year.
- PRP / Bonus included in the year of payment & shown as part of remuneration.
- Employees Other than BOD & KMP are all Officer

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Gross wages paid to females as % of total wages	7.87	7.24

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. <sup>64</sup>

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.

<sup>64</sup> GRI 2-25

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:<sup>65</sup>

	FY 2023-24 (Current Financial Year)			FY 2022-23 (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	-	-	1	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	1
Complaints on POSH as a % of female employees / workers	-	-
Complaints on POSH upheld	-	-

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.<sup>66</sup>

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 –officer 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.

<sup>65</sup> GRI 406-1; GRI 2-25, <sup>66</sup> GRI 2-25



9. Do human rights requirements form part of your business agreements and contracts? (Yes/No) <sup>67</sup>

Yes, human rights requirements are included in business agreements and contracts. Service contracts contain clauses that address human rights requirements, such as the prohibition of child labour and the assurance of minimum wages.

10. Assessments for the year:

	% of your plants and offices that were assessed (b 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	-

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.<sup>68</sup>

The Company is committed towards ensuring compliance with all labour laws along with maintaining zero incidence of human rights violations. The Company has developed a well-defined Grievance Redressal Procedure for employees. Any employee can raise a grievance, which is then resolved within the prescribed timelines.

#### Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints. <sup>69</sup>

The Grievance Redressal Committee is in place and guidelines are updated from time to time to address any uncovered aspect arising out of human rights grievances.

2. Details of the scope and coverage of any Human rights due-diligence conducted. <sup>70</sup>

All locations of the Company maintain 100% compliance with statutory provisions. Reporting of compliance is also done to the concerned government offices as per the statute, before the due date. Due diligence for thi compliance is ensured through periodic internal inspections.

3. Is the premise/offic of the entity accessible to differ ntly abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016? <sup>71</sup>

Yes

#### PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environmen .

#### Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:<sup>72</sup>

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>From renewable sources</b>		
Total electricity consumption (A) (in Giga Joules)	53,148	50,501
Total fuel consumption (B) (in Giga Joules)	-	-
Energy consumption through other sources (C) (in Giga Joules)	-	-
<b>Total energy consumption (A+B+C) (in Giga Joules)</b>	<b>53,148</b>	<b>50,501</b>

<sup>67</sup> GRI 2-23, <sup>68</sup> GRI 3-3, <sup>69</sup> GRI 2-25; GRI 3-3, <sup>70</sup> GRI 3-3, <sup>71</sup> GRI 405, <sup>72</sup> GRI 302-1; GRI 302-3,

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>From non-renewable sources</b>		
Total electricity consumption (D)	49,28,990	52,14,857
Total fuel consumption (E)	2,99,16,127	3,03,23,206
Energy consumption through other sources (F)	-	-
<b>Total energy consumption from non-renewable sources (D+E+F) (in Giga Joules)</b>	<b>3,48,45,117</b>	<b>3,55,38,063</b>
<b>Total energy consumed (A+B+C+D+E+F)</b>	<b>3,48,98,265</b>	<b>3,55,88,564</b>
Energy intensity per rupee of turnover (Giga Joules/ INR)	0.00020551	0.000165902
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total energy consumed / Revenue from operations adjusted for PPP)</b>	<b>0.004706176</b>	<b>0.003799159</b>
<b>Energy intensity in terms of physical output (Energy Consumed / MT)</b>	<b>6.881072029</b>	<b>6.781255303</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

\*While computation of PPP, conversion factor of 22.9 against USD has been considered based on OECD data for the year 2022.

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. <sup>73</sup>

RCF continues to promote & prioritize effective energy utilisation and conservation. RCF's two fertilizer productions unit are identified as Designated Consumer (DC)s under PAT cycle. Under PAT cycle, RCF achieved the targets in two out of two fertilizer production unit and were issued energy certificates. During the year, RCF has implemented energy saving projects at a cost of ₹ 12.56 crore.

3. Provide details of the following disclosures related to water <sup>74</sup>, in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	1,62,42,500	1,71,06,975
(iv) Seawater / desalinated water	NA	NA
(v) Others	81,52,815	87,80,115
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	2,43,95,315	2,58,87,090
<b>Total volume of water consumption (In kilolitres)</b>	<b>2,22,04,732</b>	<b>2,36,54,325</b>
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>	<b>0.000131</b>	<b>0.000110</b>
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total water consumption / Revenue from operations adjusted for PPP)</b>	<b>0.002994</b>	<b>0.0025251</b>
<b>Water intensity in terms of physical output (Total Water Consumed / MT)</b>	<b>4.3782222</b>	<b>4.50723493</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

\*While computation of PPP, conversion factor of 22.9 against USD has been considered based on OECD data for the year 2022.

<sup>73</sup> GRI 3-3, <sup>74</sup> GRI 303-3; GRI 303-5

4. Provide the following details related to water discharged:<sup>75</sup>

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Water withdrawal by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water	NA	NA
- No treatment		
- With treatment – Primary/ Tertiary		
(ii) To Groundwater	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater		
- No treatment		
- With treatment – Primary Treatment*	36,22,004	41,22,727
(iv) Sent to third-parties	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(v) Others	NA	NA
No treatment		
With treatment – please specify level of treatment		
<b>Total water discharged (in kilolitres)</b>	<b>36,22,004</b>	<b>41,22,727</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

\*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.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.<sup>76</sup>

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 effluent in the raw water which shall be used in the process. Detailed Feasibility Report (DFR) received from Consultant. Estimated Project cost is Rs.99.78 Crore.

<sup>75</sup> GRI 303-4, <sup>76</sup> GRI 303-1

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

Parameter*	Please specify-unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
NOx	µg/m <sup>3</sup>	27	29
SOx	µg/m <sup>3</sup>	14	14
Particulate matter (PM 10)	µg/m <sup>3</sup>	42	42
Particulate matter (PM 2.5)	µg/m <sup>3</sup>	22	21
Persistent organic pollutants (POP)	N/A	NA	NA
Volatile organic compounds (VOC)	N/A	NA	NA
Hazardous air pollutants (HAP)	N/A	NA	NA
Others - Carbon monoxide (CO)	N/A	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-

Yes. Name of the external agency: M/s. Skylab Analytical Laboratory and M/s. Jubillant Pharma

\* Considering annual average of ambient air quality at Trombay and Thal Unit. Stack monitoring, Effluent monitoring, Ground Water monitoring, Soil & Sludge monitoring, Ambient Air monitoring and Noise monitoring done by third party agencies M/s. Skylab Analytical Laboratory, M/s Jubillant Pharma

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:<sup>77</sup>

Parameter	Please specify unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (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	37,03,604	37,27,538
<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	1,67,959	1,67,960
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes per rupee	0.0000228	0.0000182
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		0.0005221	0.0004159
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>		0.76	0.74

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.<sup>78</sup>

- 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%.
- 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.

<sup>77</sup> GRI 305-1; GRI 305-2; GRI 305-4, <sup>78</sup> GRI 305-5

9. Provide details related to waste management by the entity, in the following format:<sup>79</sup>

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	9227.00	4365.49
E-waste (B)	19.19	-
Bio-medical waste (C)	1.30	0.45
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste.(G)	4586.74	2888.16
Other Non-hazardous wastegenerated (H). Please specify, if any.	-	-
Total (A+B + C + D + E + F + G + H)	13834.23	7254.14
<b>Waste intensity per rupee of turnover</b> (Total waste generated /Revenue from operations)	0.000000081	0.000000034
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)*</b> (Total waste generated /Revenue from operations adjusted for PPP)	0.0000019	0.00000077
<b>Waste intensity in terms of physical output (Total Waste / MT)</b>	0.0027278	0.0013822
<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	27149.65	2111.21
(ii) Re-used	-	-
(iii) Other recovery operations	19240.85	74249.15
Total	27149.65	76360.36
<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	0.44	1.16
(ii) Landfillin	276.03	5
(iii) Other disposal operations	720	158.19
Total	996.47	164.35

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

\*While computation of PPP, conversion factor of 22.9 against USD has been considered based on OECD data for the year 2022.

10. 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.<sup>80</sup>

3R strategy (Reduce, Reuse and Recycle) is employed in the different processes for effective 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 P<sub>2</sub>O<sub>5</sub>. 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

<sup>79</sup> GRI 306-3; GRI 306-5, <sup>80</sup> GRI 306-2; GRI 3-3

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 of as per timelines 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.

11. If the entity has operations/office 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:<sup>81</sup>

Sr.no.	Location of operations/offic	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.
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Nil

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year <sup>82</sup>

Name and brief details of project	EIA Notificatio No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public Domain (Yes / No)	Relevant Web link
Installation of New Nano-Urea Fertilizer Plant of total capacity 27,375 KL/annum located at RCF Trombay Unit	EIA Notification dated 14.09.2006	EC granted on 11.8.2023	Yes, EIA conducted by external agency	Yes	<a href="https://mpcb.gov.in/node/6417">https://mpcb.gov.in/node/6417</a>

13. 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:<sup>83</sup>

Sr. No.	Specify the law / regulation/guide-lines which was not complied with	Provide details of the non - compli-ance	Any fines /penalties / action taken by regula-tory agencies such as pollution control boards or by courts	Corrective action taken, if any
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Yes, both units of RCF are compliant with the applicable law/regulations/guidelines

#### Leadership Indicators

1. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities. <sup>84</sup>

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

<sup>81</sup> GRI 304-1, <sup>82</sup> GRI 413-1, <sup>83</sup> GRI 2-27, <sup>84</sup> GRI 304-2

2. 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:<sup>85</sup>

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-withsummary)	Outcome of initiative
1	Solar Power Generation facilities	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.	Use of renewable energy leading to lower greenhouse gas emissions
2	Sewage Treatment Plants (STPs)	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.	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.
3	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.	Resources utilisation for production of the conventional urea and Fuel requirement for transportation shall be reduced.

5. 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 affiliation with trade and industry chambers/ associations.<sup>86</sup>

Six (6)

<sup>85</sup> GRI 3-3, <sup>86</sup> GRI 2-28

- 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 <sup>87</sup>

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	Standard 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 anticompetitive conduct by the entity, based on adverse orders from regulatory authorities. <sup>88</sup>

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.		

#### Leadership Indicators

1. Details of public policy positions advocated by the entity: <sup>89</sup>

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
1	Safe use of Fertilizers by Farmers	Through Industry bodies	No		-
2	Wastage Sewage Treatment	Through Industry bodies	No		-
3	Use of drone in agriculture	Through Industry bodies	No	As needed	-
4	Advocacy for reasonable statutory and regulatory enactments that affect the Company.	Usually through industry-related trade associations to which the Company belongs.	No		-

#### 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. <sup>90</sup>

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
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: <sup>91</sup>

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)
Nil						

<sup>87</sup> GRI 2-28, <sup>88</sup> GRI 3-3, <sup>89</sup> GRI 2-28; GRI 415, <sup>90</sup> GRI 413-1, <sup>91</sup> GRI 413-1; GRI 413-2



3. Describe the mechanisms to receive and redress grievances of the community. <sup>92</sup>

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 office Administration buildings at Trombay and Thal. Citizens can record their grievances in respect of matter like failure of the quality, prices, conduct of its officer 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 Office of the Company, who acts as Coordinating Office 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: <sup>93</sup>

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	43.16%	40.12%
Sourced directly from within the district and neighbouring districts	71.37%	72.97%

As percentage of input material (inputs to total inputs by value)

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Rural	35.05	36.97
Semi-Urban	0.18	0.12
Urban	2.50	2.21
Metropolitan	62.27	60.70

(Place categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Note:

1) Prepared as per place of posting of Manpower as on 31.03.2024.

2) Employees posted at Thal (District Alibag) has been shown as posted in Rural area as per census of Thal.

### 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 Lakh)
1	Maharashtra	Osmanabad	5.40

2. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No) <sup>94</sup>

- Yes, the Company has preferential procurement policy in line with the Government of India's guideline. Preference is given to local suppliers, Micro & Small Enterprises (MSEs), MSEs owned by SC/ST individuals and women, and startups in accordance with current government and company policies. Under the Public Procurement Policy 2012 (PPP-2012) and the Purchase Preference linked to Local Content policy (PP-LC 2020), MSEs and Class I Local Suppliers receive purchase preference. Certain items are exclusively reserved for procurement from MSE vendors. When sufficient local content and capacity exist in India, only Class I local suppliers are permitted to participate in the bidding process. For non-critical procurement, prequalification criteria are waived for startups and relaxed for Micro & Small Enterprises. In addition, relaxation of 50% in the performance bank guarantee (PBG) is provided to Women and Reserved categories (SC/ST) owned MSEs.

<sup>92</sup> GRI 2-25, <sup>93</sup> GRI 204-1, <sup>94</sup> GRI 204-1; GRI 3-3

- (b) From which marginalized /vulnerable groups do you procure? <sup>95</sup>  
 - Micro & Small Enterprises (MSE), and Startups lead by women SC/ST etc.
- (c) What percentage of total procurement (by value) does it constitute?  
 - 43.16% of the total procurement was contributed by MSE group.

3. Details of beneficiaries of CSR Projects: <sup>96</sup>

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Health and Sanitation	3,80,481	100 *
2	Rural Development	25,000	
3	Education	6,574	
4	Women Empowerment	1,200	
5	Livelihood and Skill Development	3,700	

\* 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. <sup>97</sup>

The Company has developed multiple mechanisms for customer's feedback, suggestions, or complaints about any product or services such as:

- Online web-based marketing grievance monitoring system has been developed <https://mgms.rcfltd.com>
- Toll free Call Centre number: RCF Kisan Care Toll Free service 1800-22-3044 was operated for imparting Agricultural information to the farming community.
- Social media: Information has been shared through social media (WhatsApp, Facebook, Twitter, Instagram and You Tube) with handle @rcfkisanmanch.
- RCF has established 12071 Pradhan Mantri Kisan Samrudhi Kendra (PMKSK) on Pan India Basis. These PMKSK are unique initiative to support the farmers as a one stop solution. During the year, 406 Field Demonstrations, 192 Soil Testing Days, 374 Farmers' Meetings, 16 Krishi Melas, 2 Veterinary Camp/Rural Sports, 34 Exhibitions, etc. were organized for the benefit of the farmers.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about: <sup>98</sup>

	As a % 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: <sup>99</sup>

	FY 2023-24 (Current Financial Year)		Remarks	FY 2022-23 (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	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-

<sup>95</sup> GRI 3-3, <sup>96</sup> GRI 413-1, <sup>97</sup> GRI 2-25, <sup>98</sup> GRI 417-1, <sup>99</sup> GRI 418-1

	FY 2023-24 (Current Financial Year)		Remarks	FY 2022-23 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other i.e. Customers	1	0	-	11	0	-

4. Details of instances of product recalls on account of safety issues: <sup>100</sup>

	Number	Reasons for recall
Voluntary recalls	0	N.A.
Forced recalls	0	N.A.

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. <sup>101</sup>

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

<https://www.rcfltd.co/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. <sup>102</sup>

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

7. Provide the following information relating to data breaches: <sup>103</sup>

a) Number of instances of data breaches

Nil, there were no instances of reportable data breaches in the current financial year

b) Percentage of data breaches involving personally identifiable information of customer

- Nil, there were no instances of reportable data breaches involving personally identifiable information of customers.

c) Impact, if any, of the data breaches

- Not applicable as there were no reportable data breaches for the year.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available). <sup>104</sup>

- 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

Fertilizers - <https://www.rcfltd.co/product-fertilizer/fertilizer-1>

Industrial Products - <https://www.rcfltd.co/product-media/ipd-1>

<sup>100</sup> GRI 416-2, <sup>101</sup> GRI 2-23, <sup>102</sup> GRI 3-3, <sup>103</sup> GRI 418-1, <sup>104</sup> GRI 2-6

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.** <sup>105</sup>

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: 40,578 number of NPK and 16,126 number of Micro-nutrient analysis have been done and Soil Health Cards distributed.
2. Pradhan Mantri Kisan Samrudhi Kendras : 8. RCF has established 12071 Pradhan Mantri Kisan Samrudhi Kendra (PMKSK) on Pan India Basis. These PMKSK are unique initiative to support the farmers as a one stop solution.
3. Farmer Training Centres are operational at Thal and Nagpur for imparting residential training to farmers. A total of 28 programs were undertaken benefitting 1281 farmers during the year.
4. RCF Kisan Care Toll Free service 1800-22-3044 was operated for imparting Agricultural information to the farming community.
5. RCF Sheti Patrika: 6.60 lakh copies of RCF Sheti Patrika (Marathi edition) covering the relevant subjects pertaining to Agriculture and allied fields were printed & distributed to farmers
6. With active participation in Government's (DOF) flagship program i.e. Vikasit Bharat Sankalp Yatra (VBSY), RCF has Organized 26000 No.'s, fertilizer Spraying demonstrations, through Drone's at Gram panchayat level, in Maharashtra, Karnataka Goa & Rajasthan states.
7. Social Media: Information has been shared through Social Media (WhatsApp, Facebook, Twitter, Instagram, and You Tube) with handle @rcfkisanmanch.
8. Agricultural Extension Services: 406 Field Demonstrations, 192 Soil Testing Days, 374 Farmers' Meetings, 16 Krishi Melas, 2 Veterinary Camp/Rural Sports, 34 Exhibitions, etc. were organized for the benefit of the farmers.
9. Adoption of Villages for Promotion of City Compost/ Biofertilizer/ PDM/PROM/Nano Urea, etc: 3 villages from Maharashtra & Karnataka were selected for promotion of City Compost/ Biofertilizer/ PDM/PROM/Nano Urea, etc.10.With active participation in Government's (DOF) flag ship program i.e. Vikasit Bharat Sankalp Yatra (VBSY), RCF has Organized 26000 No.'s, fertilizer Spraying demonstrations, through Drone's at Gram panchayat level, in Maharashtra, Karnataka Goa & Rajasthan states.
11. Drone Pilot training was organized by RCF at different DGCA approved Pilot training centres for Drone Didis (Members of Self-Help Group).
12. Seventy No. of Agricultural Spray drones procured by RCF and distributed among Drone Didis of Namu Drone Didi Scheme (NDD) in Maharashtra, Andhra Pradesh, Telangana, Karnataka and Uttar Pradesh states.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

The Company has a well-established contact mechanism for disseminating information on product availability or disruptions. This includes using email, toll free number, customer care number, social media, SMS, and notices at physical locations to notify end-users.

4. **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)** <sup>106</sup>

Yes,

RCF adheres to government guidelines by providing legally mandated product information in accordance with metrology regulations. Beyond the required statutory information, RCF also offers detailed guidance on crop-specific dosages, precautions, compatibility, and safety measures to support farmers

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.

<sup>105</sup> GRI 3-3, <sup>106</sup> GRI 417-1

## Annexure – ESG Materiality Assessment FY 2023-24

### Setting the ESG priorities:

ESG Material Assessment identifies key Environment, Social and Governance (ESG) factors that could impact business and stakeholders. RCF has considered a double materiality assessment, under which ESG factor is evaluated based on importance to the organization and its expected influence on business success, as well as the significance of the issue to stakeholders and their likely impact on business success based on the organization’s efforts (or lack thereof) on this issue.

RCF has performed its First ESG Materiality Assessment and has identified 14 material topics which are important to the business and stakeholders.

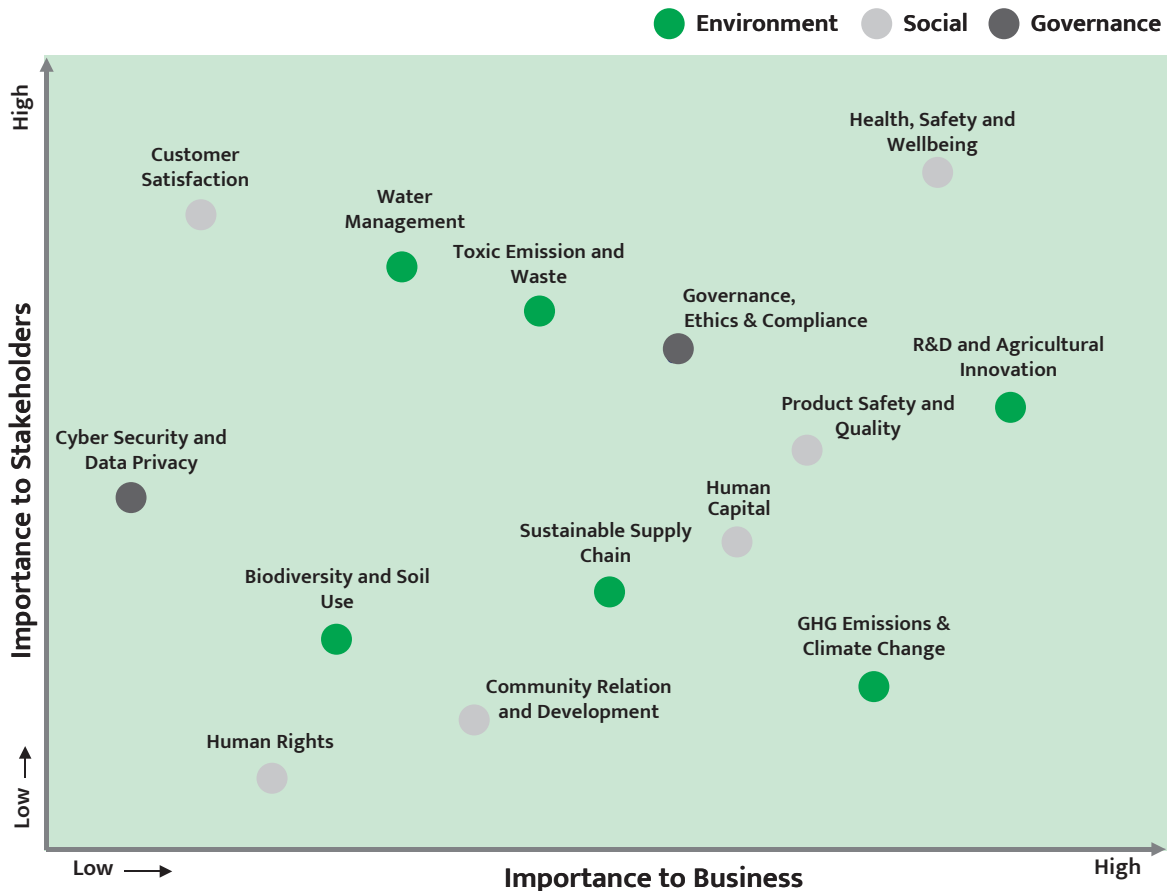
The Materiality Assessment has been done by factoring global ESG standards and framework including GRI, SASB and MSCI and BRSR, benchmarking against peer materiality matrix across the chemical and fertilizer sector and inputs from extant government regulations.

All the ESG materiality topics identified after inputs from above sources were shared to key stakeholders through an online survey for determining importance to stakeholders. The stakeholder group for the survey consisted of employees (management and non-management), customers, dealers & distributors, and domestic and international suppliers and contractors.

The material topics important to the business were identified by means of engagement through senior management of RCF, peer analysis and inputs from methodology used by ESG Rating Agencies.

The highest material topics so identified have been specified as risk or opportunity and RCF is envisaging actions to mitigate the risk and leverage on the opportunities identified.

### ESG Materiality Matrix



## 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 31.03.2024, the Board comprises Six Directors out of which Three are Executive Directors including Chairman & Managing Director, Two Government Nominee Directors and One is Independent Director. The present Non-Executive Directors and Independent Director have been on the Board of other Companies

and have rich experience in managing the business. The whole-time functional Directors are professionals in their respective fields having long and varied experience in varied Industries. Brief profile of the Directors is set-out at Annexure in this report.

### BOARD MEETINGS

As per the policy of your Company, apart from the matters which are required to be statutorily decided by the Board, all other major decisions involving investments and capital expenditure, mobilization of resources, Employee's Compensation etc., and major issues such as monthly performance, progress of projects, Industrial relations, market scenarios, budgets and plans etc., are discussed in the meetings as regular agenda items by the Board. All items which are obligatory as per the Corporate Governance code to be brought in the Board meetings are regularly discussed. Detailed agenda notes are circulated generally about a week in advance of the Board meetings. During the year 2023-24, 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, eleven [11] meetings were held by the Board viz. on April 24, 2023, May 30, 2023, June 22, 2023, July 25, 2023, August 11, 2023, September 14, 2023, October 31, 2023, November 9, 2023, November 10, 2023, January 5, 2024 & February 13, 2024.

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 2023-24	Number of Board Meetings attended in the financial year 2023-24	Whether attended last AGM(held on December 20, 2023)	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	11	11	Yes	1**	1	-	-	1. Fertilisers and Chemicals Travancore Limited 2. The Fertiliser Association of India
Ms Nazhat J. Shaikh (DIN 07348075)	Director (Finance) & CFO	11	11	Yes	-	-	-	-	-
Shri Milind Madhukar Deo (DIN 08715250) (upto 30.09.2023)	Director (Technical)	6	6	Yes	-	1	-	-	-
Ms Ritu Goswami (DIN 10463372) (from 17.01.2024)	Director (Technical)	1	1	N.A.	-	-	-	-	-

Name of Directors	Category	Number of Board Meetings held during the financial year 2023-24	Number of Board Meetings attended in the financial year 2023-24	Whether attended last AGM(held on December 20, 2023)	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 DIRECTOR</b>									
Ms Aneeta C. Meshram (DIN 09781436)	Govt. Nominee Director	11	3	No	-	-	-	-	-
Shri Sanjay Rastogi (DIN 07722405) (upto 04.01.2024)	Govt. Nominee Director	9	1	No	-	-	-	-	-
Dr. Ajay Shanker Singh (DIN10449154) (from 05.01.2024)	Govt. Nominee Director	2	2	NA	-	1	-	-	1. Broadcast Engineering Consultants India Limited
<b>C. NON-EXECUTIVE INDEPENDENT DIRECTORS</b>									
Smt. Shashi Bala Bharti (DIN 08770477) (upto 24.06.2023)	Independent Director	3	3	N.A.	-	-	-	-	-
Shri Chandra Bhushan Pandey (DIN 09407412) (upto 06.11.2023)	Independent Director	7	7	NA	-	-	-	-	-
Shri Gopinathan Nair Anilkumar (DIN 09447818)	Independent Director	11	11	Yes	-	-	-	-	-

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).

\*\* Department of Fertilizers, Ministry of Chemicals and Fertilizers, Government of India entrusted, Shri. S.C. Mudgerikar with the additional charge of Chairman & Managing Director (C&MD) of Fertiliser and Chemical Travancore Limited with immediate effect for a period of three months or till posting a regular incumbent or till further order, whichever is earliest, in addition to his duties and responsibility as Chairman & Managing Director (C&MD) of Rashtriya Chemicals and Fertilizers Limited.

### 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, 2024. 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/1712985831.pdf>

### LIST OF CORE SKILLS/EXPERIENCE/COMPETENCIES IDENTIFIED BY THE BOARD

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

1. Fertilizers and Chemicals
2. Finance;
3. Agriculture and Rural Economy;

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

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

Name of the Director	Expertise in specific functional area
Shri S. C. Mudgerikar	Fertilizers and Chemicals, Agriculture and Rural Economy, Risk Management, Public Sector Undertaking, Costing, Research and Development & Business Management
Ms Nazhat J. Shaikh	Fertilizers and Chemicals, Finance, Public Sector Undertaking, Economics, Costing, Risk Management & General Administrative and Co-operation
Shri Milind Madhukar Deo (upto 30.09.2023)	Fertilizers and Chemicals, Research and Development, Human Resources & Agriculture and Rural Economy
Ms Ritu Goswami (from 17.01.2024)	Fertilizers and Chemicals, Research and Development, Human Resources & Agriculture and Rural Economy
Ms Aneeta C. Meshram	General Administrative and Co-operation, Finance, Fertilizers and Chemicals, Costing, Agriculture and Rural Economy & Public Sector Undertaking
Shri Sanjay Rastogi (upto 04.01.2024)	General Administrative and Co-operation, Finance, Fertilizers and Chemicals, Economics, Agriculture and Rural Economy & Public Sector Undertaking
Dr. Ajay Shanker Singh (from 05.01.2024)	General Administrative and Co-operation, Finance, Fertilizers and Chemicals, Economics, Agriculture and Rural Economy & Public Sector Undertaking

Name of the Director	Expertise in specific functional area
Smt. Shashi Bala Bharti (upto 24.06.2024)	Law, General Administrative and Co-operation, Finance, Human Resources, & Agriculture and Rural Economy
Shri Chandra Bhushan Pandey (upto 06.11.2023)	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 any new Independent Director on the Board.

### CESSATION OF INDEPENDENT DIRECTORS

During the year, Smt. Shashi Bala Bharti, Independent Director of the Company ceased to be Director due to completion of her term on June 25, 2023. Shri Chandra Bhushan Pandey, Independent Director of the Company ceased to be Director due to resignation on November 7, 2023.

### 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:
- 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;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings
  - compliance with listing and other legal requirements relating to financial statements
  - disclosure of any related party transactions;
  - 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 are comprising the following members:

Sr. No.	Name of Director	Designation
1	Smt. Shashi Bala Bharti, Independent Director	Chairperson (upto 24.06.2023)
2	Shri Gopinathan Nair Anilkumar, Independent Director	Member & Chairperson (from 09.11.2023)
3	Shri Chandra Bhushan Pandey, Independent Director	Chairperson (from 22.06.2023 upto 06.11.2023)
4	Ms Aneeta C. Meshram, Government Nominee Director	Member (upto 22.06.2023) Member (from 09.11.2023 to 13.02.2024)

Sr. No.	Name of Director	Designation
5	Shri Sanjay Rastogi, Government Nominee Director	Member (from 22.06.2023 upto 09.11.2023)
6	Ms Nazhat J. Shaikh, Director (Finance)	Member (from 09.11.2023)
7	Dr. Ajay Shanker Singh, Government Nominee Director	Member (from 13.02.2024)

Chief Internal Auditor is the permanent invitee. 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 45<sup>th</sup> AGM of the Company was held on December 20, 2023 was attended by Shri Gopinathan Nair Anilkumar, Chairperson of the Audit Committee.

#### Meetings and Attendance

During the year, the Audit Committee met five [5] times on May 30, 2023, June 22, 2023, August 11, 2023, November 10, 2023 & February 13, 2024 and the attendance was as under:

Name of Director	Number of meetings required to attend	Number of meetings attended
Smt. Shashi Bala Bharti, Independent Director	2	2
Shri Gopinathan Nair Anilkumar, Independent Director	5	5
Shri Chandra Bhushan Pandey, Independent Director	1	1
Ms Aneeta C. Meshram, Government Nominee Director	4	0
Shri Sanjay Rastogi, Government Nominee Director	1	1
Ms Nazhat J. Shaikh, Director (Finance)	2	2
Dr. Ajay Shanker Singh, Government Nominee Director	-	-

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 2023-24, 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 Chandra Bhushan Pandey, Independent Director (upto 06.11.2023), Ms Nazhat J. Shaikh, Director (Finance) & Ms Aneeta C. Meshram, Govt. Nominee Director as Member. The 45<sup>th</sup> AGM of the Company was held on December 20, 2023 and was attended by Shri Gopinathan Nair Anilkumar, Chairperson of the Nomination and Remuneration Committee.

##### Meetings and Attendance

During the year, the Committee met Four (4) times on August 11, 2023, October 30, 2023, November 10, 2023 & February 13, 2024 and the attendance is as under

Name of Director	Number of meetings required to attend	Number of meetings attended
Shri Gopinathan Nair Anilkumar	4	4
Shri Chandra Bhushan Pandey	2	2
Ms Aneeta C. Meshram	4	0
Ms Nazhat J. Shaikh (from 09.11.2023)	2	2

### Stakeholders Relationship 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 (upto 06.11.2023), Shri Gopinathan Nair Anilkumar, Chairperson (from 09.11.2023), Shri S. C. Mudgerikar, Chairman & Managing Director (from 01.10.2023), Ms Nazhat J. Shaikh, Director (Finance), Shri Milind M. Deo, Director (Technical) (upto 30.09.2023) and Ms Ritu Goswami, Director (Technical) (from 13.02.2024) as Members of the Committee. The Company Secretary being the Compliance Office is specifically entrusted with responsibility for redressal of investors complaints and report the same to the Committee. The 45<sup>th</sup> AGM of the Company was held on December 20, 2023 and was attended by Shri Gopinathan Nair Anilkumar, Chairperson of the Stakeholders' Relationship Committee.

### Details of complaints received and redressed during the financial year 2023-24

During the year, ten (10) complaints were received and resolved. The Company also received and attended various requests for change in address, recording for nomination, issue of duplicate share certificates/dividend warrants, unclaimed dividend, Form 15 G, Receipt of IEPF 5 Claim Form, stop transfer, registration of NECS/ECS details etc.

The Company has a designated email id [investorcommunications@rcfltd.co](mailto:investorcommunications@rcfltd.co) exclusively for investors and for responding to their queries.

### Meetings and Attendance

During the year 2023-24, the Committee met two [2] times on August 11, 2023 & February 13, 2024 and the attendance was as under:

Name of Director	Number of meetings required to attend	Number of meetings attended
Shri Chandra Bhushan Pandey (upto 06.11.2023)	1	1
Shri Gopinathan Nair Anilkumar (from 09.11.2023)	1	1
Shri S. C. Mudgerikar (from 01.10.2023)	1	1
Ms Nazhat J. Shaikh	2	2
Shri Milind M. Deo (upto 30.09.2023)	1	1
Ms Ritu Goswami (From 13.02.2024)	-	-

### 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 (Upto 30.09.2023) & Ms Ritu Goswami (from 13.02.2024), as Members.

### Meetings and Attendance

During the year 2023-24, the Committee met four [4] times on August 23, 2023, November 17, 2023, February 26, 2024 & March 20, 2024 and the attendance was as under:

Name of Director	Number of meetings required to attend	Number of meetings attended
Shri S. C. Mudgerikar	4	4
Ms Nazhat J. Shaikh	4	3
Shri Milind M. Deo (upto 30.09.2023)	1	1
Ms Ritu Goswami (from 13.02.2024)	2	2

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

### Committee on Corporate Social Responsibility (CSR)

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

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

The CSR Committee comprising of Smt. Shashi Bala Bharti, Independent Director as Chairperson (upto 22.06.2023), Shri Gopinathan Nair Anilkumar, Independent Director as Chairperson (from 22.06.2023), Ms Nazhat J. Shaikh, Director (Finance), & Ms Aneeta C. Meshram, Govt. Nominee Director as members.

#### Meetings and Attendance

During the year, the Committee met four (5) times on May 30, 2023, July 25, 2023, August 11, 2023, September 14, 2023 & February 13, 2024 and the attendance was as under:

Name of Director	Number of meetings required to attend	Number of meetings attended
Smt. Shashi Bala Bharti (upto 22.06.2023)	1	1
Shri Gopinathan Nair Anilkumar (from 22.06.2023)	4	4
Ms Aneeta C. Meshram	5	0
Ms Nazhat J. Shaikh	5	5

#### 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 S. C. Mudgerikar (from 01.10.2023)	Chairperson
Shri Chandra Bhushan Pandey (upto 06.11.2023)	Member
Ms Nazhat J. Shaikh	Member
Shri Milind M. Deo (upto 30.09.2023)	Member
Shri Gopinathan Nair Anilkumar (From 01.10.2023)	Member
Ms Ritu Goswami (From 13.02.2024)	Member

During the year, the committee met two (2) times on August 11, 2023 & February 5, 2024 and the attendance was as under:

Name of Director	Number of meetings required to attend	Number of meetings attended
Shri S. C. Mudgerikar	1	1
Shri Chandra Bhushan Pandey (upto 306.11.2023)	1	1
Shri Gopinathan Nair Anilkumar (From 01.10.2023)	1	1
Ms Nazhat J. Shaikh	2	2
Shri Milind M. Deo (from 30.09.2023)	1	1
Ms Ritu Goswami (From 13.02.2024)	-	-

#### 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) (upto 30.09.2023) and Ms Ritu Goswami, Director(Technical) (from 13.02.2024) as members. During the year, the Committee met Forty five (45) times on April 4, 2023, April 21, 2023, April 24, 2023, May 2, 2023, May 18, 2023, June 17, 2023, June 20, 2023, June 22, 2023, July 28, 2023, July 31, 2023, August 5, 2023, August 14, 2023, August 21, 2023, August 23, 2023, August 28, 2023, September 5, 2023, September 8, 2023, September 14, 2023, September 20, 2023, September 28, 2023, October 7, 2023, October 11, 2023, October 21, 2023, October 25, 2023, October 28, 2023, November 10, 2023, November 20, 2023, November 30, 2023, December 11, 2023, December 18, 2023, December 27, 2023 (11.00 am), December 27, 2023 (4.30 pm), December 29, 2023, January 5, 2024, January 24, 2024, February 2, 2024, February 21, 2024, February 22, 2024, February 23, 2024, March 4, 2024, March 5, 2024, March 13, 2024, March 16, 2024, March 23, 2024 & March 30, 2024 and the attendance was as under:

Name of Director	Number of meetings required to attend	Number of meetings attended
Shri S. C. Mudgerikar	45	45
Ms Nazhat J. Shaikh	45	43
Shri Milind M. Deo (Upto 30.09.2023)	20	18
Ms Ritu Goswami (from 17.01.2024)	11	10

### Empowered Committee for Procurement of Urea on Govt. Account

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

Committee comprising Shri S. C. Mudgerikar, Chairman & Managing Director as Chairperson, Ms Nazhat J. Shaikh, Director (Finance), Shri Milind M. Deo, Director (Technical) (upto 30.09.2023 and Ms Ritu Goswami, Director (Technical) (from 17.01.2024), Smt Shashi Bala Bharti, Independent Director (upto 22.06.2023) & Shri Gopinathan Nair Anilkumar, Independent Director (from 22.06.2023) as members.

During the year, the Committee met two (2) times on June 17, 2023 & September 22, 2023 the attendance was as under:

Name of Director	Number of meetings required to attend	Number of meetings attended
Shri S. C. Mudgerikar	2	2
Ms Nazhat J. Shaikh	2	2
Shri Milind M. Deo (upto 30.09.2023)	2	2
Smt. Shashi Bala Bharti (Upto 22.06.2023)	1	1
Shri Gopinathan Nair Anilkumar (from 22.06.2023)	1	1
Ms Ritu Goswami (from 17.01.2024)	-	-

### Debenture Allotment Committee

Board in 465<sup>th</sup> meeting held on August 11, 2023 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 Crore)				
Sl No.	Name of the Director	Salary and Allowances	*Other Benefits and perquisites	Total Remuneration
1.	Shri S. C. Mudgerikar, Chairman & Managing Director	0.96	0.18	1.14
2.	Ms. Nazhat J. Shaikh Director (Finance)	0.82	0.07	0.89
3.	Shri Milind M. Deo Director (Technical) (upto 30.09.2023)	1.20	0.03	1.23
4.	Ms Ritu Goswami Director (Technical) (from 17.01.2024)	0.09	0.02	0.11

#### 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 2023-24 is as follow:

Name of the Director	Sitting Fees (₹ in Lakh)
Shri Gopinathan Nair Anilkumar	8.35
Smt. Shashi Bala Bharti (upto 24.06.2023)	1.90
Shri Chandra Bhushan Pandey (upto 06.11.2023)	4.40

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 2023-24 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 September 13, 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 affirmed 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 2023-24

(S. C. Mudgerikar)  
Chairman & Managing Director

Place: Mumbai  
Date: May 17, 2024

## General Body Meetings

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

Financial Year	Time and Date	Venue
2022-23	3 p.m. on 20.12.2023	Meeting conducted through VC / OAVM pursuant to the MCA Circular
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

## Particulars of Special Resolution passed at the last three AGMs

Financial Year	Time and Date	Venue	Special Resolutions Passed
2022-23	3 p.m. on 20.12.2023	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.

Financial Year	Time and Date	Venue	Special Resolutions Passed
			2. Amendment to the Articles of Association of the Company
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.

**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.co](http://www.rcfltd.co).

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.co](http://www.rcfltd.co).

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, the presentations were made to institutional investors or to the analysts on February 20, 2024.

A Management Discussion and Analysis report is a part of this Annual Report

### General Shareholder information:

#### Annual General Meeting

Date :- Monday, September 30, 2024 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, 2024, the financial results were announced on

- August 11, 2023 : First Quarter
- November 10, 2023: Second Quarter
- February 13, 2023 : Third Quarter
- May 17, 2024 : Forth Quarter & Annual

#### Payment of dividend

The Board of Directors of your Company have recommended a final dividend of ₹ 1.24 per share for the financial year 2023-24 subject to the approval of the members at ensuing Annual General Meeting which will be paid after Monday, September 30, 2024.

#### Listing Information

The Company's equity shares are listed on the BSE Limited and the National Stock Exchange of India Limited.

Name of Stock Exchange	Address	Stock/ Scrip Code (Equity)	Stock/ Scrip Code (NCDs)
BSE Limited (BSE)	25th Floor, P J Towers, Dalal Street, Mumbai 400 001	524230	959872/ 973742

Name of Stock Exchange	Address	Stock/ Scrip Code (Equity)	Stock/ Scrip Code (NCDs)
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 2024-25.

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, 2024

Sl No.	Month	BSE Limited		The National Stock Exchange of India Limited		
		High (Rs)	Low (Rs)	High (Rs)	Low (Rs)	Volume
1	Apr-23	111.68	95.40	111.95	95.35	53,17,934
2	May-23	114.80	101.20	114.90	101.15	27,96,218
3	Jun-23	113.95	102.35	114.00	102.30	36,90,177
4	Jul-23	119.50	108.85	119.50	108.80	40,46,124
5	Aug-23	130.40	105.40	130.50	105.25	67,31,078
6	Sep-23	134.95	120.80	135.00	120.60	72,92,090
7	Oct-23	145.70	117.65	122.75	117.60	90,68,673
8	Nov-23	131.65	121.00	131.70	121.00	29,38,888
9	Dec-23	164.00	129.05	163.95	129.10	1,28,91,996
10	Jan-24	190.00	160.35	190.00	160.15	1,11,48,631
11	Feb-24	187.30	133.65	187.35	133.60	44,69,931
12	Mar-24	147.30	118.95	147.30	118.40	23,52,492

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 ₹ 190.00 [on 20.01.2024] and minimum of ₹ 95.40 [on 03.04.2023] at BSE.

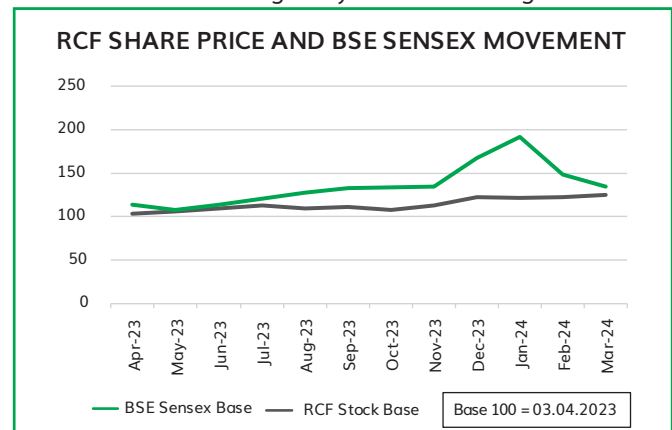
### Stock Price Performance in comparison to broad-bases indices

During the year 2023-24, the share price of the Company opened at ₹ 95.51 on 03.04.2023 and closed at ₹ 128.15

on 28.03.2024 on the BSE thereby increasing by 34.17%. During the same period, BSE sensex opened at 59131.16 on 03.04.2023 and closed at 73651.35 on 28.03.2024 thereby increasing by 24.56% during the same period, NSE Nifty opened at 17427.95 on 03.04.2023 and closed at 22326.90 on 28.03.2024 thereby decreasing by 28.11%.

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

The relative performance (on base of 100 as on 03.04.2023) of the monthly closing price of the Company's share vis-a-vis BSE Sensex during the year 2023-24 is give below:



### Corporate Identity Number (CIN) of the Company: L24110MH1978GOI020185

#### Share Transfer Agent

Link Intime India Private Limited,  
Address : C-101, 247 Park, L B S Marg  
Vikhroli West, Mumbai 400 083  
Phone No.022 49186000  
Email: [rnt.helpdesk@linkintime.co.in](mailto: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 Rs.10/- each as on March 31, 2024 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

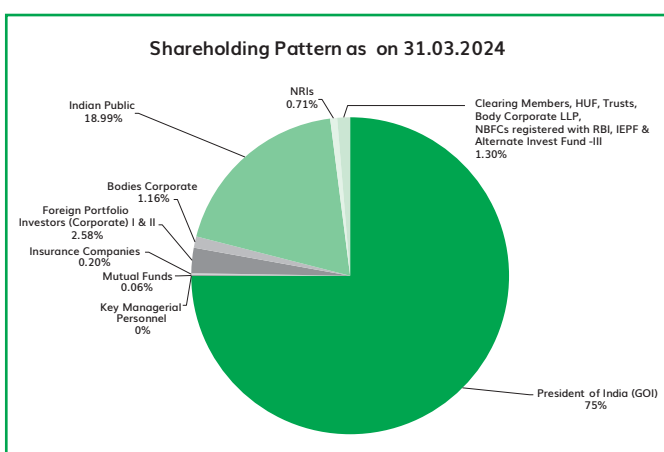


Sl. No	No. of Shares held	No. of shareholders	% of total	Share amount ₹	% of total
6	40001 – 50000	1159	0.49	55416120	1.00
7	50001 – 100000	1587	0.66	118752090	2.15
8	100001 - and above	1148	0.48	4714255770	85.46
	<b>Total</b>	<b>238401</b>	<b>100.00</b>	<b>5516881000</b>	<b>100.00</b>

### Shareholding Pattern

The shareholding pattern of the company as on March 31, 2024 is as follows:-

Category	No. of Shares	% of Holding
President of India (GOI)	413769483	75.00
Key Managerial Personnel	100	0.00
Mutual Funds	300137	0.06
Insurance Companies	1124460	0.20
Foreign Portfolio Investors (Corporate) I & II	14230763	2.58
Bodies Corporate	6384808	1.16
Indian Public	104763131	18.99
NRIs	3930569	0.71
Clearing Members, HUF, Trusts, Body Corporate LLP, NBFCs registered with RBI, IEPF & Alternate Invest Fund -III	7184649	1.30
	<b>551688100</b>	<b>100.0000</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, 2024, out of the total 55,16,88,100 equity shares, 55,06,78,860 shares, i.e., 99.82% are in demat segment and only 10,09,240 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 2023-24

Total exposure of the Company to commodities – Rs. 8,694.77crore

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

Commodity Name	Exposure in INR towards the particular commodity (Rs. in Crore)	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				Total
			Domestic Market		International Market		
			OTC	Exchange	OTC	Ex-change	
Natural Gas	8694.77	70293244.23 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 2023-24 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.co](mailto:investorcommunications@rcfltd.co)

### 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, 2024 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

Type of Facility/ Programme	Amount (₹ in Crore)	Credit Rating Agency	Rating Assignment
Short Term Bank Lines	21000	CRISIL	CRISIL A1+
NCD	2000	ICRA	ICRA AA
NCD	2000	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  
Registered Office  
Mistry Bhavan, 4th Floor,  
122 Dinshaw Vachha Road,  
Churchgate, Mumbai – 400 020  
Website : [www.sbicaptrustee.com](http://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, 2017 which remains unclaimed on October 26, 2024 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 31.03.2024 (₹ In lakh)	Last date for claiming unpaid dividend
1	31.3.2017	21.09.2017	14.52	26.10.2024
2	31.3.2018	26.09.2018	8.78	31.10.2025
3	31.03.2019	24.09.2019	9.66	29.10.2026
4	31.03.2020	30.12.2020	41.15	03.02.2027
5	31.03.2021 (Interim)	05.02.2021	13.93	13.03.2028
6	31.03.2021 (Final)	28.10.2021	19.92	04.12.2028
7	31.03.2022 (Interim)	10.11.2021	11.02	15.01.2029
8	31.03.2022 (Final)	23.12.2022	19.44	27.01.2030
9	31.03.2023 (Interim)	29.11.2022	9.35	03.01.2030
10	31.03.2024 (Final)	20.12.2023	21.47	24.01.2031

The details of unclaimed shares transferred to IEPF during year 2023-24:

Sl. No.	Financial year	Number of shares transferred to IEPF
1	2015-16	16,325

The details of unclaimed dividend transferred to IEPF during year 2023-24:

Sl. No.	Financial year	Amount of unclaimed dividend transferred to IEPF (₹ in Lakh)
1	2015-16	11.07

#### Nodal Office 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 Office 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 2024-25	On or before August 12, 2024
(ii)	Book Closure for the purpose of Dividend and AGM.	Tuesday, September 24, 2024 to Monday, September 30, 2024 (both days inclusive)

Sl. No.	Event	Likely date
(iii)(a)	AGM Date	Monday, September 30, 2024 at 3 p.m.
(iii)(b)	AGM 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 2024-25	On or before November 14, 2024
(v)	Announcement of 3 <sup>rd</sup> quarterly (unaudited) financial result for FY 2024-25	on or before February 14, 2025
(vi)	Announcement of Audited results for FY 2024-25	on or before May 30, 2025

#### 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 (i.e. non appointment of requisite number of Independent Directors including woman independent director) , Regulation 18 (i.e. Non-compliance with the constitution of audit committee), Regulation 19 (Non-compliance with the constitution of nomination and remuneration committee) and Regulation 20 (Non compliance with the constitution of Stakeholders Relationship Committee) of the Listing (Obligations and Disclosure Requirements) Regulations, 2015. 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 of ₹ 9823280/- levied for the quarters ended – December 2021 till March 2024. Further, the Company has made an application to BSE & NSE for waiver of the said fine levied for quarter ended December, 2021 to March 2024.

Further, BSE has levied fines against the Company for period August 2021 under Regulation 60(2) of the Listing Regulations aggregating to ₹ 11,800/- each. The Company has made an application to BSE for waiver of said fine levied . BSE has levied fines against the Company for period March 2021 under Regulation 52(7) of the Listing Regulations aggregating to ₹ 12,980/- each. NSE vide letter dated December 7, 2023 has waived off the said fines levied. 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 officer 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 Practic

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 K. Gopal Rao & Co. (Firm Registration Number 000956S) and M/s Parakh & Co (Firm Registration Number 001475C) as Joint Statutory Auditors of your Company for the financial year 2023-24. The particulars of payment of Statutory Auditors' fees, on consolidated basis for FY 2023-24 is given below:

The fees paid to the Statutory Auditors during the year 2023-24 is as under:

(₹ in Crore)		
Sr. No.	Particulars	Year ended 31.3.2024
1	Audit fees for the year	0.34
2	Audit fees for Limited review	0.03
3	Certification Fee	0.09
4	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 : Ni

(\* out of two complaints, one complaint was pertaining to the previous year)

### 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.rcfltd.com](http://www.rcfltd.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 0.43 % of total expense for financial year 2023-24 as against 0.65 % in the previous year 2022-23.

### Disclosure with respect to demat suspense account / unclaimed suspense account

No shares are lying in the demat suspense account or unclaimed suspense account.

### Compliance Officer

Shri J. B. Sharma, Executive Director (Legal & Company Secretary), is the Compliance Officer of the Company.

### Prevention of Insider Trading

The Company has adopted a Code of Conduct for prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary of the company is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

## CEO/ CFO CERTIFICATION FOR THE FINANCIAL YEAR ENDING ON MARCH 31, 2024

This is to certify that:

- A. We have reviewed financial statements for the financial year ended March 31, 2024 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 2023-24;
  2. There has not been any significant change in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  3. There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting

**Nazhat J. Shaikh**  
Director [Finance] & CFO

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

Place: Mumbai  
Date: May 17, 2024

## DIRECTOR'S PROFILE

### Shri S. C. Mudgerikar, Chairman & Managing Director

Shri S.C. Mudgerikar has taken over charge of Chairman & Managing Director of Rashtriya Chemicals & Fertilizers Ltd. (RCF) w.e.f. 01.10.2019.

Shri Mudgerikar has remained an Indian Railway Traffic Service (IRTS) Officer. He is a Post Graduate Engineer with a Post Graduate Management qualification from IIM Bangalore. He has wide experience in Logistics & Supply Chain Management and has worked in the Indian Railways in various capacities as an IRTS Officer. Before joining RCF, he has worked as Director (Marketing & Corporate Planning) of Central Warehousing Corporation. He has also served the Director on the Boards of CONCOR Air Ltd., National Multi Commodity Exchange, IFFCO-CRWC JV, Maharashtra SWC and West Bengal SWC. He has also worked as Chief Commercial Manager (FS), CPRO, Sr. Divisional Commercial Manager in the Indian Railways & Chief General Manager of CONCOR.

He has received extensive training in the field of Management at some of the world's best Institutes like IIM Bangalore, IIM Kolkata, INSEAD/ Singapore, ICLIF/ Malaysia, Syracuse University USA Antwerp Port Training Centre, China-Europe Management School. He has in-depth knowledge about the supply-chain logistics & is also involved in policy making for further development of the field.

### Ms Nazhat J. Shaikh, Director (Finance)

Ms Nazhat J. Shaikh has been appointed as Director (Finance) with effect from 1<sup>st</sup> Dec. 2021. She holds a Bachelor's degree in Commerce from Mumbai University and is a qualified Chartered Accountant. She is a certified SAP FI Consultant. She started her career with RCF in the year 1989 as Accounts Officer. She was selected as Director (Finance) in National Film Development Corporation, a CPSE under the administrative Ministry of Information & Broadcasting and joined on 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.

### Ms Ritu Goswami, Director (Technical)

Ms Ritu Goswami has been appointed as Director (Technical) with effect from January 17, 2024.

Ms Ritu Goswami is a Chemical Engineer having more than 35 years of hands on experience in varied aspects of the fertilizer industry. She has an acumen for leadership oriented management with key areas of expertise in conceptualization of projects, project feasibility, selection of technology, project cost estimates, projects coordination, business strategies, contract management, process engineering, optimizing input costs for product manufacturing via negotiations with leading suppliers, production planning and performance monitoring of mega fertilizer plants.

She has actively represented the urea industry and taken up issues related to major raw material i.e. natural gas and policy matters with stake holders including regulatory and government bodies.

While on deputation as fertilizer expert in HURL, she lead drafting of the techno-commercial scope on LSTK basis and obtaining statutory approvals for mega fertilizer projects at Gorakhpur, Sindri and Barauni.

She has attended advanced leadership programme organised by Indian institute of Public Administration, New Delhi and International Business School, Hague

### Dr. Ajay Shanker Singh, Government Nominee Director

Dr. Ajay Shanker Singh is appointed as Government Nominee Director on the Board of the Company w.e.f. January 5, 2024.

Dr. Ajay Shanker Singh is an officer of 1994 batch of Indian Civil Accounts Service. He is an electronics and Communication Engineer, MBA, MA in economics and PhD in corporatization of govt. department to Security printing and Minting Corporation of India Ltd. (a mini-ratna PSU). He is currently working as Chief Controller of Accounts in Ministry of Information and Broadcasting with additional charge of Ministry of Chemicals and Fertilizers and Ministry of Petroleum and Natural Gas. Before this posting, he worked as Director-Finance at Board level in Punatsangchhu-I Hydroelectric Project Authority, and Mangdechhu Hydroelectric Project Authority, Bhutan.



Both mega hydro projects are executed by respective Bi-lateral Authority and fully funded by Govt. of India. Earlier, he has worked in different capacities in the Ministry of Rural Development, Ministry of Panchayati Raj, Ministry of Drinking Water and Sanitation, Ministry of Labour, Ministry of Skill Development, Ministry of Finance, Ministry of Road Transport and Highways etc. He has handled Public Financial Management which includes budgeting, payment, accounting and internal audit. Extensively dealt with DBT of schemes like MGNREGA, PMAY, PMGSY, DDUGKY, NSAP, SBM, IWMP, Skill India, EPS, Labour welfare schemes etc.

Earlier as Director, Multi-lateral Institution, Department of Economic Affairs, he handled loan portfolio of ADB and World Bank and country affairs in AfDB. He has also worked in Security Printing and Minting Corporation of India Ltd. (Currency Printer and Mint of India) and headed finance, accounts, internal audit, PPP projects and CSR as General Manager. He has also worked in NHAI where he handled financial management of Golden Quadrilateral and North South corridors.

He has co-authored a book on Blockchain Technology and written several articles on the blockchain, public financial management, Governance and counterfeit currency.

### **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 office 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.

### **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 Office for Rubber Skill Development Council approved by Skill India Project

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and clause (10)(i) of Para C of Schedule V of the Securities and Exchange Board of India (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 Corporate Identity Number (CIN) : 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 clause 10(i) of Para C of Schedule V 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 ended March 31, 2024 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. Shrinivas Chandrashekhar Mudgerikar	03498837	01.10.2019
2.	Ms Nazhat J. Shaikh	07348075	01.12.2021
3.	Ms Ritu Goswami	10463372	17.01.2024
4.	Ms Aneeta C Meshram	09781436	13.11.2022
5.	Dr. Ajay Shanker Singh	10449154	05.01.2024
6.	Mr. Gopinathan Nair Anilkumar	09447818	27.12.2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion 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**

Unique Identification No.: P1981MH04370

Peer Review Certificate No.: 611/201

**S. N. Bhandari**

**Partner**

FCS No: 761; C P No.: 366

Mumbai : August 12, 2024

ICSI UDIN: F000761F000952503

## 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'), having CIN L24110MH1978GOI020185 for the financial year ended March 31, 2024, 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 specified in chapter IV of the Listing Regulations subject to the following:

1. The Company did not have an independent woman director on its Board for the period from June 25, 2023 upto March 31, 2024, as required under Regulation 17(1)(a) of the Listing Regulations.
2. The Company did not have requisite number of Independent Directors on its Board as prescribed under Regulation 17(1)(b) of the Listing Regulations.
3. The Company did not have six directors on its Board from November 07, 2023 to January 16, 2024, as required under Regulation 17(1)(c) of the Listing Regulations.
4. The Company did not have requisite number of directors in Audit Committee for the period from November 7, 2023 to November 9, 2023 as required under Regulation 18(1)(a) of the Listing Regulations. The Company did not have requisite number of independent directors in Audit Committee for the period from November 07, 2023 upto March 31, 2024, as required under Regulation 18(1)(b) of the Listing Regulations. Further, the requisite quorum was not present in the Audit Committee meetings held on November 10, 2023 and February 13, 2024, as required under Regulation 18(2)(b) of the Listing Regulations.
5. The Company did not have requisite number of directors in Nomination and Remuneration Committee (NRC) for the period from November 07, 2023 to November 9, 2023, as required under Regulation 19(1)(a) of the Listing Regulations. The Company did not have requisite number of independent directors in Nomination and Remuneration Committee (NRC) for the period from November 07, 2023 upto March 31, 2024, as required under Regulation 19(1)(c) of the Listing Regulations. Further, the NRC did not have all the members as non-executive directors for the period from November 09, 2023 to March 31, 2024, as required under Regulation 19(1)(b) of the Listing Regulations.
6. The Company has not complied with the requirement of appointment of new independent director within a period of three months from the date of vacancy, as required under Regulation 25(6) of the Listing Regulations. The vacancy was arised due to resignation of an independent director with effect from November 07, 2023 which has not yet been fulfilled by the Company

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 Comp

**For Bhandari & Associates**  
**Company Secretaries**

Unique Identification No.: P1981MH04370

Peer Review Certificate No.: 611/201

**S. N. Bhandari**

**Partner**

FCS No: 761; C P No. : 366

Mumbai : August 12, 2024

ICSI UDIN: F000761F000952525

# 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, 2024, 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, 2024 and notes to the financial statements, including a summary of material 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, 2024 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. 46 – 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. 48 – Gas pooling applicable to Fertilizer (Urea) sector:**

The Company has recognized a receivable of Rs.0.73 crores for the Year ended March 2024 and Rs. 80.57 crore cumulatively till March 2024 from Department of Fertilizers on account of pooled price differential 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. 50 - Subsidy of Sulphur Coated Urea**

The Company has undertaken production of Sulphur Coated Urea of 3791.72 MT for commercial purpose. Government of India has notified the Maximum Retail Price (MRP) which is on similar lines as that of Neem Coated Urea, however as the subsidy rates are yet to be notified, Company has estimated the subsidy income amounting to Rs. 10.81 crore based on the proportionate Nitrogen content of notified subsidy rates of Neem Coated Urea. The Company has approached DOF for notifying the subsidy of Sulphur Coated Urea.

d) **Note No. 51 - Revised NBS Subsidy rates by Government:**

Government of India announced reduction in rates of Nutrient Based Subsidy (NBS) which has adversely impacted profitability of imported NPK Fertilizers, to ensure availability of Phosphatic and Potassic (P&K) fertilizers in Rabi 2023-24 and undertake such procurement on priority. The price adversity if any beyond applicable NBS rates will be addressed by DOF to protect at no profit no loss basis

Accordingly, the Company has undertaken import of DAP and NPK Fertilizers during the period October to March 2024 and has recognized compensation towards such differential which is over and above the notified NBS rates based on its estimates amounting

## INDEPENDENT AUDITOR'S REPORT

to Rs. 207.23 crore for the period, in line with DOF's assurance.

**e) Note No. 66 – Exceptional Item:**

The Company has sold 16,530 sq meters of Transferable Development Rights (TDR) during the quarter ended 30th June, 2023 and realized a gain of Rs 25.28 Crores.

The Company has done fair valuation of TDR and recognized a gain of Rs. 15.04 crores as at 31<sup>st</sup> March, 2024.

These items has been 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
<p>1. <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 Rs. 409.39 Crore refundable to FICC/DOF (PY Rs. 114.53 Crore refundable).</p> <p>Such adjustments have been done for escalations/de-escalations in the cost of inputs and other costs, as estimated by the management based on the prescribed norms in line with known policy parameters.</p> <p>MRP of Urea being fixed by Government of India, the Company is entitled for subsidy wherein certain inputs costs are a pass through and compensation for production beyond a level of production known as Reassessed capacity is restricted to lower of Import Parity Price (IPP) of Urea plus other incidental charges which the government incurs on imported Urea, or its own concession price, as determined under extant policies for Urea. Further subsidy income is net of adjustments of recoveries towards sale/transfer for surplus ammonia or non-conversion of entire ammonia into Urea.</p> <p>Since there is a time lag between actual expenditure incurred and notification of concession rates for the year, Management exercises significant judgement in arriving at the income entitlement on account of same for the year.</p>	<p><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 Material Accounting policies (III) B) 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, judgments the management made in relation to the notifications policies ,subsequent evidence etc. as applicable. Testing reasonability of assumptions based on past trends, consistency in application and changes in the same owing to change in Government policies.</p>	

## INDEPENDENT AUDITOR'S REPORT

Sr. No.	Key Audit matter	Response to Key Audit Matter
	<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.</p> <p>As at the year ended 31 March 2024, 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>

## INDEPENDENT AUDITOR'S REPORT

### 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



## INDEPENDENT AUDITOR'S REPORT

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.

### Other Matter

- a) The Standalone financial Results of the Corporation for the year ended March 31, 2023 were audited by M M Nissim & Co. LLP and Gokhale & Sathe (Joint Auditors) whose report dated May 30, 2023, expressed an unmodified opinion on those standalone financial results.

### 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 42.1.3 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.

## INDEPENDENT AUDITOR'S REPORT

- 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 42** 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; an
- 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) Based on our examination which included test checks, the Company has used an SAP HANA software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of audit we did not come across any instance of audit trail feature being tampered with. [Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.]

**For K. Gopal Rao & Co**  
Chartered Accountants  
FRN : 000956S

**Gopal Krishna Raju**  
Partner  
M. No.: 205929  
UDIN: 24205929BKGVLH7548

Place: Mumbai  
Date: 17<sup>th</sup> May, 2024

**For Parakh & Co.**  
Chartered Accountants  
FRN : 001475C

**Shalabh Jain**  
Partner  
M. No.: 441015  
UDIN: 24441015BKCYF5767

## 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, 2024.)

### 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 31,2024 (Rs. Crore)	Held in Name of	Whether promoter, director or their relative or employee	Period held	Remarks
1	2	Free Hold Land –Thal (1,824,903 Sq. Mtr. of land)	1.60	Government of India (incl. Central Railways) and private land owners	NO	46 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	46 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	40 Years	The Company is in the process of obtaining evidence of title / permissions / approvals.

- (d) The Company has not revalued any of its property, Plant and Equipment (including of right- of-use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at 31st March 2024 for holding any benami property under the Benami Transaction (Prohibition) Act, 1988, as amended and rules made thereunder.
- (ii) (a) The physical verification of inventory (excluding stocks outside the factory premises) has been conducted at reasonable intervals by the Management with the help of independent

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

outside agency (Internal auditors and technical consultants) during the year and, in our opinion, the coverage and procedures of such verification by Management is appropriate.

In respect of inventory lying outside the factory premises are taken as per warehousing certificates for material stored in godowns and third-party confirmations where material is lying with third party (job-worker, agents etc.) respectively.

In respect of inventories of stores and spares, the management conducts physical verification with help of an independent outside agency in a phased program so as to complete the verification of all items over a period

The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

- (b) The Company has been sanctioned working capital limits in excess of Rs.5 crores, in aggregate, at any point of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns (FFR -I and QRR-I) and other stipulated financial information filed by the Company with such banks are in agreement with the unaudited books of account of the Company for the first three quarters and with the audited books of account in respect of fourth quarter ending 31st March 2024 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 or any other parties during the year.
- (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee or provided security to any other

entity during the year and hence reporting under clauses (iii)(a), (c), (d), (e) and (f) of the order are not applicable.

- (b) In our opinion, the investments 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.
- (b) According to the information and explanation given to us and the records examined by us, there are no material dues of Income tax, Sales tax, Service tax, Duty of customs, Duty of excise, Value added tax outstanding on account of any dispute, except for the following:

Sr. No.	Name of the Statute	Nature of dues	Amount (Rs. in Crore)	Period to which the amount relates	Forum where dispute is pending
1	Customs Act, 1962	Demand of Differential Customs Duty on import of Urea, MOP & DAP (Marketing)	80.77	FY 2009-10	Assistant Commissioner of Customs, Dharamtar, Alibaug
2	Customs Act, 1962	Demand of Differential customs duty on import of Potash (Marketing)	0.16	FY 2012-13	Commissioner of Customs, Mangalore
3	Income Tax Act, 1961	Levy of penalty on additions in income	0.97	AY 2013-14	Commissioner of Income Tax (Appeals)

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

Sr. No.	Name of the Statute	Nature of dues	Amount (Rs. in Crore)	Period to which the amount relates	Forum where dispute is pending
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	Erroneous/Incorrect adjustments resulting in demand	9.04	AY 2017-18	Commissioner of Income Tax (Appeals)
6	Income Tax Act, 1961	Disallowance and incorrect adjustments	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 Office
8	Income Tax Act, 1961	Erroneous/Incorrect adjustments resulting in demand	6.16	AY 2018-19	Commissioner of Income Tax (Appeals)
9	Income Tax Act, 1961	Erroneous/Incorrect adjustments	2.14	AY 2021-22	Commissioner of Income Tax (Appeals)
			2.67	FY 1996-2001	Supreme Court
			3.54	Period from March 2005 to October 2005	Mumbai High Court
10	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)	18.61	Period from November 1996 to February 2005 (Interest)	Supreme Court
			17.89	Period from July 2007 to August 2009	Commissioner of Central Excise and Service Tax, Mumbai
		Demand of excise duty on account of Diversion of Urea for industrial usages (Thal Unit)	8.93	FY 2010-14	Central Excise and Service Tax Appellate Tribunal, Ahmedabad
		Availment of Service Tax Cenvat Credit on Common Input Services (Thal Unit)	19.32	FY 2011-2017	Central Excise and Service Tax Appellate Tribunal, Mumbai
		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)
11	Central Excise Act, 1944	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

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

Sr. No.	Name of the Statute	Nature of dues	Amount (Rs. in Crore)	Period to which the amount relates	Forum where dispute is pending
12	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
13	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
14	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
15	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
16	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
17	Service Tax	Demand of Service Tax on Dispatch Money (Mktg. Dept.)	0.02	FY 2016-2017	Asst. Commissioner of CGST & C.X. Division-1, Mumbai
18	Service Tax	Demand of Service Tax on LD (Corporate Dept.)	0.78	FY 2012-2015	Central Excise & Service Appellate Tribunal, Mumbai
19	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
20	Service Tax	Demand of Service Tax on Handling Charges	0.01	Period from April 2006 to March 2008	Superintendent Service Tax, Aurangabad
21	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
22	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
23	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
24	Service Tax	Demand on Dispatch Money (Corporate Unit)	0.54	Period from September 2012 to March 2015	Asst. Commissioner of Central Excise & Service Tax
25	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

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

Sr. No.	Name of the Statute	Nature of dues	Amount (Rs. in Crore)	Period to which the amount relates	Forum where dispute is pending
26	Service Tax	Demand on LD(Trombay Unit)	3.60	September 2012 to March 2015	Customs Excise & Service Tax Appellate Tribunal, Mumbai
27	Service Tax	Demand on Despatch Money (Trombay Unit)	2.92	September 2012 to March 2015	Customs Excise & Service Tax Appellate Tribunal, Mumbai
28	Service Tax	Service Tax on CS Deputation Manpower	0.10	2008-2014	Asst. Commissioner of Central Excise & Service Tax
29	GST	Demand of GST for availment of ITC	0.07	2017-2020	Asst. Commissioner of State Tax(Andhra Pradesh)
30	GST	Demand of GST for availment of ITC	1.24	2018-19	Asst. Commissioner of State Tax(Bengaluru)

- (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.

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

- (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 K. Gopal Rao & Co**  
Chartered Accountants  
FRN : 000956S

**Gopal Krishna Raju**  
Partner  
M. No.: 205929  
UDIN: 24205929BKGVLH7548

Place: Mumbai  
Date: 17<sup>th</sup> May, 2024

**For Parakh & Co.**  
Chartered Accountants  
FRN : 001475C

**Shalabh Jain**  
Partner  
M. No.: 441015  
UDIN: 24441015BKCZYF5767



## 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, 2024.)

**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.

## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

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 than cost, subsidy

being a component of revenue is included while arriving at the net realizable value.

While arriving at the net realizable for valuation of stock, the lowest selling prices and the applicable subsidy realizable on such stocks is considered. Accordingly, such revisions are factored while arriving at the Net realization of fertilizer stocks.

In case of Urea, the realizations of Urea are different as per extant policies for production upto reassessed capacity (RAC) and beyond reassessed capacity (BRAC). While the realization from the market is constant, the applicable rate of subsidy differs for stock quantities which are from production upto RAC and for production beyond RAC. Further, such realizations are adjusted for escalations/de-escalations in cost of inputs on estimated basis in accordance with known policy parameters.

In respect of P&K fertilizers, Government of India periodically notifies subsidy rates under Nutrient Based Subsidy scheme from time to time to ensure that such fertilizers are made available to farmers at affordable prices

As on 31st March 2024, closing stock of fertilizers are valued as under:-

Product	Quantity (in MT) (A)	Cost Per MT (B)	NRV Per MT (C)	Rate of subsidy per MT considered in NRV (D)	Stock valuation Rate	Total Closing Stock Valuation (A) * (E)
					(B) or (C) whichever is lower (E)	Rs. Crore (F)
Trom Urea- RAC- SILO	2,816.13	41,668.48	39,688.21	34,758.26	39,688.21	11.18
Trom Urea- RAC- Bagged in factory	202.67	42,526.20	40,543.69	35,607.00	40,543.69	0.82
Trom Urea- RAC- Marketing godowns	890.06	44,548.26	42,414.10	37,477.41	42,414.10	3.78
Thal Urea- BRAC- SILO	9,557.54	35,464.64	30,666.48	26,261.30	30,666.48	29.31
Thal Urea- BRAC- Bagged in factory	273.51	36,313.17	31,533.02	26,603.87	31,533.02	0.86
Thal Urea- RAC- Marketing godowns	26,657.38	38,467.43	39,877.81	34,585.15	38,467.43	102.54
Thal Urea - BRAC Marketing godowns	1,959.56	38,467.43	33,569.33	28,277.33	33,569.33	6.58
Suphala - SILO	8,274.78	36,445.56	37,915.16	11,056.47	36,445.56	30.16
Suphala - Bagged	596.06	37,125.86	38,576.68	11,718.00	37,125.86	2.21
Suphala - Bagged Marketing godowns	53,428.00	39,649.25	40,512.16	13,681.48	39,649.25	211.84
Sulphur coated Urea - Silo	231.94	41,668.48	33,589.89	27,598.89	33,589.89	0.78

## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

Product	Quantity (in MT) (A)	Cost Per MT (B)	NRV Per MT (C)	Rate of subsidy per MT considered in NRV (D)	Stock valuation Rate	Total Closing Stock Valuation (A) * (E)
					(B) or (C) whichever is lower (E)	Rs. Crore (F)
Sulphur coated Urea - Bagged	211.22	42,526.20	34,476.60	28,485.60	34,476.60	0.73
Sulphur coated Urea - MKTG	60.40	44,548.26	34,912.60	28,921.60	34,912.60	0.21
DAP-Bulk	50,284.15	55,235.56	55,235.56*	21,676.00	55,235.56	277.75
DAP-Bulk-in transit	84,488.30	49,466.83	49,466.83*	21,676.00	49,466.83	417.94
DAP-Marketing Godowns (Good)	15,172.95	57,478.95	57,478.95*	21,676.00	57,478.95	87.21
DAP-Marketing Godowns-(Substandard)	8.00	57,478.95	7,714.20	15,395.00	7,714.20	0.01
20.20.0.13-Bulk	50,453.33	33,933.93	36,423.94	15,395.00	33,933.93	171.21
20.20.0.13-Marketing Godowns	3,176.95	36,486.61	38,848.84	12,788.00	36,486.61	11.59
10.26.26-Bulk	189.65	42,964.05	42,964.05*	12,788.00	42,964.05	0.81
10.26.26-Marketing Godowns (Good)	131.40	45,609.69	45,609.69*	12,788.00	45,609.69	0.60
10.26.26-Marketing Godowns-(Sub Standard)	23.15	45,609.69	8,400.00	12,788.00	8,400.00	0.02

As the 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 prices of NPK nutrients, Government of India, accordingly, notified revised rates of subsidy as applicable from 1st April 2024, under Nutrient Based Subsidy scheme for P&K fertilizers on 1<sup>st</sup> March 2024 and the same has been considered for arriving at Net realizable value for Inventory valuation.

\*The valuation of closing stock of DAP and NPK fertilizers is based on either cost or NRV, whichever is lower, using revised rates effective from April 1, 2024. However in respect of Imported DAP and Imported NPK 10:26:26, an estimated differential compensation receivable from DOF has been added to cost as such imports were undertaken in line with directive from DOF to ensure availability of P&K fertilizers during the Rabi 2023-24 at no profit no loss. Thus such inventory is valued at cost.

## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

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

Sr. No.	Para	Compliance/ Action Taken
1	While claiming subsidy for Urea, the cost of water used from STP was overlooked & only the average rate of BMC water was considered in subsidy calculation by RCF, remedial measures may be taken to use appropriate rates	Subsidy calculation as estimated by the Company is in line with extant policy parameters, which is also in accordance with the previous claims settled by DoF.  Thus, Company’s accounting treatment is in order and no remedial measure is required.
2	RCF needs to disclose the accounting policy adopted for the accounting of Energy Savings Certificates (i) issued by Ministry Power and kept as inventory and (ii) purchased through Power Exchange platform and booked as an expense during the year	The Company has complied with the audit observation with appropriate accounting policy disclosures.

**For K. Gopal Rao & Co**  
Chartered Accountants  
FRN : 000956S

**Gopal Krishna Raju**  
Partner  
M. No.: 205929  
UDIN: 24205929BKGVLH7548

Place: Mumbai  
Date: 17<sup>th</sup> May, 2024

**For Parakh & Co.**  
Chartered Accountants  
FRN : 001475C

**Shalabh Jain**  
Partner  
M. No.: 441015  
UDIN: 24441015BKCYF5767

## 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, 2024.) Report On The Internal Financial Controls Under Clause (I) Of Sub-Section 3 Of Section 143 Of The Companies Act, 2013 (“The Act”)

### Report On The Internal Financial Controls Under Clause (I) Of Sub-Section 3 Of Section 143 Of The Companies Act, 2013 (“The Act”)

We have audited the internal financial controls with reference to the Standalone Ind AS Financial Statements of **RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED** (“the Company”) as of March 31, 2024 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

## ANNEXURE “C” TO THE INDEPENDENT AUDITOR’S REPORT

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, 2024, 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 K. Gopal Rao & Co**  
Chartered Accountants  
FRN : 000956S

**Gopal Krishna Raju**  
Partner  
M. No.: 205929  
UDIN: 24205929BKGVLH7548

Place: Mumbai  
Date: 17<sup>th</sup> June 2024

**For Parakh & Co.**  
Chartered Accountants  
FRN : 001475C

**Shalabh Jain**  
Partner  
M. No.: 441015  
UDIN: 24441015BKCYF5767

## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF RASHTRIYA CHEMICALS & FERTILIZERS LIMITED FOR THE YEAR ENDED 31 MARCH 2024

The preparation of the Standalone financial statements of **Rashtriya Chemicals & Fertilizers Limited** for the year ended 31 March 2024 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act), is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is 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 17 May, 2024.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the Standalone financial statements of **Rashtriya Chemicals & Fertilizers Limited** for the year ended 31 March, 2024 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.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comments upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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

Place: New Delhi  
Date:04.09.2024

**(Sandeep Lall)**  
Director General of Audit, Central Expenditure  
(Agriculture, Food & Water Resources)

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2024

₹ Crore

Particulars	Note No.	As at 31.03.2024	As at 31.03.2023
<b>ASSETS</b>			
<b>1. NON CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	1	2540.38	2522.18
(b) Capital Work in Progress	1.4	431.25	211.48
(c) Right of Use Assets	2	12.14	15.02
(d) Investment Property	3	5.37	4.99
(e) Intangible Assets	4	0.03	0.43
(f) Financial Assets			
(i) Investments	5	1002.17	1002.39
(ii) Trade Receivables	6	-	-
(iii) Loans	7	-	5.10
(iv) Others	8	-	-
(g) Other Non-Current Assets	9	418.45	304.62
		<b>4409.79</b>	<b>4066.21</b>
<b>2. CURRENT ASSETS</b>			
(a) Inventories	10	2582.24	2585.41
(b) Financial Assets			
(i) Trade Receivables	11	3549.67	2608.82
(ii) Cash and Cash Equivalents	12	156.49	11.30
(iii) Bank Balances other than (ii) above	13	196.45	53.23
(iv) Loans	14	5.11	5.13
(v) Others	15	266.40	147.18
(c) Other Current Assets	16	300.23	235.54
		<b>7056.59</b>	<b>5646.61</b>
<b>TOTAL ASSETS</b>		<b>11466.38</b>	<b>9712.82</b>
<b>EQUITY AND LIABILITIES</b>			
<b>A. EQUITY</b>			
(a) Equity Share Capital	17	551.69	551.69
(b) Other Equity	18	4064.71	4046.63
		<b>4616.40</b>	<b>4598.32</b>
<b>B. LIABILITIES</b>			
<b>1. NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	19	940.39	1034.98
(ii) Lease Liabilities	20	8.05	9.25
(iii) Other Financial Liabilities	21	42.77	33.98
(b) Provisions	22	209.24	191.08
(c) Deferred Tax Liabilities(Net)	23	305.73	236.90
(d) Other Non-Current Liabilities	24	23.73	27.78
		<b>1529.91</b>	<b>1533.97</b>



**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2024**

₹ Crore

Particulars	Note No.	As at 31.03.2024	As at 31.03.2023
<b>2. CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	25	2342.86	827.67
(ii) Lease Liabilities	26	5.34	4.71
(iii) Trade Payables	27		
(A) Total Outstanding Dues of Micro Enterprises and Small Enterprises.		55.46	57.13
(B) Total Outstanding Dues of Creditors Other than Micro Enterprises and Small Enterprises.		1880.13	1954.16
(iv) Other Financial Liabilities	28	616.85	446.05
(b) Other Current Liabilities	24	264.50	119.09
(c) Provisions	29	154.93	171.72
		<b>5320.07</b>	<b>3580.53</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>11466.38</b>	<b>9712.82</b>
<b>CONTROL</b>			
Statement of Material 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

(Nazhat Shaikh)  
Director (Finance)  
DIN : 07348075

(J. B. Sharma)  
Company Secretary  
Membership No: FCS5030  
Dated : 17<sup>th</sup> May, 2024.  
Place: Mumbai

As per our report of even date attached

For K. GOPAL RAO & CO.  
Chartered Accountants  
Firm Regn. No. 000956S

(Gopal Krishna Raju)  
Partner  
Membership No: 205929

Dated : 17<sup>th</sup> May, 2024.  
Place: Mumbai

For PARAKH & CO.  
Chartered Accountants  
Firm Regn. No. 001475C

(Shalabh Jain)  
Partner  
Membership No: 441015

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

₹ Crore

Particulars	Note No.	Year ended 31.03.2024	Year ended 31.03.2023
I. Revenue from Operations	30	16981.31	21451.54
II. Other Income	31	165.43	143.30
III. Total Income (I+II)		<b>17146.74</b>	<b>21594.84</b>
IV. Expenses:			
Cost of Materials Consumed	32	6348.50	8839.60
Purchases of Stock in Trade	33	4311.12	3047.43
Changes in Inventories of Finished Goods and Stock in Trade	34	(526.44)	252.96
Employee Benefits Expend	35	542.78	692.37
Finance Costs	36	183.64	223.86
Depreciation and Amortization Expense / Impairment	37	233.10	212.12
Other Expenses	38	5790.73	7145.99
Total Expenses		<b>16883.43</b>	<b>20414.33</b>
V. Profit Before Exceptional Items (III-IV)		<b>263.31</b>	<b>1180.51</b>
VI. Exceptional Items	39	(40.32)	(93.47)
VII. Profit Before Tax (V-VI)		<b>303.63</b>	<b>1273.98</b>
VIII. Tax Expense	68		
(1) Current Tax		38.78	327.33
(2) Deferred Tax		63.18	21.53
(3) Taxation Adjustment of Earlier Years Excess(-)/Short(+)		(26.07)	(42.03)
IX. Profit / (loss) for the year (VII-VIII)		<b>227.74</b>	<b>967.15</b>
X. Other Comprehensive Income	40		
(i) Items that will not be reclassified to profit or loss			
Remeasurements of Defined Benefit Plan		(24.45)	(39.32)
Fair Value Equity Instruments		22.48	5.19
(ii) Income tax relating to items that will not be reclassified to profit or loss			
Income Tax on Remeasurement of Defined Benefit Plans		2.08	3.56
Deferred Tax on Fair Value Equity Instruments		(5.65)	(1.30)
Other Comprehensive Income for the Year (X)		<b>(5.54)</b>	<b>(31.87)</b>
XI. Total Comprehensive Income for the Year (IX+X)		<b>222.20</b>	<b>935.28</b>
XII. Earnings Per Equity Share	59		
(i) Basic Earnings Per Share (₹)		4.13	17.53
(ii) Diluted Earnings Per Share (₹)		4.13	17.53
Statement of Material 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

(Nazhat Shaikh)  
Director (Finance)  
DIN : 07348075

(J. B. Sharma)  
Company Secretary  
Membership No: FCS5030  
Dated : 17<sup>th</sup> May, 2024.  
Place: Mumbai

As per our report of even date attached

For K. GOPAL RAO & CO.  
Chartered Accountants  
Firm Regn. No. 000956S

(Gopal Krishna Raju)  
Partner  
Membership No: 205929

Dated : 17<sup>th</sup> May, 2024.  
Place: Mumbai

For PARAKH & CO.  
Chartered Accountants  
Firm Regn. No. 001475C

(Shalabh Jain)  
Partner  
Membership No: 441015

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### A. EQUITY SHARE CAPITAL

₹ Crore

Balance as at 01.04.2023	Changes in equity share capital during the year	Balance as at 31.03.2024	Balance as at 01.04.2022	Changes in equity share capital during the year	Balance as at 31.03.2023
551.69	-	551.69	551.69	-	551.69

### B. OTHER EQUITY

FOR THE YEAR ENDED 31ST MARCH 2024

₹ Crore

	Reserves and Surplus		Items of Other Comprehensive Income	Total
	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	
Balance as at 01.04.2023	3973.86	-	72.77	4046.63
Profit for the year	-	227.74	-	227.74
Other Comprehensive Income (Net of Tax)	-	(22.37)	16.83	(5.54)
<b>Total Comprehensive Income for the year</b>	-	<b>205.37</b>	<b>16.83</b>	<b>222.20</b>
Dividend paid Refer note no. 18A	-	(204.12)	-	(204.12)
Transfer to General Reserve	1.25	(1.25)	-	-
<b>Balance as at 31.03.2024*</b>	<b>3975.11</b>	-	<b>89.60</b>	<b>4064.71</b>

FOR THE YEAR ENDED 31ST MARCH 2023

₹ Crore

	Reserves and Surplus		Items of Other Comprehensive Income	Total
	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	
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. 18A"	-	(226.19)	-	(226.19)
Transfer from General Reserve	705.20	(705.20)	-	-
<b>Balance as at 31.03.2023*</b>	<b>3973.86</b>	-	<b>72.77</b>	<b>4046.63</b>

\* The closing balance in General Reserve is arrived after adjustment of Remeasurement of Defined Benefit Plans amounting to ₹ 22.37 crore (P.Y. ₹ 35.76 crore) during the year net of current tax amounting to ₹ 2.08 crore (P.Y. ₹ 3.56 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

(Nazhat Shaikh)  
Director (Finance)  
DIN : 07348075

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

Dated : 17<sup>th</sup> May, 2024.  
Place: Mumbai

As per our report of even date attached

For K. GOPAL RAO & CO.  
Chartered Accountants  
Firm Regn. No. 000956S

(Gopal Krishna Raju)  
Partner  
Membership No: 205929

Dated : 17<sup>th</sup> May, 2024.  
Place: Mumbai

For PARAKH & CO.  
Chartered Accountants  
Firm Regn. No. 001475C

(Shalabh Jain)  
Partner  
Membership No: 441015

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

₹ Crore

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
<b>A Cash Flow From Operating Activities</b>		
Net Profit Before Tax	303.63	1273.98
Adjustments for :		
Exceptional Items - (Income)/ Expenses	(40.32)	(93.47)
Depreciation/Amortisation/Loss on Impairment of Assets	233.93	212.44
(Profit) / Loss on Sale of Property, Plant and Equipment / Intangible Assets	1.38	0.50
Interest Income	(43.04)	(10.28)
Dividend Income	(0.47)	(0.40)
Rental Income Derived from Investment Properties	(38.35)	(32.21)
(Gain) / Loss on Sale of Current Investments	(9.64)	(1.63)
Interest and Finance Charges	183.64	223.86
Provision for Bad/Doubtful Debts	2.40	1.49
Provision for Obsolescence Stores	0.52	1.97
Provision Written Back	(10.41)	(0.56)
Unrealised Foreign Exchange (Gain) /Loss	3.32	13.91
	<b>282.96</b>	<b>315.62</b>
Operating Profit Before Working Capital Change	<b>586.59</b>	<b>1589.60</b>
Adjustments for :		
Trade Receivables and Other Assets	(1147.43)	181.67
Inventories	10.87	(259.55)
Trade Payables and Other Liabilities	197.70	(346.97)
	(938.86)	(424.85)
Cash Generated / (Used) from Operations	(352.27)	1164.75
Direct Taxes Paid (Net of Refunds)	(70.00)	(377.74)
<b>Net Cash Generated / (Used) from Operating Activities ----- A</b>	<b>(422.27)</b>	<b>787.01</b>
<b>B Cash Flow from Investing Activities</b>		
Additions to Property, Plant and Equipment / Intangible Assets (Net of Trade Credit)	(482.34)	(384.64)
Sale of Property, Plant and Equipment / Intangible Assets	1.42	0.11
Purchase of Current Investments	(5285.74)	(4444.73)
Sale of Current Investments	5295.38	4454.40
Sale of Transferable Development Rights	63.02	-
Inter Corporate Advances / Repayments	5.10	5.10
Interest Received	42.80	10.44
Dividend Received	0.47	0.40
Rental Income Derived from Investment Properties	38.35	32.21
Margin Money Deposits Matured / (Placed) with Banks	(142.91)	11.18
	<b>(464.45)</b>	<b>(315.53)</b>
<b>Net Cash Generated / (Used) from Investing Activities ----- B</b>	<b>(464.45)</b>	<b>(315.53)</b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

₹ Crore

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
<b>C Cash Flow from Financing Activities</b>		
Net Proceeds /Repayment of Working Capital Facilities and Short Term Loans	1159.92	(876.91)
Proceeds from Term loans / Non Convertible Debentures	444.38	-
Repayments of Term loans	(183.70)	(228.66)
Interest Paid	(178.35)	(222.81)
Dividend Paid	(203.81)	(226.31)
Repayment of Lease liabilities	(6.53)	(5.22)
	<b>1031.91</b>	<b>(1559.91)</b>
<b>Net Cash Generated / (Used) from Financing Activities ----- C</b>	<b>1031.91</b>	<b>(1559.91)</b>
Net Increase/Decrease(-) in Cash and Cash Equivalent (A+B+C)	145.19	(1088.43)
Cash and Cash Equivalents as at 1st April (Opening Balance)	11.30	1099.73
Cash and Cash Equivalents as at 31st March (Closing Balance)	156.49	11.30
<b>Components of Cash and Cash Equivalents</b>		
Cash on Hand	-	-
Balance With Scheduled Banks		
in Current Accounts	156.49	11.30
in Term Deposits with Less Than 3 Months Maturity	-	-
	<b>156.49</b>	<b>11.30</b>

**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. 74 for movement in financial liability.
- Refer note no. 67 for amount spent during the years ended March 31, 2024 and 2023 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**(Nazhat Shaikh)**Director (Finance)  
DIN : 07348075**(J. B. Sharma)**Company Secretary  
Membership No: FCS5030Dated : 17<sup>th</sup> May, 2024.  
Place: Mumbai

As per our report of even date attached

**For K. GOPAL RAO & CO.**Chartered Accountants  
Firm Regn. No. 000956S**(Gopal Krishna Raju)**Partner  
Membership No: 205929Dated : 17<sup>th</sup> May, 2024.  
Place: Mumbai**For PARAKH & CO.**Chartered Accountants  
Firm Regn. No. 001475C**(Shalabh Jain)**Partner  
Membership No: 441015

## A. STATEMENT OF MATERIAL ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### 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 17<sup>th</sup>, 2024

### 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 Material accounting policies at item no "M")
  - Certain provisions recognized using actuarial valuation techniques. (Refer to Material accounting policies at item no "P")
  - 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 Other Significant policies at item no "H")
  - Transferable Development Rights (TDRs) received upon surrender of rights on open land which are measured at fair value. (Refer to Material accounting policies at item no "M")
- 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 asset

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

## A. STATEMENT OF MATERIAL ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

assumptions used to determine the recoverable amount for the different Cash Generating Units (CGUs), including a sensitivity analysis, are disclosed separately.

### 1.2.2 Taxes

The Company's tax jurisdiction is in India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

### 1.2.3 Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of government bonds in India.

The mortality rate is based on publicly available mortality tables as defined by LIC. Future salary increases is based on Company's assessment based on past trends.

### 1.2.4 Subsidy Income

As per extant policies covering subsidy of Urea, major inputs like cost of energy, water etc. are a pass through in the same. Since the notified rates of subsidy of urea incorporating actual revision takes time, recognition of subsidy is generally made on the basis of in principle recognition/approval /settlement of claims from Government of India/Fertilizer Industry Co-ordination Committee while finalising the financial statements. As per management estimates, there is reasonable certainty based on Government of India policies and past experience that claims will be notified in due course.

### 1.2.5 Provisions for Obsolescence

Provisions towards obsolete/surplus inventory are recognized as per management estimates under the assumption that they may fetch 5% of their book value upon disposal.

### 1.2.6 Fair value measurements of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Changes in assumptions could affect the reported value of fair value of financial instruments

### 1.2.7 Application of Discount rates

Estimates of rates of discounting are done for measurement of fair values of certain financial assets and liabilities, which are based on prevalent bank interest rates and the same are subject to change.

### 1.2.8 Estimates of Useful lives of Assets/Components

Company has identified significant components of plant and machinery and provides for depreciation over their useful lives as per its technical assessment.

## A. STATEMENT OF MATERIAL ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### 1.2.9 Operating Lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement, is or contains a lease is fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly not specified in an arrangement

Lease arrangements in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases

The company has applied Ind AS 116 –Leases for ascertainment of the same.

### 1.2.10 Interest Income from Department of Fertilizer towards import of Urea

Interest income includes interest as estimated by the Company towards delayed settlement of dues by Government of India, as per terms of MoU entered for carrying out import of Urea on behalf of Government of India.

## III) Material accounting policies

### A) 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



## A. STATEMENT OF MATERIAL ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

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.

### B) 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 good

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.

#### 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.

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.

### C) 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.

## A. STATEMENT OF MATERIAL ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

Current tax items are recognized in correlation to the underlying transaction either in Other Comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### b. Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profits will be available against which the temporary differences can be utilized

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting period.

### c. Current Tax and Deferred Tax

Current and Deferred tax are recognized in Statement of Profit and loss, except when they relate to items that are recognized in Other Comprehensive Income (OCI) or directly in equity, in which case, the current and deferred tax are also recognized in OCI or directly in equity respectively.

- d. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## D) 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.

## A. STATEMENT OF MATERIAL ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

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 up to 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.

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 Equipmen	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.

## A. STATEMENT OF MATERIAL ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

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.

### E) Investment Properties

Investment properties are properties that are held to earn rentals and /or for capital appreciation (including property under construction for such purposes) and not occupied by the Company for its own use.

Investment properties are measured initially at cost, including transaction costs cost and net of recoverable taxes. The cost includes the cost of replacing parts and borrowing costs if recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Depreciation on Investment property, wherever applicable, is provided on straight line basis as per useful lives prescribed in Schedule II to Companies Act 2013.

Investment properties are derecognised either when they have been disposed off or when they are being occupied by the Company for its own use or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition

### F) 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

## A. STATEMENT OF MATERIAL ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### G) 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

### H) 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.

### I) 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 identifiable 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.

## A. STATEMENT OF MATERIAL ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

The Company at the inception of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets.

### Right of use assets

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

The Right to use assets are also subject to impairment as described in the policies with respect to the impairment of non-financial assets.

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in the statement of Profit and loss

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

Lease payments are classified in the Cash flow statement as cash flows relating to financing activities

## J) 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 (REC) and Energy Savings Certificates (E-certs) are valued at lower of cost and net realizable value

Energy Savings Certificates (E-certs) purchased to meet the Renewable Purchase Obligation (RPO) through Power Exchanges are expensed out during the year.

### 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.

## A. STATEMENT OF MATERIAL ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

Cost of raw materials, petroleum products, packing materials, stores and spares, and loose tools is determined on weighted average cost basis.

Provision is made in respect of raw materials, packing materials, stores and spares and petroleum products, wherever appropriate, based on technical estimates, to reflect the impact of obsolescence, damage or other diminution in value.

### d. Measurement of Cost / Realizable Value

#### Cost of Purchases

Cost of purchase includes duties, taxes (net of those recoverable) freight and other expenses net of trade discounts, rebates and price adjustments.

#### Cost of Manufactured goods

Cost of Manufactured Goods comprises of direct cost, variable production overheads and fixed production overheads on absorption costing method. Catalysts issued are charged off over their estimated useful lives as technically assessed ranging from 1 to 9 years. Variable production overheads are allocated based on actual production. Variable overheads related to movement of finished products are allocated based on actual dispatches. Fixed overheads are allocated based on higher of the actual production level or normal production level on a consistent basis. Average handling and transportation costs incurred to bring the material in its present location and condition is included in valuing stocks in field warehouses and in transit.

#### Cost of Traded Fertilizers

It comprises of Cost of Purchases as defined under para (j) (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.

### K) 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

## A. STATEMENT OF MATERIAL ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### L) 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.

### M) 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 specific 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



## A. STATEMENT OF MATERIAL ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

instruments, the Company may decide to classify the same as at FVTOCI. The Company makes such election on an instrument-by-instrument basis upon on initial recognition and same is irrevocable.

Upon classification of equity instruments as at FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investments. The Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit or loss

Investments in Joint ventures, subsidiaries and associates are recognized at cost.

### iv. Derivative Financial Instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest and foreign exchange rate risks, like foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognized at fair value on the date the derivative contracts are entered into and are subsequently re-measured to their fair value (Mark to Market) at the end of each reporting period. The resulting gain or loss is recognized in the Statement of profit and loss. Company does not designate any of its derivative instruments as hedge instruments. Derivatives are carried as financial assets when fair value is positive and as financial liabilities when the fair value is negative.

Transaction costs incurred for such derivative instruments are charged off to Statement of Profit and Loss on initial recognition

### Derecognition

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### Impairment of Financial Assets

In accordance with Ind AS109 – Financial Instruments, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- i. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- ii. Lease receivables
- iii. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 – Revenue From Contracts with Customers.

## A. STATEMENT OF MATERIAL ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

iv. Financial guarantee contracts which are not measured as at FVTPL

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls) discounted at the original effective interest rate

While estimating cash flows, Company considers all contractual terms of financial instrument over the expected life of the financial instrument including cash flows from the sale of collateral held that are integral to contractual terms.

In case of Trade receivables, the Company has used a practical expedient as permitted under Ind 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:-

## A. STATEMENT OF MATERIAL ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### i. Loans and Borrowings Including Bank Overdrafts

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss

This category generally applies to interest-bearing loans and borrowings.

### ii. Financial Guarantee Contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder of the guarantee for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind 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

### N) 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.

### O) 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.

## A. STATEMENT OF MATERIAL ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### P) Employee Benefit

#### 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 Benefits 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 Benefit

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 follow

- 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.

## A. STATEMENT OF MATERIAL ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

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 Benefit

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 benefit

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.

## IV) Other Accounting Policies:

### A) Current versus non-current classificatio

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 ll 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.

## A. STATEMENT OF MATERIAL ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

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) 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.

### D) Dividends

Dividend income is recognized when the Company's right to receive the payment is established.

### E) 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.

### F) 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.

### G) 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.

### H) 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

## A. STATEMENT OF MATERIAL ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### I) 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.

### J) Prepaid Expenses

Individual expenses up to ₹ 1,00,000 is not considered in classifying prepaid expenses.

### K) 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.

### L) 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.

### M) 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.

### V) 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.

### VI) Recent Pronouncements:

There is no recent pronouncement/amendment with respect to Ind AS accounting standards requiring additional disclosures.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

NOTE NO. 1 PROPERTY, PLANT & EQUIPMENT														
AS AT 31.03.2024														
Sr. No.	Description	DEEMED COST / COST			DEPRECIATION			IMPAIRMENT LOSS			NET BOOK VALUE			
		AS.AT 01.04.2023	Of Addi- tions/ Adjust- ments *	Of Deduc- tions/ Adjustments	AS.AT 31.03.2024	UPTO 01.04.2023	Provided during the year	On items Sold/ Discarded/ Adjusted	UPTO 31.03.2024	UPTO 01.04.2023	Provided during the year	UPTO 31.03.2024	AS.AT 31.03.2024	AS.AT 31.03.2023
a.	Land ( Freehold )	10.74	-	-	10.74	-	-	-	-	-	-	-	10.74	10.74
b.	Buildings	289.12	26.91	0.93	315.10	67.00	12.99	0.18	79.81	0.70	4.57	5.27	230.02	221.42
c.	Plant & Machinery	3267.73	185.13	1.44	3451.42	1063.53	188.02	0.61	1250.94	16.33	(0.75)	15.58	2184.90	2187.87
d.	Furniture & Fixtures	17.98	2.54	1.95	18.57	10.84	1.27	1.72	10.39	-	-	-	8.18	7.14
e.	Vehicles	4.42	0.80	0.61	4.61	3.17	0.24	0.50	2.91	-	-	-	1.70	1.25
f.	Office Equipments	41.37	13.28	0.76	53.89	27.68	5.88	0.48	33.08	-	-	-	20.81	13.69
g.	Others													
i)	Roads & Culverts	23.98	1.31	-	25.29	13.85	2.26	-	16.11	-	-	-	9.18	10.13
ii)	Railway Sidings	22.92	6.97	0.01	29.88	9.34	1.28	-	10.62	-	-	-	19.26	13.58
iii)	Water System, Sewerage & Drainage	21.70	-	-	21.70	9.57	1.38	0.02	10.93	-	-	-	10.77	12.13
iv)	Miscellaneous Equipments	108.16	8.85	1.48	115.53	63.93	8.04	1.26	70.71	-	-	-	44.82	44.23
	<b>TOTAL</b>	<b>3808.12</b>	<b>245.79</b>	<b>7.18</b>	<b>4046.73</b>	<b>1268.91</b>	<b>221.36</b>	<b>4.77</b>	<b>1485.50</b>	<b>17.03</b>	<b>3.82</b>	<b>20.85</b>	<b>2540.38</b>	<b>2522.18</b>
AS AT 31.03.2023														
Sr. No.	Description	DEEMED COST / COST			DEPRECIATION			IMPAIRMENT LOSS			NET BOOK VALUE			
		AS.AT 01.04.2022	Of Addi- tions/ Adjust- ments *	Of Deduc- tions/ Adjustments	AS.AT 31.03.2023	UPTO 01.04.2022	Provided during the year	On items Sold/ Discarded/ Adjusted	UPTO 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
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	-	67.00	0.70	-	0.70	221.42	218.05
c.	Plant & Machinery	2689.27	579.41	0.95	3267.73	892.92	171.22	0.61	1063.53	10.47	5.86	16.33	2187.87	1785.88
d.	Furniture & Fixtures	15.34	2.71	0.07	17.98	9.44	1.41	0.01	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	0.26	27.68	-	-	-	13.69	10.74
g.	Others													
i)	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	0.22	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>1.10</b>	<b>1268.91</b>	<b>11.17</b>	<b>5.86</b>	<b>17.03</b>	<b>2522.18</b>	<b>2115.22</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

1.1 \* Additions/Adjustments in PPE include the following

Item of Asset	AS AT 31.03.2024	AS AT 31.03.2023
Plant & Machinery / CWIP	0.97	-
Exchange Difference	1.92	-
Borrowing Costs	2.89	-
<b>TOTAL</b>	<b>-</b>	<b>-</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 19

₹ Crore

Capital work in progress (Refer Note No. 78)	AS AT 31.03.2024	AS AT 31.03.2023
Opening Balance	211.48	512.93
Additions	465.99	312.69
Capitalisations	245.61	614.14
Impairment Loss	0.61	-
<b>Closing Balance</b>	<b>431.25</b>	<b>211.48</b>

### NOTE NO. 2 NON-CURRENT ASSETS - RIGHT OF USE ASSETS (ROU)

AS AT 31.03.2024

Description	DEEMED COST / COST		DEPRECIATION		IMPAIRMENT LOSS		NET BOOK VALUE	
	AS,AT 01.04.2023	Of Additions/ Adjustments	UPTO 01.04.2023	Provided during the year	UPTO 01.04.2023	Provided during the year	UPTO 01.04.2023	AS,AT 31.03.2023
Land ( Leasehold ) ROU	10.39	-	3.21	0.80	-	1.92	1.92	4.46
Buildings ROU	3.32	0.74	1.88	0.94	0.73	-	-	1.22
Vehicles ROU	14.13	3.96	7.73	3.90	0.08	-	-	6.46
<b>TOTAL</b>	<b>27.84</b>	<b>4.70</b>	<b>12.82</b>	<b>5.64</b>	<b>0.81</b>	<b>1.92</b>	<b>1.92</b>	<b>12.14</b>

AS AT 31.03.2023

Description	DEEMED COST / COST		DEPRECIATION		IMPAIRMENT LOSS		NET BOOK VALUE	
	AS,AT 01.04.2022	Of Deductions/ Adjustments	UPTO 01.04.2022	Provided during the year	UPTO 01.04.2022	Provided during the year	UPTO 01.04.2022	AS,AT 31.03.2022
Land ( Leasehold ) ROU	10.39	-	2.40	0.80	-	-	-	7.18
Buildings ROU	3.11	0.65	1.44	0.88	0.44	-	-	1.44
Vehicles ROU	6.95	7.18	4.92	2.81	-	-	-	6.40
<b>TOTAL</b>	<b>20.45</b>	<b>7.83</b>	<b>8.76</b>	<b>4.49</b>	<b>0.43</b>	<b>-</b>	<b>-</b>	<b>15.02</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### NOTE NO. 3 NON-CURRENT ASSETS - INVESTMENT PROPERTY

AS AT 31.03.2024

Description	DEEMED COST / COST		DEPRECIATION		IMPAIRMENT LOSS		NET BOOK VALUE		
	AS.AT 01.04.2023	Of Addi- tions/ Adjust- ments	AS.AT 31.03.2024	Provided during the year	UPTO 01.04.2023	Provided during the year	UPTO 31.03.2024	AS.AT 31.03.2023	AS.AT 31.03.2024
Land ( Freehold )	0.01	-	0.01	-	-	-	-	0.01	0.01
Buildings	6.32	0.93	7.07	0.17	1.34	(0.20)	1.71	5.36	4.98
<b>TOTAL</b>	<b>6.33</b>	<b>0.93</b>	<b>7.08</b>	<b>0.17</b>	<b>1.34</b>	<b>(0.20)</b>	<b>1.71</b>	<b>5.37</b>	<b>4.99</b>

AS AT 31.03.2023

Description	DEEMED COST / COST		DEPRECIATION		IMPAIRMENT LOSS		NET BOOK VALUE		
	AS.AT 01.04.2022	Of Addi- tions/ Adjust- ments	AS.AT 31.03.2023	Provided during the year	UPTO 01.04.2022	Provided during the year	UPTO 31.03.2023	AS.AT 31.03.2022	AS.AT 31.03.2023
Land ( Freehold )	0.01	-	0.01	-	-	-	-	0.01	0.01
Buildings	6.34	-	6.32	0.17	1.17	-	1.34	4.98	5.17
<b>TOTAL</b>	<b>6.35</b>	<b>-</b>	<b>6.33</b>	<b>0.17</b>	<b>1.17</b>	<b>-</b>	<b>1.34</b>	<b>4.99</b>	<b>5.18</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 31.03.2024	AS AT 31.03.2023
Rental income derived from investment properties	38.35	32.21
Less: Direct operating expenses (including repairs and maintenance) generating rental income	2.58	2.99
Less: Direct operating expenses (including repairs and maintenance) that did not generate rental income	0.06	0.05
<b>Profit arising from investment properties before depreciation and indirect expense</b>	<b>35.71</b>	<b>29.17</b>
Less: Depreciation	0.17	0.17
<b>Profit arising from investment properties before indirect expense</b>	<b>35.54</b>	<b>29.00</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 2024, the fair values of the properties is ₹ 956.30 crore (₹ 875.19 crore as on 31.03.2023). 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 2024

3.5 Fair value disclosures for investment properties is detailed below

Reconciliation of Fairvalue	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
<b>LAND</b>		
Opening balance	269.64	267.53
Fair Value	280.07	269.64
Fair value differenc	10.43	2.11
Purchases / Transfers	-	-
<b>Closing balance</b>	<b>280.07</b>	<b>269.64</b>
<b>BUILDING</b>		
Opening balance	605.55	626.35
Fair Value	629.57	641.19
Fair value differenc	24.02	14.84
Purchases / Transfers	46.66	(35.64)
<b>Closing balance</b>	<b>676.23</b>	<b>605.55</b>
<b>TOTAL</b>		
Opening balance	875.19	893.88
Fair Value	909.64	910.83
Fair value differenc	34.45	16.95
Purchases / Transfers	46.66	(35.64)
<b>Closing balance</b>	<b>956.30</b>	<b>875.19</b>

### NOTE NO. 4 NON-CURRENT ASSETS - INTANGIBLE ASSETS

AS AT 31.03.2024

Description	DEEMED COST / COST		DEPRECIATION		IMPAIRMENT LOSS		NET BOOK VALUE	
	AS.AT 01.04.2023	Of Addi- tions/ Adjust- ments	UPTO 01.04.2023	Provided during the year	UPTO 01.04.2023	Provided during the year	UPTO 01.04.2023	AS.AT 31.03.2024
Computer Software	16.99	-	16.56	0.41	-	-	-	0.03
<b>TOTAL</b>	<b>16.99</b>	<b>-</b>	<b>16.56</b>	<b>0.41</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.03</b>

AS AT 31.03.2023

Description	DEEMED COST / COST		DEPRECIATION		IMPAIRMENT LOSS		NET BOOK VALUE	
	AS.AT 01.04.2022	Of Deduc- tions/ Adjust- ments	UPTO 01.04.2022	Provided during the year	UPTO 01.04.2022	Provided during the year	UPTO 01.04.2022	AS.AT 31.03.2023
Computer Software	16.99	-	15.39	1.18	-	-	-	0.43
<b>TOTAL</b>	<b>16.99</b>	<b>-</b>	<b>15.39</b>	<b>1.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.43</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### NOTE NO. 5 "NON-CURRENT ASSETS" "FINANCIAL ASSETS - INVESTMENTS"

₹ Crore

Particulars	As at 31.03.2024	As at 31.03.2023
<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. 23,57,000 equity shares) of ₹10 each)	2.36	2.36
Less:- Provision for Diminution in the value of investment	(2.36)	(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>		
Indian Potash Limited* (Refer Note No. 71) (6,73,200 equity shares (P.Y.6,73,200 equity shares) of ₹10 each)	119.76	97.28
<b>B Other Investments (Unquoted) Designated at Fair Value Through P&amp;L</b>		
Transferable Development Rights (Refer Note No. 66)	76.93	99.63
<b>TOTAL</b>	<b>1002.17</b>	<b>1002.39</b>
*Reconciliation of fair value measurement of the investment in unquoted equity shares of Indian Potash Limited (IPL)		
Opening balance	97.28	92.09
Total Gains and Losses Recognised in OCI	22.48	5.19
Closing Balance	119.76	97.28
<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>		
(a) FACT-RCF Building Products Ltd. ( 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) Urvarak Videsh Ltd. (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	-	-

### NOTE NO. 6 "NON-CURRENT ASSETS" "FINANCIAL ASSETS - TRADE RECEIVABLES"

₹ Crore

	AS AT 31.03.2024	AS AT 31.03.2023
<b>Trade Receivables (Refer Note No. 76)</b>		
Credit Impaired	1.92	1.95
Less: Provision for Doubtful Debts	(1.92)	(1.95)
<b>TOTAL</b>	<b>-</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### NOTE NO. 7 "NON-CURRENT ASSETS" "FINANCIAL ASSETS - LOANS"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
i. Secured Considered Good : Loans- Employees	-	-
ii. Unsecured Considered Good : Loan- Other CPSE	-	5.10
iii. Significant Increase in Credit Risk	-	-
iv. Credit Impaired	-	-
<b>TOTAL</b>	<b>-</b>	<b>5.10</b>

### NOTE NO. 8 "NON-CURRENT ASSETS" "FINANCIAL ASSETS - OTHERS"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
<b>(i) Advances to Related Parties</b>		
Considered Doubtful (Refer Note No. 57.1)	36.50	36.50
Less: Provision	(36.50)	(36.50)
	-	-
<b>(ii) Others</b>		
Receivables Towards Rent / Services Provided		
Unsecured - Considered Doubtful	0.91	1.57
Less: Provision for Doubtful Receivables	(0.91)	(1.57)
	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

### NOTE NO. 9 "NON-CURRENT ASSETS" "OTHER NON-CURRENT ASSET"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
<b>(i) Capital Advances</b>		
Unsecured -Considered Good	68.89	33.67
<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. 57.1)	1.37	1.37
Less: Provision	(1.37)	(1.37)
	-	-
<b>b. Other Advances</b>		
<b>Unsecured -Considered Good</b>		
i. VAT Receivable		
Unsecured -Considered Good	10.28	22.11
ii. Other Advances Considered Doubtful	1.90	2.93
Less: Provision for Doubtful Advances	(1.90)	(2.93)
	-	-
iii. Advance Income Tax (Net of Provision) (Refer Note No. 68.b)	264.58	172.83
iv. Deposits with Customs, Port Trust etc.		
Unsecured -Considered Good (Refer Note No. 42.1.2)	73.71	74.35

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
Unsecured -Considered Doubtful	2.06	2.06
Less: Provision	(2.06)	(2.06)
	73.71	74.35
v. Prepaid expenses	0.94	1.65
vi. Other Miscellaneous	0.05	-
	349.56	270.94
<b>(iii) Others</b>		
Employee Benefit Asset	-	0.01
<b>TOTAL</b>	<b>418.45</b>	<b>304.62</b>

### NOTE NO. 10 "CURRENT ASSETS" "INVENTORIES"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
<b>i Raw Materials</b>	491.82	864.76
Raw Materials-in-Transit	138.89	265.60
Raw Materials (Sub Total)	630.71	1130.36
Less: Provision (Refer Note No. 54)	(3.35)	(3.35)
Raw Materials (Total)	<b>627.36</b>	<b>1127.01</b>
<b>ii Finished Goods</b>	335.04	269.74
Finished Goods-in-Transit	99.01	97.08
Finished Goods (Total)	<b>434.05</b>	<b>366.82</b>
<b>iii Stock in Trade/Bought Out Products</b>	553.86	409.77
Stock in Trade/Bought Out Products-in-Transit	417.94	105.35
Stock in Trade/Bought Out Products (Total)	<b>971.80</b>	<b>515.12</b>
<b>iv. Intermediary Products</b>	<b>75.48</b>	<b>74.07</b>
<b>v. By Products</b>	<b>3.93</b>	<b>2.77</b>
<b>vi. Stores &amp; Spares, Packing Materials and Petroleum products</b>	487.54	525.20
Less: Provision for Obsolescence etc./Loss under Investigation (Refer Note No. 54)	(18.21)	(25.91)
	<b>469.33</b>	<b>499.29</b>
<b>vii. Certified Emission Reduction Credits (CER) / Renewable Energy Certificate (REC) / E-Certs (Refer Note No. 62)</b>	<b>0.29</b>	<b>0.33</b>
<b>TOTAL</b>	<b>2582.24</b>	<b>2585.41</b>
<b>Inventory Includes:</b>		
<b>Stores and Spares</b>		
a) Under Inspection	0.82	41.91
b) With Fabricators	9.65	2.03
Cost of Inventories Recognised as Expense	6600.90	8966.10
Write down of Inventories Charge to P&L (Difference Between Cost & NRV)	25.64	63.00
Reversal of Write downs	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### NOTE NO. 11 "CURRENT ASSETS" "FINANCIAL ASSETS - TRADE RECEIVABLES"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
<b>Subsidy Receivable (Unsecured - Considered Good)</b>	2953.31	2097.17
<b>Trade Receivables</b>		
Secured - Considered good	189.28	185.54
Unsecured - Considered good	409.41	326.65
Significant Increase in Credit Risk	0.29	0.15
	598.98	512.34
Less : Provision for Expected Credit Loss *	(2.62)	(0.69)
<b>Total - Trade Receivables</b>	<b>596.36</b>	<b>511.65</b>
<b>TOTAL</b>	<b>3549.67</b>	<b>2608.82</b>

(Refer Note No.76)

\* 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.

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
<b>ECL % - Ageing</b>		
Not Due	0.12	0.07
00 - 90 days	2.31	1.69
91 - 180 days	26.10	29.44
181 - 365 days	96.85	87.06
> 365 days (fully secured)	-	-
<b>Age of Receivables (₹ Cr)</b>		
Receivable from Gol (Not tested for ECL)	7.75	12.59
Not Due - Other Trade Receivables	569.00	484.50
00 - 90 days	17.39	14.90
91 - 180 days	4.15	0.07
181 - 365 days	0.48	0.07
> 365 days (fully secured)	0.21	0.21
	<b>598.98</b>	<b>512.34</b>
<b>Movement in ECL allowance (₹Cr)</b>		
Balance at Beginning of the year	0.69	0.44
Movement	1.93	0.24
Balance at End of the year	2.62	0.69

Out of the Total Trade Receivables, Trade Receivables amounting to ₹ 189.28 Crore as on 31.03.2024 (PY ₹ 185.54 Crore) are secured against collaterals in form of Deposits / Bank Guarantees received and held by the company

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### NOTE NO. 12 "CURRENT ASSETS" "FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
<b>Cash and Cash Equivalents</b>		
i. Balances with Bank	156.49	11.30
ii. Cash on Hand*	-	-
<b>TOTAL</b>	<b>156.49</b>	<b>11.30</b>

The above cash and cash equivalent have not been pledged (\* CY ₹ 24,522 PY ₹ 38,946).

### NOTE NO. 13 "CURRENT ASSETS" "FINANCIAL ASSETS - OTHER BANK BALANCES"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
i. Margin Money Deposit / Bond Money Received from Employees	194.76	51.85
ii. In Unpaid Dividend Account *	1.69	1.38
<b>TOTAL</b>	<b>196.45</b>	<b>53.23</b>

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

### NOTE NO. 14 "CURRENT ASSETS" "FINANCIAL ASSETS - LOANS"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
i. Secured Considered Good Loans- Employees	0.01	0.03
ii. Unsecured Considered Good 'Loan- Other CPSE	5.10	5.10
iii. Significant Increase in Credit Ris	-	-
iv. Credit Impaired	-	-
<b>TOTAL</b>	<b>5.11</b>	<b>5.13</b>

### NOTE NO. 15 "CURRENT ASSETS" "FINANCIAL ASSETS - OTHERS"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
i. Fairvalue of Derivatives (Refer Note No. 71)	9.72	8.19
ii. Interest Receivable	1.13	0.89
iii. Receivables towards Rent / Services provided *	255.55	138.10
<b>TOTAL</b>	<b>266.40</b>	<b>147.18</b>

\* Expected Credit Loss-NIL

\* Includes an amount of ₹ 191.72 Crore Receivable from Government of India towards Import of Urea on Government Account (P.Y. ₹ 62.32 crore)



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### NOTE NO. 16 "CURRENT ASSETS" "OTHER CURRENT ASSETS"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
<b>i. Advances other than Capital Advances</b>		
<b>Security Deposits</b>		
Unsecured -Considered Good	1.29	1.01
<b>ii. Other Advances</b>		
<b>Unsecured -Considered Good</b>		
i. Contractors	21.48	25.94
ii. Employees	0.29	0.35
iii. GST Receivable	249.48	176.80
iv. Prepaid Expenses	27.69	31.42
<b>Total Other Advances</b>	<b>298.94</b>	<b>234.51</b>
<b>iii. Employee Benefit Asset</b>	-	0.02
<b>TOTAL</b>	<b>300.23</b>	<b>235.54</b>

### NOTE NO. 17 "EQUITY" "EQUITY SHARE CAPITAL"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
<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

	31.03.2024		31.03.2023	
	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 2024

### DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY

Particulars	31.03.2024		31.03.2023	
	% 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	31.03.2024		31.03.2023		% change during the year
	% age of shareholding	No.	% age of shareholding	No.	
President of India	75.00%	413769483	75.00%	413769483	0.00%

Particulars	31.03.2023		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%

### NOTE NO. 18 "EQUITY" "OTHER EQUITY"

	Note No.	₹ Crore	
		AS AT 31.03.2024	AS AT 31.03.2023
<b>i. Other Reserves</b>			
<b>General Reserve</b>			
Opening Balance		3973.86	3268.66
Add: Transferred from Retained Earnings		1.25	705.20
Closing Balance		3975.11	3973.86
<b>Equity Instruments through Other Comprehensive Income Reserve</b>			
Opening Balance		72.77	68.88
Add: Other Comprehensive Income for the Year (Net of Tax)		16.83	3.89
Closing Balance		89.60	72.77
<b>ii. Retained Earnings</b>			
Opening Balance / Adjustments		-	-
Profit for the Yea		227.74	-
Adjustment for Remeasurement of Defined Benefit Plans (Net of Ta		(22.37)	967.15
Less: Dividends Paid	18A	(204.12)	(35.76)
Less: Transfer to General Reserve		(1.25)	(226.19)
Closing Balance		-	(705.20)
<b>TOTAL</b>		<b>4064.71</b>	<b>4046.63</b>

For FY 2023-24, The Board of Directors have recommended a final dividend of ₹ 1.24 per equity share (P.Y. ₹ 3.70 per equity share) which is subject to approval by shareholders of the Company.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### NOTE NO. 18A "DIVIDEND"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
<b>Dividends on Equity Shares paid during the year</b>		
Final Dividend for the FY 2022-23 [₹ 3.70 (P.Y. ₹ 2.50) per equity share of ₹ 10 each]	204.12	137.92
Interim Dividend for the FY 2023-24 [₹ NIL (P.Y. ₹ 1.60) per equity share of ₹ 10 each]	-	88.27
<b>TOTAL</b>	<b>204.12</b>	<b>226.19</b>

### NOTE NO. 19 "NON-CURRENT LIABILITIES" "FINANCIAL LIABILITIES - BORROWINGS"

	₹ Crore			
	AS AT 31.03.2024		AS AT 31.03.2023	
	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>	499.87	-	499.78	-
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>499.87</b>	<b>-</b>	<b>499.78</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
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. The said loan has been fully repaid during the year.				

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

	₹ Crore			
	AS AT 31.03.2024		AS AT 31.03.2023	
	Non Current	Current	Non Current	Current
<b>b UCO Bank</b>	153.00	27.00	-	-
A loan of ₹ 180 crore availed from UCO Bank Limited 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 3 months MCLR plus Nil Margin. Repayment of the said loan would fall due for ₹ 27.00 crore in F.Y. 2024-25, ₹ 36.00 crore in F.Y. 2025-26, ₹ 36.00 crore in F.Y. 2026-27, ₹ 36.00 crore in F.Y. 2027-28, ₹ 36.00 crore in F.Y. 2028-29, ₹ 9.00 crore in F.Y. 2029-30				
	<b>153.00</b>	<b>27.00</b>	<b>88.64</b>	<b>27.27</b>
<b>2 Foreign Currency Loan / External Commercial Borrowings (ECB)</b>				
<b>a CTBC</b>	153.50	16.81	-	-
ECB of EURO 19.00 million availed by the Company from CTBC Bank Co., Ltd., Singapore Branch, under RBI Loan Registration no. 202305227 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 1 months EURIBOR plus margin of 1.15% per annum. Repayment of the said loan would fall due for ₹ 17.14 crore in F.Y. 2024-25, ₹ 34.28 crore in F.Y. 2025-26, ₹ 34.28 crore in F.Y. 2026-27, ₹ 34.28 crore in F.Y. 2027-28, ₹ 34.28 crore in F.Y. 2028-29, ₹ 17.14 crore in F.Y. 2029-30				
<b>b State Bank of India</b>	-	-	-	37.85
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. The said loan has been fully repaid during the year.				
<b>c State Bank of India</b>	114.93	32.74	146.66	32.47
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 ₹ 32.91 crore in F.Y. 2024-25, ₹ 32.91 crore in F.Y. 2025-26, ₹ 32.91 crore in F.Y. 2026-27, ₹ 32.91 crore in F.Y. 2027-28, ₹ 16.46 crore in F.Y. 2028-29				
	<b>268.43</b>	<b>49.55</b>	<b>146.66</b>	<b>70.32</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

	₹ Crore			
	AS AT 31.03.2024		AS AT 31.03.2023	
	Non Current	Current	Non Current	Current
<b>UNSECURED</b>				
<b>Non Convertible Debentures (NCDs)</b>				
6.59% Listed Unsecured Non Convertible Debentures (RCF Series I -2022)	-	299.95	299.90	-
Listed Unsecured Non Convertible Debentures(NCDs) (RCF Series I -2022) in Nos. 3000 have been issued at an interest rate of 6.59% per annum for a tenure of 3 years having face value of ₹ 10 lakhs each on 31st January 2022 which are redeemable on 31st January 2025.				
	-	299.95	299.90	-
<b>Term Loan from Banks</b>				
<b>South Indian Bank</b>	19.09	76.36	-	-
A loan of ₹ 95.45 crore is availed from The South Indian Bank Limited at a rate of interest linked to 3 months T-Bill Rate plus fixed margin of 0.92% per annum. Repayment of the said loan would fall due for ₹ 76.36 crore in F.Y. 2024-25, ₹ 19.09 crore in F.Y. 2025-26.				
	19.09	76.36	-	-
Amount disclosed under the head "CURRENT BORROWINGS" (Refer Note No. 25)		(452.86)		(97.59)
<b>TOTAL</b>	<b>940.39</b>	<b>-</b>	<b>1034.98</b>	<b>0.00</b>
<b>Details of Borrowings and Transaction Costs</b>				
<b>A External Commercial Borrowings</b>				
Total External Commercial Borrowings	269.47	50.06	147.11	70.77
Less: Transaction Costs	1.04	0.51	0.45	0.45
<b>Carrying value of External Commercial Borrowings</b>	<b>268.43</b>	<b>49.55</b>	<b>146.66</b>	<b>70.32</b>
<b>B Non-Convertible Debentures</b>				
i. 6.59% Listed Secured Non Convertible Debentures (RCF Series I -2022)	500.00	-	500.00	-
Less: Transaction Costs	0.13	-	0.22	-
<b>Carrying value of Non-Convertible Debentures</b>	<b>499.87</b>	<b>-</b>	<b>499.78</b>	<b>-</b>
ii. 6.59% Listed Unsecured Non Convertible Debentures (RCF Series I -2022)	-	300.00	300.00	-
Less: Transaction Costs	-	0.05	0.10	-
<b>Carrying value of Non-Convertible Debentures</b>	<b>-</b>	<b>299.95</b>	<b>299.90</b>	<b>-</b>

### NOTE NO. 20 "NON-CURRENT LIABILITIES" "FINANCIAL LIABILITIES - LEASE LIABILITIES"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
Lease Liabilities	8.05	9.25
<b>TOTAL</b>	<b>8.05</b>	<b>9.25</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### NOTE NO. 21 "NON-CURRENT LIABILITIES" "FINANCIAL LIABILITIES - OTHERS"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
Security Deposit from Vendors	42.77	33.98
<b>TOTAL</b>	<b>42.77</b>	<b>33.98</b>

### NOTE NO. 22 "NON-CURRENT LIABILITIES" "PROVISIONS"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
<b>Provision for Employee Benefits</b>		
i. Leave Salary Encashment	73.49	63.41
ii. Post Retirement Medical Benefits	135.09	127.47
iii. Long Service Award	0.66	0.20
<b>TOTAL</b>	<b>209.24</b>	<b>191.08</b>

### NOTE NO. 23 "NON-CURRENT LIABILITIES" "DEFERRED TAX LIABILITIES (NET)"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
<b>a. Deferred Tax Liability:</b>		
i. Depreciation	344.89	313.27
ii. Fair Value of Investments	29.99	24.34
iii. Revenue from TDR	10.48	10.48
iv. Other Temporary Difference	3.20	2.37
<b>TOTAL</b>	<b>388.56</b>	<b>350.46</b>
<b>b. Deferred Tax Liability:</b>		
i. Provision for Doubtful Debts/Claims/Advances	10.74	11.17
ii. Provision for Obsolescence of Stores	0.69	3.86
iii. Provision for Diminution in Value of Investments	8.91	8.91
iv. Expenditure Allowable on Payment Basis	46.68	71.92
v. Other Temporary Difference	15.81	17.70
<b>TOTAL</b>	<b>82.83</b>	<b>113.56</b>
<b>Net Deferred Tax Liability</b>	<b>305.73</b>	<b>236.90</b>

### NOTE NO. 24 "OTHER LIABILITIES"

		₹ Crore	
	Note No.	AS AT 31.03.2024	AS AT 31.03.2023
<b>I NON CURRENT</b>			
<b>Others</b>			
i. Advance Rent Received	24A	0.41	1.01
ii. Government Grants	24B	0.52	0.61
iii. Deferred Income		22.80	26.16
<b>TOTAL OTHER NON CURRENT LIABILITIES (I)</b>		<b>23.73</b>	<b>27.78</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

		₹ Crore	
	Note No.	AS AT 31.03.2024	AS AT 31.03.2023
<b>II CURRENT</b>			
<b>(a) Revenue Received in Advance</b>			
Income Received in Advance from Customers (Contract Liabilities)	24C	209.33	70.14
<b>(b) Other Advances</b>			
Retention Money		12.50	12.50
<b>(c) Other Liabilities:</b>			
i. Advance Rent Received	24A	0.61	0.70
ii. Government Grants	24B	0.06	0.06
iii. Deferred Income		3.76	3.20
<b>iv. Statutory Dues:</b>			
a. Withholding Taxes		19.44	16.49
b. GST Payable		2.79	-
v. Others (Refer Note No. 55)		16.01	16.00
		42.67	36.45
<b>TOTAL OTHER CURRENT LIABILITIES (II)</b>		<b>264.50</b>	<b>119.09</b>

### NOTE NO. 24A "ADVANCE RENT RECEIVED"

		₹ Crore	
		AS AT 31.03.2024	AS AT 31.03.2023
At at 1st April		1.71	2.28
Received / (Repaid) during the Year		0.05	-
Released to the Statement of Profit and Loss		0.74	0.57
<b>As at 31st March</b>		<b>1.02</b>	<b>1.71</b>
Current		0.61	0.70
Non-Current		0.41	1.01

### NOTE NO. 24B "GOVERNMENT GRANTS"

		₹ Crore	
		AS AT 31.03.2024	AS AT 31.03.2023
At at 1st April		0.67	0.76
Received / (Repaid) during the Year		-	-
Released to the Statement of Profit and Los		0.09	0.09
<b>As at 31st March</b>		<b>0.58</b>	<b>0.67</b>
Current		0.06	0.06
Non-Current		0.52	0.61

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### NOTE NO. 24C "INCOME RECEIVED IN ADVANCE FROM CUSTOMERS (CONTRACT LIABILITIES)"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
At at 1st April	70.14	111.08
Received during the Year	209.33	70.14
Released to the Statement of Profit and Los	70.14	111.08
<b>As at 31st March</b>	<b>209.33</b>	<b>70.14</b>
Current	209.33	70.14
Non-Current	-	-

### NOTE NO. 25 "CURRENT LIABILITIES" "FINANCIAL LIABILITIES - BORROWINGS"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
<b>(a) Working Capital Loans</b>		
<b>I. Secured</b>		
<b>a. From Banks (Repayable on Demand) *</b>		
Working Capital Demand Loan	860.00	670.00
<b>Total Secured</b>	<b>860.00</b>	<b>670.00</b>
<b>II. Unsecured</b>		
From Banks		
Rupee Loans **	1030.00	60.08
<b>Total Secured</b>	<b>1030.00</b>	<b>60.08</b>
<b>Total Working Capital Loans</b>	<b>1890.00</b>	<b>730.08</b>
<b>(b) Current Maturities of Long Term Debt (Refer Note No. 19)</b>		
<b>I. Secured</b>	76.55	97.59
<b>II. Unsecured</b>	376.31	-
<b>Total</b>	<b>452.86</b>	<b>97.59</b>
<b>TOTAL</b>	<b>2342.86</b>	<b>827.67</b>

\* Cash Credit from banks carrying interest rate of 8.40%- 8.55% per annum (PY 6.75% - 7.65% per annum) and Working Capital Demand Loan carrying interest of 7.02%-7.30% per annum (PY 4.10%-7.07% 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 Short Term Rupee Loans carrying interest of 6.94%-7.70% per annum (PY 3.90%-6.98% per annum).

### NOTE NO. 26 "CURRENT LIABILITIES" "FINANCIAL LIABILITIES - LEASE LIABILITIES"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
Lease Liabilities	5.34	4.71
<b>TOTAL</b>	<b>5.34</b>	<b>4.71</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### NOTE NO. 27 "CURRENT LIABILITIES" "FINANCIAL LIABILITIES - TRADE PAYABLES"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
<b>Trade Payables (including Acceptances)</b>		
(A) Outstanding Dues of Micro Enterprises and Small Enterprises (Refer Note No. 55)	55.46	57.13
(B) Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	1880.13	1954.16
<b>TOTAL</b>	<b>1935.59</b>	<b>2011.29</b>

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

### NOTE NO. 28 "CURRENT LIABILITIES" "FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
i. Interest Accrued But Not Due on Borrowings	37.03	31.74
ii. Unclaimed Dividend *	1.69	1.38
iii. Payables on Capital Account	62.84	42.86
iv. Standing Deposit from Customers	72.48	70.71
v. Trade Deposit from Customers	96.45	85.32
vi. Earnest Money Deposit & Security Deposit from Vendors	90.79	81.84
vii. Other Payables	228.28	9.09
viii. Ex-gratia & Employee Benefits	27.29	123.11
<b>TOTAL</b>	<b>616.85</b>	<b>446.05</b>

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

### NOTE NO. 29 "CURRENT LIABILITIES" "PROVISIONS"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
<b>Provision for Employee Benefits</b>		
i. Leave Salary Encashment	96.83	111.63
ii. Post Retirement Medical Benefits	10.76	10.65
iii. Payable to Provident Fund	47.27	49.41
iv. Long Service Award	0.07	0.03
<b>TOTAL</b>	<b>154.93</b>	<b>171.72</b>

### NOTE NO. 30 "REVENUE FROM OPERATIONS"

		₹ Crore	
	Note No.	AS AT 31.03.2024	AS AT 31.03.2023
<b>(1) Sales</b>			
<b>A Manufactured Products</b>	<b>30A</b>		
Fertilizers		2585.63	2865.04
Industrial Products		1708.65	3220.04
		4294.28	6085.08

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

		₹ Crore	
	Note No.	AS AT 31.03.2024	AS AT 31.03.2023
<b>B Bought-out Products</b>	<b>30A</b>		
Fertilizers		2130.00	1731.40
Net Sales		6424.28	7816.48
<b>(2) Other Operating Revenues</b>			
Subsidy on Urea & Complex Fertilizers* (Refer Note No.49)	<b>30B</b>	10515.63	13568.89
Sale of Scrap		12.76	23.53
Management Fees -For Services rendered		11.67	11.67
Margin on Tie- ups		16.97	30.97
<b>TOTAL</b>		<b>10557.03</b>	<b>13635.06</b>
<b>Revenue from Operations</b>		<b>16981.31</b>	<b>21451.54</b>

\* Subsidy includes ₹ 148.00 crore (P.Y. ₹ 10.62 crore) in respect of earlier years, determined during the year

### NOTE NO. 30A "SALES - PRODUCT WISE BREAK-UP"

		₹ Crore	
		Year ended 31.03.2024	Year ended 31.03.2023
<b>1 Manufactured</b>			
<b>A Fertilizers</b>			
Suphala 15 : 15 : 15		1421.82	1642.28
Urea / Neem Coated Urea		1110.74	1138.43
Others		53.07	84.33
		2585.63	2865.04
<b>B Industrial Products</b>			
Ammonia		523.39	1236.10
Dilute Nitric Acid		108.85	142.55
Concentrated Nitric Acid		111.86	186.54
Ammonium Bi-carbonate		50.03	77.06
Methylamines		117.88	130.20
Ammonium Nitrate Melt		695.56	1287.12
Others		101.08	160.47
		1708.65	3220.04
<b>2 Bought-out Products</b>			
Imported Di Ammonium Phosphate		1272.80	744.26
Imported Urea		-	562.77
Imported S 15 15 15		86.35	-
Imported NPK 10:26:26		449.03	78.46
Imported NPK 20:20:0		293.87	317.95
Others		27.95	27.96
		2130.00	1731.40
<b>TOTAL</b>		<b>6424.28</b>	<b>7816.48</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### NOTE NO. 30B "SUBSIDY ON UREA & COMPLEX FERTILIZERS"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
<b>1. Manufactured Fertilizers</b>		
Price	7952.74	11304.03
Freight	431.12	425.18
	8383.86	11729.21
<b>2. Bought-out Fertilizers</b>		
Price	1983.80	1765.04
Freight	147.97	74.64
	2131.77	1839.68
<b>TOTAL</b>	<b>10515.63</b>	<b>13568.89</b>

### NOTE NO. 31 "OTHER INCOME"

	₹ Crore	
	Year Ended 31.03.2024	Year Ended 31.03.2023
<b>1. Interest Income on Financial Assets carried at Amortised Cost</b>		
a. On Loans to Employees	0.01	0.01
b. On Deposits with Bank and Others	42.92	10.17
c. From Customers [includes ₹ 0.86 crore (P.Y. ₹ 11.74 crore) crore dues from DOF]	3.69	13.13
d. From Others	0.11	0.10
	46.73	23.41
<b>2. Interest Income on Taxes</b>		
a. On Income Tax Refund	4.43	-
b. On Sales Tax Refund	0.01	-
	4.44	-
<b>TOTAL</b>	<b>51.17</b>	<b>23.41</b>
<b>3. Dividend Income</b>		
Dividend from Equity Investment measured at fair value through OCI	0.47	0.40
	0.47	0.40
<b>4. Other Non-Operating Income</b>		
<b>a. Net Gain arising on Financial Assets measured at FVTPL</b>		
i. Gain / (Loss) on Sale of Mutual Fund Investments	9.64	1.58
ii. Gain / (Loss) on Derivatives	(7.99)	(0.24)
	1.65	1.34
b. Profit on Sale of Fixed Assets (Net)	0.16	0.01
c. Bad Debts Recovered	0.12	0.78
d. Rental Income Including Other Recoveries	47.37	38.55
e. Lease Compensation of Railway Siding	0.21	0.21
f. Government Grants (Refer Note No. 24B)	0.09	0.09
g. Amortisation of Deferred Deposits	5.83	7.42
h. Miscellaneous Income	58.42	71.10
	112.20	118.16
Less: Transfer to Research and Development Expenses (Refer Note No. 38C)	(0.06)	(0.01)
	<b>165.43</b>	<b>143.30</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### NOTE NO. 32 "COST OF MATERIALS CONSUMED"

		₹ Crore	
	Note No.	Year Ended 31.03.2024	Year Ended 31.03.2023
Raw Materials	32A	6220.54	8695.78
Packing Materials		127.97	144.18
Less : Transferred to Research & Development (Refer Note No. 38C)		(0.01)	(0.36)
<b>TOTAL</b>		<b>6348.50</b>	<b>8839.60</b>

### NOTE NO. 32A "ITEMWISE BREAKUP OF MATERIALS CONSUMED"

		₹ Crore	
		Year Ended 31.03.2024	Year Ended 31.03.2023
<b>RAW MATERIALS</b>			
Rock Phosphate		167.05	238.25
Di-Ammonium Phosphate		2.75	169.79
Mono-Ammonium Phosphate		632.13	791.02
Muriate of Potash		562.32	775.21
Sulphur		32.43	51.08
Natural Gas		4704.95	6543.20
Others		118.91	127.23
<b>SUB TOTAL</b>		<b>6220.54</b>	<b>8695.78</b>
Less : Transferred to Research and Development (Refer Note No. 38C)		(0.01)	(0.36)
<b>TOTAL</b>		<b>6220.53</b>	<b>8695.42</b>

### NOTE NO. 33 "PURCHASES OF STOCK IN TRADE"

		₹ Crore	
		Year Ended 31.03.2024	Year Ended 31.03.2023
Imported Urea		-	501.99
Imported Di Ammonium Phosphate		3113.32	1420.53
Imported S 15:15:15		109.31	-
Imported NPK 20:20:0		534.29	797.18
NPK 10:26:26		533.72	338.83
Others		20.48	33.09
<b>SUB TOTAL</b>		<b>4311.12</b>	<b>3091.62</b>
Less: Transferred to Plant for internal consumption			
Imported DAP / MOP		-	(44.19)
<b>TOTAL</b>		<b>4311.12</b>	<b>3047.43</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### NOTE NO. 34 "CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN TRADE"

		₹ Crore	
	Note No.	Year Ended 31.03.2024	Year Ended 31.03.2023
<b>Opening Stock</b>			
Finished Goods	34A	366.82	183.27
Intermediary Products		74.07	37.43
By-Products		2.77	2.90
Stock in Trade	34A	515.12	988.09
Certified Emission Reduction Credits (CER) / Renewable Energy Certificates (REC) / E-Cer		0.33	0.38
<b>Sub-Total</b>		<b>959.11</b>	<b>1212.07</b>
<b>Closing Stock</b>			
Finished Goods	34B	434.05	366.82
Intermediary Products		75.48	74.07
By-Products		3.93	2.77
Stock in Trade	34B	971.80	515.12
Certified Emission Reduction Credits (CER) / Renewable Energy Certificates (REC)/ E-Cer		0.29	0.33
<b>Sub-Total</b>		<b>1485.55</b>	<b>959.11</b>
<b>TOTAL</b>		<b>(526.44)</b>	<b>252.96</b>

### NOTE NO. 34A "OPENING STOCK - PRODUCT WISE BREAK-UP"

		₹ Crore	
		Year Ended 31.03.2024	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. Interest Income on Taxes</b>			
Methanol		0.26	2.65
Concentrated Nitric Acid		0.22	0.10
Ammonium Bi-carbonate		0.21	0.07
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>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

	₹ Crore	
	Year Ended 31.03.2024	Year Ended 31.03.2023
<b>2. Bought-out Products</b>		
<b>Fertilizers</b>		
Imported Di Ammonium Phosphate	212.03	987.93
Imported NPK 12:32:16	111.37	-
Imported NPK 20:20:0	182.82	-
Others	8.90	0.16
	515.12	988.09
<b>TOTAL</b>	<b>881.94</b>	<b>1171.36</b>

### NOTE NO. 34B "CLOSING STOCK - PRODUCT WISE BREAK-UP"

	₹ Crore	
	Year Ended 31.03.2024	Year Ended 31.03.2023
<b>Finished Goods</b>		
<b>1. Manufactured</b>		
<b>A. Fertilizers</b>		
Urea (Trombay)	15.77	2.96
Urea (Thal)	139.30	112.23
Complex Fertilizers	244.22	214.82
Others	32.96	33.60
<b>B. Industrial Products</b>		
Methanol	0.01	0.26
Concentrated Nitric Acid	0.36	0.22
Ammonium Bi-carbonate	0.26	0.21
Methylamines	0.85	1.04
Ammonium Nitrate Melt	0.03	0.04
Dimethyl Formamide	0.08	0.08
Dimethyl Acetamide	0.01	1.25
Argon Gas / Liquid	0.20	0.11
Others	-	-
	<b>434.05</b>	<b>366.82</b>
<b>2. Bought-out Products</b>		
<b>Fertilizers</b>		
Imported Di Ammonium Phosphate	782.90	212.03
Imported NPK 12:32:16	182.80	111.37
Imported NPK 20:20:0	1.43	182.82
Others	4.67	8.90
	<b>971.80</b>	<b>515.12</b>
<b>TOTAL</b>	<b>1405.85</b>	<b>881.94</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### NOTE NO. 35 "EMPLOYEE BENEFITS EXPENSE"

	₹ Crore	
	Year Ended 31.03.2024	Year Ended 31.03.2023
Salaries, Wages and Bonus	473.68	592.04
Contribution to Provident Fund and Other funds	35.24	66.98
Contribution to Gratuity Fund	5.53	4.92
Workmen and Staff Welfare Expenses	77.44	76.21
	591.89	740.15
Less: Transferred to Research and Development ( Refer Note No. 38C)	(2.71)	(2.45)
Share recoverable from Thal Ammonia Extension and Others	(46.40)	(45.33)
	(49.11)	(47.78)
<b>TOTAL</b>	<b>542.78</b>	<b>692.37</b>

### NOTE NO. 36 "FINANCE COSTS"

	₹ Crore	
	Year Ended 31.03.2024	Year Ended 31.03.2023
<b>1 Interest on Financial Liabilities carried at Amortised Cost</b>		
a. Interest on Term Loans from Banks	36.51	18.30
b. Interest on Non-Convertible Debentures	52.86	52.72
c. Interest on Working Capital from Banks	82.41	92.92
d. Interest on Other Loans and Deposits	4.93	5.47
e. Unwinding of Discount on Deposits	5.34	5.39
f. Other Borrowing Costs	0.78	1.37
g. Exchange Differences Re arded as an Adjustment to Borrowing Costs	3.54	44.52
h. Interest Expense on Lease Liabilities	1.26	1.05
	187.63	221.74
<b>2 Other Finance Costs</b>	(3.99)	2.12
<b>TOTAL</b>	<b>183.64</b>	<b>223.86</b>

### NOTE NO. 37 "DEPRECIATION AND AMORTISATION EXPENSES / IMPAIRMENT"

	₹ Crore	
	Year Ended 31.03.2024	Year Ended 31.03.2023
i. Depreciation on Property Plant and Equipment	221.36	200.74
ii. Impairment on Property Plant and Equipment	7.94	5.86
iii. (Reversal) of Impairment on Property Plant and Equipment	(4.12)	-
iv. Depreciation on Investment Property	0.17	0.17
v. Amortisation on Intangible Assets	0.41	1.18
vi. Depreciation on Right of Use Asset	5.64	4.49
vii. Impairment on Right of Use Asset	1.92	0.00
viii. Impairment on Capital work in progress	0.61	0.00
Total Depreciation / Amortisation Impairment provided during the year	233.93	212.44
Less : Under Research and Development (Refer Note No. 38 C)	(0.83)	(0.32)
<b>As reported under Statement of Profit &amp; Loss</b>	<b>233.10</b>	<b>212.12</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### NOTE NO. 38 "OTHER EXPENSES"

		₹ Crore	
	Note No.	Year Ended 31.03.2024	Year Ended 31.03.2023
Stores and Spares		66.10	71.92
Power and Fuel		4178.55	5741.56
Water Charges		207.16	61.29
Repairs and Maintenance	38A	243.81	230.57
Freight and Handling Charges		869.58	723.48
Rent		10.27	4.74
Rates and Taxes		11.79	10.00
Insurance		48.87	45.28
Miscellaneous Expenses	38B	155.28	257.47
Less: Transferred to Research & Development Expenses (Refer Note No. 38C)		(0.68)	(0.32)
<b>TOTAL</b>		<b>5790.73</b>	<b>7145.99</b>

### NOTE NO. 38A "REPAIRS AND MAINTENANCE"

		₹ Crore	
		Year Ended 31.03.2024	Year Ended 31.03.2023
Plant and Machinery		196.02	179.58
Buildings		26.35	32.13
Other Assets		22.36	19.08
		244.73	230.79
Less: Transferred to Research & Development Expenses (Refer Note No. 38C)		(0.92)	(0.22)
<b>TOTAL</b>		<b>243.81</b>	<b>230.57</b>

### NOTE NO. 38B "MISCELLANEOUS EXPENSES"

		₹ Crore	
	Note No.	Year Ended 31.03.2024	Year Ended 31.03.2023
Security Expenses-Factory and Others		59.41	54.14
Electricity Charges-Township and Office		6.29	5.75
Advertisement		1.34	1.87
Bank Charges		6.52	10.46
Promotion and Publicity		16.73	6.00
Hire Charges for Vehicles		4.83	4.43
Travelling Expenses		5.90	5.35
Entertainment Expenses		0.04	0.03
Research and Development Expenses	38C	7.38	6.55
Loss on Fixed Assets Sold /Discarded		1.54	0.51
Losses/ Damages and Other Amounts Written Off		-	(0.01)
Foreign exchange Loss		11.18	109.78
Corporate Social Responsibility Expenses		17.93	11.93



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

₹ Crore

	Note No.	Year Ended 31.03.2024	Year Ended 31.03.2023
Provision for Doubtful Debts/ Claims/ Advances		2.40	1.49
Provision for Obsolescence of Stores		0.52	1.97
Bad Debts Written Off		-	0.26
Provision of Earlier Years no Longer Required		(10.41)	(0.56)
Liabilities for Expenses no Longer Required		(8.31)	(7.36)
Recovery of Share of Common Expenses		(18.10)	(18.32)
Other Expenses **		50.09	63.20
<b>TOTAL</b>		<b>155.28</b>	<b>257.47</b>

\*\* Includes Directors' Sitting Fees C.Y. ₹ 14,65,000, P.Y. ₹ 23,45,0000

### NOTE NO. 38C "RESEARCH & DEVELOPMENT EXPENSES"

₹ Crore

	Year Ended 31.03.2024	Year Ended 31.03.2023
Salaries and Staff Welfare Expenses	2.71	2.45
Repairs and Maintenance	0.92	0.22
Depreciation	0.83	0.32
Direct Research Expenditure	2.29	2.89
Other Expenses	0.17	0.17
Handling Charges	0.51	0.15
Materials Consumed	0.01	0.36
<b>SUB TOTAL</b>	<b>7.44</b>	<b>6.56</b>
Less: Transferred from Other Income	(0.06)	(0.01)
<b>TOTAL</b>	<b>7.38</b>	<b>6.55</b>

### NOTE NO. 39 "EXCEPTIONAL ITEMS"

₹ Crore

	Year Ended 31.03.2024	Year Ended 31.03.2023
Transferable Development Rights [Expense or Loss / (Income or Gain)]	(40.32)	(63.32)
Reversal of Gas Pool Provision on Non Urea - AMRCD Award	-	(30.15)
<b>TOTAL</b>	<b>(40.32)</b>	<b>(93.47)</b>

### NOTE NO. 40 "OTHER COMPREHENSIVE INCOME"

₹ Crore

	Year Ended 31.03.2024	Year Ended 31.03.2023
<b>Items that will not be reclassified to profit or lo</b>		
Remeasurements of Defined Benefit Pla	(24.45)	(39.32)
Fair Value Equity Instruments (IPL Shares)	22.48	5.19
	(1.97)	(34.13)
Less: Income Tax / Deferred Tax Relating to Above Items	(3.57)	2.26
<b>TOTAL</b>	<b>(5.54)</b>	<b>(31.87)</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### NOTE NO. 41 "DISCLOSURE OF FINANCIAL ASSETS AND LIABILITIES AS PER IND AS 107 "

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
<b>I) FINANCIAL ASSETS</b>		
a. BREAKUP OF FINANCIAL ASSETS AT FAIR VALUE THOROUGH OCI		
Investments - Fully Paid Shares	119.76	97.28
<b>TOTAL</b>	<b>119.76</b>	<b>97.28</b>
b. BREAKUP OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT & LOSS		
Derivatives	9.72	8.19
Transferable Development Rights	76.93	99.63
Investments in Mutual Funds	-	-
<b>TOTAL</b>	<b>86.65</b>	<b>107.82</b>
c. BREAKUP OF FINANCIAL ASSETS CARRIED AT AMORTISED COST / COST		
Loans	5.11	10.23
Others Financial Assets	256.68	138.99
Trade Receivables	3549.67	2608.82
Cash and Cash Equivalents	156.49	11.30
Other Bank Balances	196.45	53.23
	<b>4164.40</b>	<b>2822.57</b>
d. BREAKUP OF FINANCIAL ASSETS CARRIED AT COST		
Investments - Joint Ventures	805.48	805.48
<b>Total</b>	<b>805.48</b>	<b>805.48</b>
<b>TOTAL FINANCIAL ASSETS</b>	<b>5176.29</b>	<b>3833.15</b>
<b>II) FINANCIAL LIABILITIES</b>		
a. BREAKUP OF FINANCIAL LIABILITIES CARRIED AT AMORTISED COST		
Borrowings	3283.25	1862.65
Trade Payables	1935.59	2011.29
Interest Accrued but Not Due on Borrowings	37.03	31.74
Unclaimed Dividend	1.69	1.38
Creditors on Capital Account	62.84	42.86
Standing Deposit from Customers	72.48	70.71
Trade Deposit from Customers	96.45	85.32
Earnest Money Deposit & Security Deposit from Vendors	133.56	115.82
Ex-gratia & Employee Benefit	27.29	123.11
Other Payables - Tie Ups	228.28	9.09
ROU Lease Liability	13.39	13.96
<b>Total</b>	<b>5891.85</b>	<b>4367.93</b>
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>5891.85</b>	<b>4367.93</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 2024

### NOTE NO. 42 CONTINGENT LIABILITIES NOT PROVIDED FOR:

42.1 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 31.03.2024	As at 31.03.2023
1	Claims on the Company not acknowledged as debts' Contractors / Suppliers/ Arbitrators etc.	161.16	160.17
2	Demands raised by various authorities that may arise in respect of matters in appeal		
	Excise Duty (D) (Refer note no 42.1.1)	70.33	70.33
	Excise Duty (S)	18.52	18.52
	Sales Tax	5.49	6.26
	Income Tax	86.61	77.64
	Service Tax (D)	13.92	13.92
	Service Tax (S)	2.41	2.40
	Custom Duty (D)	80.93	80.93
	GST	1.31	-
3	Water charges claimed by Municipal Corporation of Greater Mumbai (Refer note no 42.1.2)	36.73	36.86
4	Claims preferred by local authorities	8.77	8.72
5	Claims preferred by port authorities	28.65	-
	<b>GRAND TOTAL</b>	<b>514.83</b>	<b>475.75</b>

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

42.1.1 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.

42.1.2 Out of the above ₹ 36.73 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.

42.1.3 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 ₹ 0.78 crore (P.Y. ₹ 0.43 Crore) from the stock exchanges (BSE & NSE). Since the appointment of Directors is done by Government of India, the Company has 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 2024

The Company is in receipt of notice of penalty aggregating to ₹ 0.01 crore (P.Y. ₹ 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

- 42.2 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.
- 42.3 In respect of clause 42.1 to 42.2 above, it is not practicable for the Company to estimate the closure of these issues and the consequential timing of cash flows, if any

### NOTE NO. 43 OTHER COMMITMENTS:

Particulars	(₹ Crore)	
	As at 31.03.2024	As at 31.03.2023
Capital Expenditure Commitments (net of advances)	754.62	418.71
Commitment Towards Investments in JV (Talcher Fertilizers Ltd)	1364.19	378.71
Corporate Guarantee	2.20	2.20

### NOTE NO. 44 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 financ lease based on the minimum lease rentals expected to be negotiated with the Railways.

As the terms of lease are yet to be finalize the said transaction is now treated as Short-term Operating Lease.

45. 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.

46. 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 2024

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>Land</b>				
	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.
PPE	Trombay Land	0.24	No	1978	The Company is in the process of obtaining the Transfer of title deeds in its favour.
	<b>Building</b>				
	Thal – Kihim Township	3.09	No	1984	The Company is in the process of obtaining evidence of title / permissions / approvals etc.

47. Balance of subsidy receivables includes certain amounts receivable from Government recognized on estimated basis and are subject to confirmation .
48. In FY 2022-23, the Company was 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 during the year 2022-23, the Company had sourced Spot gas for its urea operations in lieu of gas sourced under the EPMC mechanism 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, the Company has continued to recognize such differential i.e. (EPMC / Spot gas price – Cheaper market gas price) amounting to ₹ 80.57 crore cumulatively till March 2024 which has been shown as receivable from DoF.

49. 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 ₹ 409.39 crore refundable to FICC/DOF (PY ₹ 114.53 crore refundable).

Upon introduction of Direct Benefit Transfer (DBT) schemes for all Fertilizer Companies, there is shift in procedure for generation of subsidy claims with respect to Price subsidy & disbursement thereon. As per the same, Company is entitled for generation of claims/receipt of subsidy on the basis of actual sale by the retailers on weekly basis through POS machines. Accordingly, as on 31.03.2024, quantity of 8.58 LMT of urea and P&K having subsidy amounting ₹ 2141.70 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 5.77 LMT and subsidy ₹ 2288.95 crore).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

50. The Company has undertaken production of Sulphur Coated Urea of 3791.72 MT for commercial purpose. Government of India has notified the Maximum Retail Price (MRP) which is on similar lines as that of Neem Coated Urea, however as the subsidy rates are yet to be notified, Company has estimated the subsidy income amounting to ₹ 10.81 crore based on the proportionate Nitrogen content of notified subsidy rates of Neem Coated Urea. The Company has approached DOF for notifying the subsidy of Sulphur Coated Urea.
51. Directives have been given to Fertilizer CPSE's by Department of Fertilizers (DOF) vide letter No F.21-01/2023-FM dated 21<sup>st</sup> September 2023 to ensure availability of Phosphatic and Potassic (P&K) fertilizers in Rabi 2023-24 and undertake such procurement on priority. The price adversity if any beyond applicable NBS Subsidy rates will be addressed by DOF to protect at no profit no loss basis. Accordingly based on the directives of DOF with assurance of protection of losses on such imports the Company has undertaken import of DAP and NPK fertilizers during the period October to March 2024. Further, DoF has directed for submission of the data duly audited by statutory auditor of the Company and approved by Board of Directors.

Accordingly pending submission of a duly audited claim, the Company has recognized compensation towards such differential which is over and above the notified NBS rates based on its estimates amounting to approximately ₹ 207.23 crore for the year in line with DOF's assurance.

52. 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).

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 had 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 and the award was received in favour of the Company. The LSTK contractor has challenged this award in High Court.

The LSTK contractor has deposited the amount as directed by the Court with Company. However in the event, the Petition is allowed and the award is set aside, either in whole or in part, by the Court, the Company is obligated, within 10 days from the date of such order, to refund the entire amount of ₹ 218.46 crore deposited by M/s Thermax Ltd or any other amount as may be directed by the Court along with interest @ 6% per annum or such other rate as may be directed by Court which has accrued from date of such deposit.

### NOTE NO. 53 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 2023-24						
Sr No.	Plant	Provision for Impairment made during the year	Reversal of Impairment Provision made during the year	Balance in Provision account at the end of the year	Recoverable Amount	Reportable Segments In which these Plants/Assets are used
1	Dimethyl Formamide	-	-	0.10	0.43	Chemical Segment
2	Carbon Mono Oxide	0.12	-	11.19	2.01	Chemical Segment
3	Methylamines	0.12	4.12	1.19	1.99	Chemical Segment
4	DMAC	-	-	0.33	0.58	Chemical Segment
5	MAP 100% WS	-	-	0.34	0.27	Fertilizer Segment
6	Methanol	3.74	-	3.74	0.27	Chemical Segment
7	Tuticoron Warehouse	6.49	-	6.49	-	Fertilizer Segment
<b>Total</b>		<b>10.47</b>	<b>4.12</b>	<b>23.38</b>	<b>5.55</b>	

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

(₹ 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	Fertilizer Segment
<b>Total</b>		<b>5.86</b>	<b>-</b>	<b>17.03</b>	<b>5.13</b>	

The recoverable amount of ₹ 5.55 crore PY (PY ₹ 5.13 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.

54. 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. 53, 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 31.03.2024	As on 31.03.2023	
<b>A</b>				
1	Surplus Stores and Spares	17.92	22.16	
2	Disposable Surplus	10.79	15.03	
3	Specific stores and spares of impaired asset	8.38	12.25	
<b>Total (2+3)</b>		<b>19.17</b>	<b>27.28</b>	

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

(₹ Crore)

Sr. No.	Particulars	As on 31.03.2024	As on 31.03.2023
<b>B</b>			
1	Provision made for Disposable Surplus	10.25	14.28
2	Provision reckoned on stores and spares for impaired assets	7.96	11.63
<b>Total</b>		<b>18.21</b>	<b>25.91</b>
<b>C</b>			
1	Provision reckoned on Raw materials of Impaired assets - Rapid wall Plant –Trombay	3.35	3.35

### NOTE NO. 55 DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT 2006 IS AS UNDER:

(₹ Crore)

Sr. No.	Particulars	As at 31.03.2024	As at 31.03.2023
1	Principal amount remaining unpaid	55.46	57.13
2	Interest due thereon	0.03	0.03
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.	0.43	0.37
5	Interest accrued and remaining unpaid	0.46	0.40
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.	1.25	0.80

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.

### NOTE NO. 56 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 2024

### NOTE NO. 57 DISCLOSURES UNDER IND AS 24 ON RELATED PARTY TRANSACTIONS ARE GIVEN BELOW:

#### 57.1 Transactions with Joint Controlled Entities

##### 1) Relationship

##### JOINT CONTROLLED ENTITIES

Name of the Company	No of Shares (F.Y. 2023-24)	No of Shares (F.Y. 2022-23)	Country of Incorporation	% of Ownership interest as at	
				31.03.2024	31.03.2023
1) FACT-RCF BUILDING PRODUCTS LTD. (FRBL) *	35227000 of ₹ 10 each	35227000 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. 1<sup>st</sup> 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 31.03.2024	Year ended 31.03.2023
1	Contribution towards share capital-TFL	-	-
2	Reimbursement of Share of Expenses from TFL	5.93	3.58

#### Balance Outstanding:

(₹ Crore)			
Sr. No.	Particulars	As at 31.03.2024	As at 31.03.2023
		Joint Ventures	Joint Ventures
1	Advances Given –FRBL *	37.87	37.87
2	Reimbursement of Share of Expenses receivable from TFL	14.58	8.68

\* 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.

National Company Law Tribunal (NCLT) proceedings have been initiated vide order dated 11th December, 2023 on FACT-RCF Building Products Limited (FRBL) and an Interim Resolution Professional (IRP) has been appointed in place. However, there is no impact on Company's financial statements, as the Company has made full provision of its investments/dues from FRBL in earlier years. Further as the Company's share of losses has exceeded its investments in the joint venture, no further losses of the said joint venture is being recognised as per IND AS 28 and thus this has no impact on the Company's consolidated financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### 57.2 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)	
Sr. No.	Particulars	2023-24	2022-23
1	Transactions during the year*	-	481.23
	Dividend	0.42	0.40
	Sitting Fees	-	-
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 25<sup>th</sup> May, 2022 to 14<sup>th</sup> March, 2023.

		(₹ Crore)	
Sr. No.	Particulars	2023-24	2022-23
1	Transactions during the year*	0.35	0.18
2	Accounts receivable/(payable) as at 31st March	(0.06)	(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 to 08.02.2024

		(₹ Crore)	
Sr. No.	Nature of Transaction	2023-24	2022-23
1	Transactions during the year*	2.75	2.92
2	Accounts receivable/(payable) as at 31st March	(0.60)	(0.06)

\* Consultancy services etc.

- (iv) **Fertilisers and Chemicals Travancore Limited (FACT)** – Owing to Shri S. C. Mudgerikar holding additional charges as Chairman & Managing Director as per directives of DoF in the said entity from upto 23<sup>rd</sup> February, 2024.

		(₹ Crore)	
Sr. No.	Nature of Transaction	2023-24	2022-23
1	Transactions during the year*	(4.35)	(0.37)
2	Accounts receivable/(payable) as at 31st March	5.46	10.67

\* Procurement of raw materials, loan repayment by FACT and interest accrued during the year.

#### b) Disclosure as per Section 186 of the Companies Act, 2013

		(₹ Crore)	
Sr. No.	Name of Party	Amount as on 31.03.2024	Amount as on 31.03.2023
1.	FACT Ltd (Joint Venture Partner in FRBL) Inter Corporate Loan	5.10	10.20
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 THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### 57.3 Key Management Personnel

#### a) Whole Time Directors & Company Secretary

- (i) Shri S. C. Mudgerikar , Chairman & Managing Director
- (ii) Ms. Nazhat J. Shaikh, Director (Finance) and CFO
- (iii) Shri Milind M. Deo, Director (Technical) (Upto 30.09.2023)
- (iv) Ms. Ritu Goswami, Director (Technical) (From 17.01.2024)
- (v) Shri Jai Bhagwan Sharma, Company Secretary

#### b) Independent Directors

- (i) Ms. Shashi Bala Bharti (Upto 24.06.2023)
- (ii) Shri Chandra Bhushan Pandey (upto 06.11.2023)
- (iii) Shri Gopinathan Nair Anilkumar

#### c) Government Nominee Directors

- (i) Ms. Aneeta C. Meshram
- (ii) Shri Sanjay Rastogi (upto 04.01.2024)
- (iii) Dr. Ajay Shanker Singh (from 05.01.2024)

#### Details relating to parties referred above:

##### (i) Remuneration:

Particulars	(₹ Crore)	
	Year ended 31.03.2024	Year ended 31.03.2023
Shri. S C Mudgerikar	1.14	0.99
Shri K U Thankachen	-	0.95
Ms. Nazhat J Shaikh	0.89	0.69
Shri. Milind M Deo	1.23	0.79
Mrs. Ritu Goswami	0.11	-
Shri. Jai Bhagwan Sharma	0.70	0.62
<b>Total</b>	<b>4.07</b>	<b>4.04</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.

##### (ii) Sitting Fees in case of Independent Directors

Particulars	(₹ Crore)	
	Year ended 31.03.2024	Year ended 31.03.2023
Ms Shashi Bala Bharti	0.02	0.08
Shri Chandra Bhushan Pandey	0.04	0.07
Shri Kashee Nath Akela	-	0.01
Shri Gopinathan Nair Anilkumar	0.08	0.07
<b>Total</b>	<b>0.14</b>	<b>0.23</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### 57.4 Transaction with other Government related Entities

In the ordinary course of its business, the Company enters into transactions with other Government controlled entities. The Company has transactions with other Government-controlled entities, including but not limited to the following:

- Purchase of Gas, Raw Materials/Finished Goods;
- Purchase of Assets/Spare parts from Original equipment manufacturers (OEMs);
- Sale of Industrial chemicals;
- Rendering and receiving of services;

These transactions are conducted in the ordinary course of business on terms comparable to those with other entities that are not government controlled entities

### 57.5 Transaction with Trusts

(₹ Crore)			
Name of Related Party	Nature of Transactions	2023-24	2022-23
<b>Contribution to Trust</b>			
RCF Ltd Employees Provident Fund Trust	Contribution	14.49	31.14
RCF Ltd Employees Gratuity Fund	Contribution	6.79	7.94
<b>Reimbursement of Gratuity payment made on behalf of Trust</b>			
RCF Ltd Employees Gratuity Fund	Reimbursement	30.37	38.66
<b>Balance payable/(receivable) as on 31<sup>st</sup> March of financial year</b>			
RCF Ltd Employees Provident Fund Trust	Contribution	5.36	8.59
RCF Ltd Employees Gratuity Fund	Contribution/Net of reimbursement due	(6.42)	(4.02)

### NOTE NO. 58 DISCLOSURE AS PER IND AS 37 ON "PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS" AS ON 31ST MARCH 2024:

(₹ Crore)						
Sr. No.	Particulars	Balance as on 01.04.2023	Addition	Utilization	Reversal	Balance as on 31.03.2024
a)	Disputes and Claims, Legal Matters	2.00 (2.00)	- -	- -	- -	2.00 (2.00)

Figures in brackets are in respect of previous year.

### NOTE NO. 59 EARNINGS PER SHARE –BASIC AND DILUTED

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Net profit after tax as per Statement of Profit and loss ₹ crore) (A)	227.74	967.15
Weighted Average Numbers of Equity Shares for calculating basic EPS(B)	55,16,88,100	55,16,88,100
Basic earnings per Share (in Rupees) (Face Value of ₹ 10/- per share) (A)/(B)	4.13	17.53
Diluted earnings per Share (in Rupees) (Face Value of ₹ 10/- per share) (A)/(B)	4.13	17.53
EPS from continuing operations (Face Value of ₹ 10/- per share)	4.13	17.53

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### NOTE NO. 60 "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	
		31.03.2024	31.03.2023
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 31.03.2024 (Unaudited)	As at 31.03.2023 (Audited)
1	Non-Current Assets	2.34	2.34
2	Cash and Cash Equivalent	0.08	0.16
3	Current Assets other than Cash and Cash Equivalent	3.09	7.51
4	Non-Current Liabilities	66.01	64.65
5	Current Liabilities	91.47	91.80
6	Equity	(149.07)	(146.44)
7	Proportion of the company's ownership	50%	50%
8	Carrying amount of the investment*	-	-

(₹ Crore)			
Sr. No.	Particulars	Year Ended 31.03.2024 (Unaudited)	Year Ended 31.03.2023 (Audited)
1	Income	0.30	0.96
2	Cost of materials consumed	-	-
3	Change in inventories	-	-
4	Depreciation and amortization expense	-	-
5	Finance costs	1.72	7.07
6	Employee benefits expense	0.40	0.48
7	Other Expenses	0.81	1.31
8	Profit/Loss from continuing operations before exceptional ite	(2.63)	(7.90)
9	Exceptional Item	-	-
10	Profit/Loss Before Ta	(2.63)	(7.90)
11	Total comprehensive income for the year	(2.63)	(7.90)
12	Company's Share of profit / (loss) for the yea	(1.32)	(3.95)

- \* 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 ₹ 1.32 crore for the year (P.Y. ₹ 3.95 crore) and ₹ 74.54 crore cumulatively upto the year ended 31.03.2024 (P.Y. ₹ 73.22 crore).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

- 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 31.03.2024 (Audited)	As at 31.03.2023 (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	0.07
4	Non-Current Liabilities	-	-
5	Current Liabilities	0.04	0.03
6	Equity	0.04	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 31.03.2024 (Audited)	Year Ended 31.03.2023 (Audited)
1	Income { ₹ 42,000 (P.Y ₹ 34,600)}	-	-
2	Cost of materials consumed	-	-
3	Depreciation and amortization expense	-	-
4	Finance costs	-	-
5	Employee benefits expense	-	-
6	Other Expenses	0.01	0.01
7	Profit/(Loss) from continuing operation	(0.01)	(0.01)
8	Total comprehensive income for the year	(0.01)	(0.01)
9	Company's Share of profit /(loss) for the year	(0.01)	-

\* 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 31.03.2024 (Audited)	As at 31.03.2023 (Audited)
1	Non-Current Assets	5244.56	2704.33
2	Cash and Cash Equivalent	145.99	141.03
3	Current Assets other than Cash and Cash Equivalent	739.82	401.02
4	Non-Current Liabilities	3133.68	490.02
5	Current Liabilities	612.24	364.67

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

(₹ Crore)

Sr. No.	Particulars	As at 31.03.2024 (Audited)	As at 31.03.2023 (Audited)
6	Equity	2384.45	2391.78
7	Proportion of the Company's ownership	33.33%	33.33%
8	Carrying amount of the investment	805.48	805.48
9	Capital Commitment	7667.17	9175.67

(₹ Crore)

Sr. No.	Particulars	Year Ended 31.03.2024 (Audited)	Year Ended 31.03.2023 (Audited)
1	Income	0.59	5.89
2	Cost of materials consumed	-	-
3	Depreciation and amortization expense	0.58	0.61
4	Finance costs	-	-
5	Employee benefits expense	3.44	4.22
6	Other Expenses	3.87	3.40
7	Profit/(Loss) from continuing operation	(7.30)	(2.34)
8	Total comprehensive income for the year	(7.34)	(2.53)
9	Company's Share of profit / (loss) for the year	(2.45)	(0.84)

### NOTE NO. 61 MISCELLANEOUS EXPENSES INCLUDE AUDITORS' REMUNERATION AS PER DETAILS GIVEN BELOW:

(₹ Crore)

Sr. No.	Particulars	Year ended 31.03.2024	Year ended 31.03.2023
1	Audit fees for the year	0.34	0.40
2	Audit fees for Limited review	0.03	0.03
3	Audit fees for Consolidated Financial Statements	-	0.02
4	Certification Fee	0.09	0.15
5	Reimbursement of other expenses	0.05	0.05

62. The position of (Net) Certified Emission Reductions (CER's) or Carbon Credits, Renewable Energy Certificate and Energy Savings Certificate (E-cert) allotted and held by the Company is as under :-

#### Certified Emission Reductions (CER's)

Particulars	Unit	2023-24	2022-23
CER's at the beginning of the year	No.	-	973738
CER's Generated/Purchased	No.	-	-
CER's Sold/Consumed	No.	-	973738
CER's held at year end	No.	-	-
Depreciation, operating and maintenance cost of emission reduction equipment's expensed during the year	₹ Crore	-	0.01

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### Renewable Energy Certificat (REC)

Particulars	Unit	2023-24	2022-23
REC at the beginning of the year	No.	1622	4667
REC Generated/Purchased	No.	2202	131153
REC Sold/Consumed	No.	794	134198
REC held at year end	No.	3030	1622

### Energy Saving Certificat (E-cert)

Particulars	Unit	2023-24	2022-23
E-cert at the beginning of the year	No.	13413	13509
E-cert Generated/Purchased	No.	-	4675
E-cert Sold/Consumed	No.	3673	96
E-cert held at year end	No.	9740	13413

### NOTE NO. 63 EMPLOYEE BENEFITS:

#### General Description of Define Benefi Plan

The required disclosure under Ind AS 19 Employee Benefits is given below

#### 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 ₹ 14.49 crore (P.Y. ₹ 52.60 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 Define 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 ₹ 24.21 crore as at 31.03.2023. Upon review of fair value plan assets as compared to present value of the defined benefit obligation, the deficit stands reduced to ₹ 4.00 crore as at 31.03.2024 resulting in an reversal of provision amounting to ₹ 20.21 Crore during the year. (P.Y. ₹ 8.13 crore additional provision).

- c) Provision on account of interest shortfall determined through actuarial valuation has been recognized amounting to ₹ 1.89 crore (PY ₹ Nil) in statement of Profit and Loss and ₹ 16.18 crore (PY ₹ 25.19 crore) in Other Comprehensive Income respectively.

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

Particulars	As at 31st March 2024	As at 31st March 2022
Maturity profile assumed upt	5 years	5 years
Expected guaranteed interest rate	8.15%	8.15%
Discount rate	7.22%	7.52%

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 (Excluding Interest Shortfall) and fair value of plan assets as at March 31, 2024



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

(₹ Crore)

Particulars	F.Y. 2023-24		
	Defined Benefit Obligation	Fair Value of Plan Asset	Net Benefit Asset
<b>Opening Balance</b>	<b>(942.45)</b>	<b>918.25</b>	<b>(24.21)</b>
Adjustment in opening balance	0.66	-	
Service Cost	(30.90)	-	
Net Interest Expenses	(71.55)	-	
Interest Income	-	71.55	
Benefits Pai	171.80	(171.80)	
Return on Plan Asset ( excluding amounts included in net Interest Expense)	-	0.49	
Difference in Book value & Fair Value of Plan Asse	-	19.05	
Experience Adjustment	-	-	
Settlement /Transfer in	(2.13)	2.13	
Settlement /Transfer out	-	-	
Contribution by Plan Participants Employees	(33.71)	33.71	
Contribution by Employer	-	30.90	
Other Adjustment	-	-	
<b>Closing Balance</b>	<b>(908.28)</b>	<b>904.28</b>	<b>(4.00)</b>

Changes in the benefit obligation (Excluding Interest Shortfall) 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
<b>Opening Balance</b>	<b>(982.71)</b>	<b>966.62</b>	<b>(16.09)</b>
Adjustment in opening balance	0.74	-	
Service Cost	(30.90)	-	
Net Interest Expenses	(74.48)	-	
Interest Income	-	74.48	
Benefits Pai	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 Asse	-	(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	-	-	
<b>Closing Balance</b>	<b>(942.45)</b>	<b>918.25</b>	<b>(24.21)</b>

### 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,

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

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 ₹ 6.79 crore (PY ₹ 7.94 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 2024 is ₹ 170.31 crore (P.Y. ₹ 175.04 crore).

### 4) Post-Retirement Medical Benefit : -

The Company has been accounting for provision on account of post-retirement medical benefit 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 benefit as per agreed upon scheme in force.

The liability for the Post-Retirement Medical Benefit on retirement as at 31<sup>st</sup> March 2024 is ₹ 145.85 crore (P.Y. ₹ 138.13 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 25/35 years of service.

#### General Description of Define 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 ₹ 17.84 crore (P.Y. ₹ 11.29 crore) as contribution towards the said scheme.

##### Gratuity & Post-Retirement Medical Benefit :

The following table shows the impact of actuarial valuation as recognized in the financial statements in respect of Gratuity and Post-retirement medical benefit .

(₹ Crore)

Particulars	As at 31 <sup>st</sup> March 2024		As at 31 <sup>st</sup> March 2023	
	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	5.83	1.82	5.46	1.94
Past Service cost	-	-	-	-
Net Interest Cost / (Income)	(0.30)	10.40	(0.55)	9.24
<b>Net expense/(gain) recognized in the statement of Profit and Loss (refer note below)</b>	<b>5.53</b>	<b>12.22</b>	<b>4.92</b>	<b>11.18</b>
<b>Remeasurement of the net defined benefit liability</b>				
Actuarial (Gains) or Losses due to changes in Financial Obligations	3.99	3.16	(3.90)	(1.36)
Actuarial Gains or Losses due to demographic assumptions	-	-	-	-
Actuarial Gains or Losses due to experience adjustments	(3.95)	3.85	5.78	12.47

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

(₹ Crore)

Particulars	As at 31 <sup>st</sup> March 2024		As at 31 <sup>st</sup> March 2023	
	Gratuity (Funded)	Post-Retirement Medical Benefits (Non-Funded)	Gratuity (Funded)	Post-Retirement Medical Benefits (Non-Funded)
Return on plan assets excluding amounts included in Net Interest Expense	(1.23)	-	(1.13)	-
<b>Components of defined benefit cost/(Income recognized in other comprehensive income</b>	<b>1.27</b>	<b>7.01</b>	<b>3.02</b>	<b>11.11</b>
<b>2) Changes in Benefit Obligation</b>				
<b>Present value of Obligation at year beginning</b>	<b>237.48</b>	<b>138.13</b>	<b>254.30</b>	<b>124.83</b>
Service Cost	5.83	1.82	5.46	1.94
Interest Cost	17.86	10.40	18.39	9.24
Past Service cost	-	-	-	-
Liability Transferred In/ Acquisitions	-	-	0.12	-
Actuarial(Gain)/Loss	0.04	7.01	1.89	11.11
Benefits pai	(36.78)	(11.50)	(42.68)	(9.00)
<b>Present value of Obligation at year end</b>	<b>224.43</b>	<b>145.85</b>	<b>237.48</b>	<b>138.13</b>
<b>3) Changes in Plan Assets</b>				
Fair value of Plan Assets, at year beginning	241.50	-	261.89	-
Assets Transferred In/Acquisitions	-	-	0.12	-
Expected return on Plan Assets	18.16	-	18.93	-
Employer's contributions	9.19	-	4.38	-
Benefits pai	(36.78)	-	(42.68)	-
Actuarial Gain/(Loss)	-	-	-	-
Return on plan Asset excluding interest income.	(1.23)	-	(1.14)	-
Fair value of Plan Asset at the year end	<b>230.85</b>	<b>-</b>	<b>241.50</b>	<b>-</b>
Present Value of funded defined benefit obligati	(224.43)	(145.85)	(237.48)	(138.13)
Fair value of Plan Asset	<b>230.85</b>	<b>-</b>	<b>241.50</b>	<b>-</b>
Net (Liability)/Asset arising from defined benefi obligation	6.42	-	4.02	-
Insurance Fund	220.52	-	231.16	-
State Government Securities	10.32	-	10.34	-
Cash and Cash Equivalents	0.01	-	0.01	-
Other	-	-	-	-
<b>Total</b>	<b>230.85</b>	<b>-</b>	<b>241.50</b>	<b>-</b>
<b>Actuarial Assumptions</b>				
Discount Rate( per annum)	7.22%	7.24%	7.52%	7.53%
Expected Rate of Return on Assets (per annum)	7.22%	-	7.52%	-
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				
One percentage point increase in discount rate	(12.68)	(10.31)	(12.33)	(9.59)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

(₹ Crore)

Particulars	As at 31 <sup>st</sup> March 2024		As at 31 <sup>st</sup> March 2023	
	Gratuity (Funded)	Post-Retirement Medical Benefits (Non-Funded)	Gratuity (Funded)	Post-Retirement Medical Benefits (Non-Funded)
One percentage point decrease in discount rate	14.59	12.12	14.10	11.23
One percentage point increase in salary increase	6.32	-	5.96	-
One percentage point decrease in salary increase	(6.43)	-	(6.18)	-
One percentage point increase in employee turnover rate	1.36	-	1.45	-
One percentage point decrease in employee turnover rate	(1.58)	-	(1.68)	-

### Maturity Analysis of Projected Benefit Obligation (from the fund)

	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
1 <sup>st</sup> Following Year	30.77	41.02
2 <sup>nd</sup> Following Year	25.13	21.15
3 <sup>rd</sup> Following Year	34.48	33.98
4 <sup>th</sup> Following Year	25.08	33.50
5 <sup>th</sup> Following Year	26.29	24.50
Sum of Years 6 to 10	77.14	88.54
Sum of Years 11 and above	190.03	181.56

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.

### NOTE NO. 64 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 31.03.2024	As on 31.03.2023
Buyer's credit/Supplier's credit availed for import	USD	175.09	808.53
Long Term Borrowings	USD/EUR	176.33	136.16

The position of Unhedged Foreign currency exposures are as under: -

(₹ Crore)

Unhedged Exposure	Cross Currency	As on 31.03.2024	As on 31.03.2023
Foreign currency term loans	USD / EUR	145.66	83.81
Buyer's credit/Suppliers credits for imports (including Interest accrued but not due) / Trade Payables (net)/ Deposits received	USD / EUR / SEK / JPY	644.85	253.68

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### Derivative Financial Instruments

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

(In Million)					
Hedging Instrument	Currency	Hedged Exposure	Currency	As on 31.03.2024	As on 31.03.2023
Forwards/ Call Spreads / Seagull options	USD / INR	Buyers Credit / Suppliers Credit/ Foreign Currency Long Term Loans	USD	21.00	98.34
	EUR/INR	External Commercial Borrowings	EUR	19.55	15.20
	EUR/USD	External Commercial Borrowings	EUR	-	-

### NOTE NO. 65 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 ₹ 29.33 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 DO

### NOTE NO. 66 EXCEPTIONAL ITEMS:

Exceptional item consists of:

Sr. No.	Particulars	Year ended	
		31.03.2024	31.03.2023
(₹ Crore)			
<b>A. Transferrable Development Right</b>			
	Loss / (Gain) on Sale/Revaluation of Development Right Certificate received / receivable from MMRDA towards surrender of land in earlier years to MMRDA/ MCGM.*	(25.28)	(36.47)
	Loss/(Gain) on Revaluation of valuation of Development Right Certificate received from Municipal Corporation of Greater Mumbai towards surrender of land.	(15.04)	(26.85)
	<b>Net Exceptional Expense / (Income)</b>	<b>(40.32)</b>	<b>(63.32)</b>
<b>B. Disputes with GAIL (I) Ltd.</b>			
	Reversal of excess liability of price differential for use of APM/Domestic gas for non-fertilizer/ Non-Urea operations as per AMRCD order.	-	(30.15)
	<b>Net Exceptional Expense / (Income)</b>	<b>-</b>	<b>(30.15)</b>
	<b>Grand Total (A+B)</b>	<b>(40.32)</b>	<b>(93.47)</b>

\* The Company has sold 16,530 Sq. meters of Transferable Development Rights (TDR) during the quarter ended 30th June, 2023 and realized a gain of ₹ 25.28 Crores.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### NOTE NO. 67 DISCLOSURE RELATING TO CORPORATE SOCIAL RESPONSIBILITY "CSR" ACTIVITIES

Company during the year has incurred an expenditure of ₹ 17.93 crore (P.Y. ₹ 11.93 crore) towards the same which is reported under Note No. 38 "Other Expenses" & Note 38B "Miscellaneous expenses".

The expenditure incurred is under the following heads: -

Particulars	Year ended 31.03.2024		Year ended 31.03.2023	
	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	-	13.38	-	7.32
Rural Development	-	0.99	-	2.85
Skill Development & livelihood	-	0.31	-	0.44
Promoting Education	-	0.88	-	1.16
Women Empowerment	-	2.37	-	0.16
<b>Total</b>	-	<b>17.93</b>	-	<b>11.93</b>

The other disclosures are as under: -

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Gross amount required to be spent by the Company during the year	17.68	11.70
Amount spent during the year (on purpose other than construction / acquisition of assets controlled by the Company)	17.93	11.93
Amount yet to be paid in cash	0.86	2.26

Details of CSR expenditure to be reported in accordance with Schedule III of Companies Act

F. Y.	Amount required to be spent during the year	Amount spent during the year	Balance c/f as at 31.03.2024	Amount charged off to statement of P& L	Shortfall	Reason for Short fall	Related Party	Provision of liability by entering Contractual obligation
2023-24	17.68	*20.58	2.65	17.93	Nil	N.A.	Nil	N.A.
2022-23	11.70	*12.43	0.50	11.93	Nil	N.A.	Nil	N.A.

\*Includes ₹ 2.65 crores excess amount for F.Y. 2023-24 and ₹ 0.50 F.Y. 2022-23 carried forward from previous year.

### NOTE NO. 68 INCOME TAX

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

Sr. No.	Particulars	Year ended 31.03.2024	Year ended 31.03.2023
1	Accounting profit before tax from continuing operation	303.63	1273.98
2	At the effective income tax rate of (31st March 2024: 25.17% and 31st March 2023: 25.17%)	76.42	320.64

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

(₹ Crore)

Sr. No.	Particulars	Year ended 31.03.2024	Year ended 31.03.2023
	Effect of :--		
3	Expenses that are not deductible in determining Taxable Profit	(1.30)	4.01
4	Income that is exempt from taxation	-	-
5	Effect of deferred tax of previous period	21.71	16.90
6	Other permanent difference	5.13	7.31
7	<b>Sub Total ( Sr. No. 2+3+4+5+6)</b>	<b>101.96</b>	<b>348.86</b>
8	Adjustment in respect of current income tax of previous year	(26.07)	(42.03)
9	<b>Income tax expense reported in the statement of profit or loss (Sr. No. 7+8)</b>	<b>75.89</b>	<b>306.83</b>
10	Effective income tax rate ( in %) ( Sr.No.9 / Sr. No. 1)*10	24.99	24.08

## (b) Details of Advance Income Tax (Net of Provision)

(₹ Crore)

Particulars	F.Y. 2023-24	F.Y. 2022-23
Advance Income Tax - current year	59.74	48.36
Advance Income Tax - prior year	204.84	124.47
<b>Total</b>	<b>264.58</b>	<b>172.83</b>

## NOTE NO. 69 DEFERRED TAX

(₹ Crore)

	For the Year 2023-24			
	Opening Balance 01.04.2023	Recognized in P&L	Recognized in OCI	Closing Balance 31.03.2024
<b>DEFERRED TAX LIABILITY</b>				
Property Plant & Equipment and Intangible Assets	313.27	31.62	-	344.89
Revaluation of FVTOCI Investments to Fair value	24.34		5.65	29.99
Other temporary difference	2.37	0.83		3.20
TDR Accrued	10.48	-	-	10.48
<b>TOTAL (A)</b>	<b>350.46</b>	<b>32.45</b>	<b>5.65</b>	<b>388.56</b>
<b>DEFERRED TAX ASSET</b>				
Provision for doubtful debts/claims/advances	11.17	(0.43)	-	10.74
Provision for obsolescence of stores	3.86	(3.17)	-	0.69
Provision for diminution in value of investments	8.91	-	-	8.91
Expenditure allowable on payment basis	71.92	(25.24)	-	46.68
Other temporary difference	17.70	(1.89)	-	15.81
<b>TOTAL (B)</b>	<b>113.56</b>	<b>(30.73)</b>	<b>-</b>	<b>82.83</b>
<b>NET DEFERRED TAX LIABILITY (A-B)</b>	<b>236.90</b>	<b>63.18</b>	<b>5.65</b>	<b>305.73</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

(₹ 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 difference	1.49	0.87	-	2.37
TDR Accrued	8.39	2.09	-	10.48
<b>TOTAL (A)</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 difference	33.35	(15.65)	-	17.70
<b>TOTAL (B)</b>	<b>122.89</b>	<b>(9.33)</b>	<b>-</b>	<b>113.56</b>
<b>NET DEFERRED TAX LIABILITY (A-B)</b>	<b>214.07</b>	<b>21.53</b>	<b>1.30</b>	<b>236.90</b>

### NOTE NO. 70 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.

### NOTE NO. 71 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.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

- 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	(₹ Crore)					
	31.03.2024			31.03.2023		
	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.			119.76			97.28
Investment in Mutual Funds	-			-		
Derivative Instruments not Designated as Hedges		9.72			8.19	
TDRs recognized at fair market value		76.93			99.63	
<b>Financial Liability</b>						
<b>Assets for which Fair values are disclosed</b>						
Investment Properties		956.30			875.19	

### NOTE NO. 72 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 effect 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 office 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:

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

- Interest Rate Risk:**

**Interest Rate Risk Management:**

Interest rate risk is the risk that the fair value or future cash flow 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 define risk appetite, ensuring the most cost-effective hedging structures are applied and accordingly the Company enters into interest rate swaps.

**Interest Rate Sensitivity Analysis:**

The sensitivity analysis has been determined based on the exposure to interest rate risk on the long term borrowings outstanding as at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year with a 50 basis point increase or decrease. The detailed sensitivity analysis is given below:

(₹ Crore)				
Nature of Floating interest rate Loans	Total outstanding floating rate loans	Current interest rate	Change	Impact on Profit and Loss Account (+Profit / -Loss)
<b>As on 31.03.2024</b>				
EUR Borrowings	319.53	5.16%	0.50%	(1.60)
			-0.50%	1.60
INR Borrowings	275.45	8.24%	0.50%	(1.38)
			-0.50%	1.38
<b>Total</b>	<b>594.98</b>			<b>(2.97)</b>
				<b>2.97</b>
<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>

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 and private Sector mutual funds and further the Company invests only in 100% debt oriented schemes of such funds. As regards

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

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 flow 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 primarily to the financial risk of changes in foreign currency risk and interest rates risk.

- Liquidity risk**

### Liquidity risk management

Liquidity risk management refers to the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flow, and by matching the maturity profile 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 flow 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 flow. 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 31.03.2024					
	Demand	<3 Months	3-12 Months	1-5 years	>5 Years	Total
Borrowings	-	1925.42	417.44	914.25	26.14	3283.25
Trade Payables	506.11	1306.94	122.54	-	-	1935.59
Other Financial Liabilities	500.79	85.83	30.23	12.52	30.25	659.62
Lease Liability	-	1.52	3.82	6.35	1.70	13.39
<b>TOTAL</b>	<b>1006.90</b>	<b>3319.71</b>	<b>574.04</b>	<b>933.12</b>	<b>58.09</b>	<b>5891.85</b>

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	3.56	6.69	2.56	13.96
<b>TOTAL</b>	<b>1572.92</b>	<b>1546.16</b>	<b>170.63</b>	<b>1030.86</b>	<b>47.36</b>	<b>4367.93</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 2024

As on 31st March 2024									
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					Rs. per Foreign Currency	Rs. in Crore	%	Rs. per Foreign Currency	Rs. in Crore
USD	97.56	-	-	97.56	83.37	813.44	5.00%	4.1687	(40.67)
							-5.00%	(4.1687)	40.67
EUR	0.15	35.42	0.27	35.84	90.22	323.34	5.00%	4.5109	(16.17)
							-5.00%	(4.5109)	16.17
Other Currencies	-	-	-	-		5.13	5.00%		(0.26)
							-5.00%		0.26
<b>Total</b>				<b>133.40</b>		<b>1141.91</b>			

\* of the above, an amount of ₹. 176.33 crores are hedged by way of Financial Derivative Instruments

\*\* of the above, an amount of ₹. 175.09 crore is hedged by way of Financial Derivative Instruments

As on 31st 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					Rs. per Foreign Currency	Rs. in Crore	%	Rs. per Foreign Currency	Rs. 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

### NOTE NO. 73 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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

Public sector undertaking, is governed by the guidelines of the Department of Investment & Public Asset Management (DIPAM), which specifies the minimum percentage of dividend that can be declared. Accordingly, the Company has to manage its capex in such a way that the minimum dividend payout as stipulated is met. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

### Gearing Ratio:

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in financial covenants of any interest-bearing loans and borrowings in the currency period.

No changes have been made in the objectives, policies and processes for managing capital during the years ended 31st March 2024 & 31st March 2023.

(₹ Crore)		
Particulars	31.03.2024	31.03.2023
Borrowings (Current + Non-Current)	3283.25	1862.65
Trade Payables	1935.59	2011.29
Total Debt (A)	5218.84	3873.94
Total Capital (B)	4616.40	4598.32
Total Capital and Net Debt (C) = (A)+ (B)	9835.24	8472.26
Gearing Ratio (A/C*100)	53.06	45.72

### NOTE NO. 74 CHANGES IN FINANCIAL LIABILITIES ARISING FROM FINANCING ACTIVITIES FOR FY 2023-24

(₹ Crore)						
Particulars	As at 31.03.2023	Cash flows (net)	Other changes	Non-Cash Changes		As at 31.03.2024
				Foreign Exchange Movement	Current / Non-current classificatio	
Borrowings - Non Current (refer Note 19)	1,034.98	355.74	0.86	1.67	(452.86)	940.39
Borrowings - Current (refer Note 25)	827.67	1064.85	0.45	(2.97)	452.86	2,342.86
Acceptances/Supplierscredit(refer Note 27)	-	-	-	-	-	-
ROU Lease Liabilities (refer Note 20 & 26)	13.96	(6.53)	5.96	-	-	13.39

### 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 classificatio	
Borrowings - Non Current (refer Note 19)	1120.41	-	0.58	11.58	(97.59)	1,034.98
Borrowings - Current (refer Note 25)	1847.81	(1105.57)	(0.45)	(11.71)	97.59	827.67
Acceptances/Supplierscredit(refer Note 27)	392.41	(390.75)	-	(1.66)	-	-
ROU Lease Liabilities (refer Note 20 & 26)	10.30	(5.22)	8.88	-	-	13.96

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### NOTE NO. 75 DISCLOSURE AS PER IND AS 116 – LEASES

(₹ Crore)

Sr. No.	Particulars	31.03.2024	31.03.2023
<b>Details pertaining to Lease Arrangement considered as ROU</b>			
1	Total Gross Lease liability	16.87	17.00
2	Total Discounted lease liability	13.39	13.95
3	Cash Outflow due to Lease Liabilit	6.53	5.22
4	Interest charged to PL	1.26	1.05
5	Depreciation charged to PL	5.63	4.49
6	Cancellations charged to PL	-	-
7	<b>Maturity Profile of Lease Liabilit</b>		
	On Demand	-	-
	Less Than 3 Months	1.52	1.15
	3 to 12 Months	3.82	3.56
	1 to 5 years	6.34	6.70
	5 Years & Above	1.71	2.55
	<b>Grand Total</b>	<b>13.39</b>	<b>13.96</b>
<b>Details pertaining exemptions availed as Short Term Lease Arrangement and not considered above</b>			
8	During the year charged to P&L	10.49	7.25
9	<b>Disclosure of undiscounted lease receivables wrt to assets given on Operating lease as a lessor</b>		
	On Demand	0.14	0.10
	Less Than 3 Months	1.23	0.86
	3 to 12 Months	3.76	2.50
	1 to 5 years	17.06	11.35
	5 Years & Above	2.14	4.23
	<b>Grand Total</b>	<b>24.33</b>	<b>19.04</b>

### NOTE NO. 76 TRADE RECEIVABLES AGEING SCHEDULE (CURRENT/NON - CURRENT)

(₹ Crore)

Particulars	FY 2023-24						Total
	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) <b>Undisputed- Considered Good</b>							
Subsidy Receivable		*2928.39	-	15.42	1.90	7.60	2953.31
Trade Receivable	569.00	23.86	0.83	3.88	0.91	0.21	598.69
(ii) <b>Undisputed Trade Receivables – which have significant increase in credit risk</b>	-	0.29	-	-	-	-	0.29

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

(₹ Crore)

Particulars	FY 2023-24						
	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	1.92	1.92
(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>569.00</b>	<b>2952.54</b>	<b>0.83</b>	<b>19.30</b>	<b>2.81</b>	<b>9.73</b>	<b>3554.21</b>
Less: Provision for ECL							2.62
Less: Provision for Credit Impaired							1.92
<b>Total-Trade Receivables</b>							<b>3549.67</b>

\* Includes unbilled subsidy amounting to ₹ 2620.52 crores, recognized as per in principle settlement of subsidy claims by DOF FICC and on quantity sold.

(₹ Crore)

Particulars	FY 2022-23						
	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(vii) Undisputed- Considered Good							
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
(viii) Undisputed Trade Receivables – which have significant increase in credit risk	-	0.15	-	-	-	-	0.15
(ix) Undisputed Trade Receivables – credit impaired	-	-	-	-	0.31	1.64	1.95
(x) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(xi) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

(₹ Crore)

Particulars	FY 2022-23						
	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(xii) 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 per in principle settlement of subsidy claims by DOF FICC and on quantity sold.

### NOTE NO. 77 TRADE PAYABLES AGING SCHEDULE

(₹ Crore)

Particulars	FY 2023-24					
	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	38.72	16.49	0.14	-	-	55.35
Undisputed Others	1478.42	387.32	1.66	1.70	4.69	1873.79
Disputed dues – MSME	-	0.02	0.09	-	-	0.11
Disputed dues - Others	0.03	0.01	-	1.95	4.35	6.34
<b>Total</b>	<b>1517.17</b>	<b>403.84</b>	<b>1.89</b>	<b>3.65</b>	<b>9.04</b>	<b>1935.59</b>

(₹ Crore)

Particulars	FY 2022-23					
	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>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### NOTE NO. 78 DETAILS OF CAPITAL-WORK-IN PROGRESS (CWIP)

(a) CWIP aging schedule outstanding as on 31<sup>st</sup> March

(₹ Crore)

CWIP	FY 2023-24				
	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	228.21	65.66	20.16	13.70	327.72
Other Projects	95.35	5.90	0.94	1.33	103.52
<b>Total (A)</b>	<b>323.56</b>	<b>71.56</b>	<b>21.10</b>	<b>15.03</b>	<b>431.25</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>323.56</b>	<b>71.56</b>	<b>21.10</b>	<b>15.03</b>	<b>431.25</b>

(₹ Crore)

CWIP	FY 2022-23				
	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>

(b.) Details of capital-work-in progress completion schedule, whose completion is overdue or has exceeded its cost compared to its original plan

(₹ Crore)

CWIP	FY 2023-24			
	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	43.31	-	-	-
ETP Upgradation	51.70	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

(₹ Crore)

CWIP	FY 2023-24			
	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Briquette Fired Boiler in CGP	14.18	-	-	-
<b>Total (A)</b>	<b>109.19</b>	-	-	-
<b>(B.) Projects temporarily suspended</b>	-	-	-	-
<b>Total (B)</b>	-	-	-	-
<b>Grand Total (A+B)</b>	<b>109.19</b>	-	-	-

\* There has been no cost overrun in respect of above projects.

(₹ Crore)

CWIP	FY 2022-23			
	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	-	-
Vapor Absorber Machine (VAM) for Ammonia and Urea	7.12	-	-	-
ETP Up gradation	47.07	-	-	-
<b>Total (A)</b>	<b>54.19</b>	<b>27.46</b>	-	-
<b>(B.) Projects temporarily suspended</b>	-	-	-	-
<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.

79. The Company, as per the Securities and Exchange Board of India (SEBI) circular SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/172 dated October 19, 2023, is a Large Corporate and Company shall endeavor to comply with the requirement of raising 25% of their incremental borrowings done during FY 2022, FY 2023 and FY 2024 respectively by way of issuance of debt securities till 31<sup>st</sup> March, 2024. Accordingly the disclosure requirements towards compliance of the same is as under :

Sr No.	Particulars	Rs. Crore
1	Incremental Borrowings (a)	275.45
2	Mandatory borrowings to be done through issuance of debt (b) = (25% of a)	68.86
3	Actual borrowings done through Debt securities in FY 2023-24 ( c )	-
4	Shortfall in the mandatory borrowing through debt securities, if any (d) = (b) - ( c )	68.86
5	Reasons for shortfall, if any, in mandatory borrowings through debt securities	Availability of alternative source of finance and unfavorable bond market

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### NOTE NO. 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 Beneficiarie	Schedule No. of Balance Sheet	Reason not booked	Proceeding details	Nature of proceedings, status and company's view
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Not Applicable

### NOTE NO. 81 DISCLOSURES RELATING TO BORROWINGS AVAILED AGAINST SECURITY OF CURRENT ASSETS

Quarterly returns of current assets file 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 of Section 2 (87) of the Act read with the Companies (Restriction on number of layers) Rules, 2017 is not applicable.
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:
  - a. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) o
  - b. 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:
  - a. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiarie ) or
  - b. Provide any guarantee, security or the like on the behalf of the Ultimate Beneficiarie .

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### NOTE NO. 91 ANALYTICAL RATIOS

Sr. No.	Particulars	Numerator	Denominator	Current. Year F.Y. 2023-24	Previous. Year F.Y. 2022-23	Variance	Reason for change if variation more than 25%
1.	Current Ratio	Current Assets	Current Liabilities	1.45	1.62	(10)%	-
2.	Debt-Equity Ratio	Total Debt	Shareholders' Equity	0.71	0.41	75%	Increased borrowings
3.	Debt Service Coverage Ratio	Earnings available for debt service	Debt service	1.07	5.03	(79)%	Lower EBIDTA and Higher debt
4.	Return on Equity (ROE)	Net Profit after Tax	Average Shareholders' Equity	4.94%	22.79%	(78)%	Lower profit after tax
5.	Inventory Turnover Ratio	COGS or Sales	Average Inventory	13.89	19.76	(30)%	Increase in inventory and reduced revenue from operations
6.	Trade Receivables Turnover Ratio	Revenue from operations	Avg. Accounts Receivables	5.51	7.61	(28)%	market conditions warranting extended credit terms and build of subsidy receivables
7.	Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	8.55	8.66	(1)%	-
8.	Net Capital Turnover Ratio	Revenue from operations	Working Capital	7.76	9.91	(22)%	-
9.	Net Profit Ratio	Profit after Tax	Revenue from operations	1.34%	4.51%	(70)%	Lower profitability
10.	Return on Capital Employed	EBIT	Capital Employed	5.45%	20.97%	(74)%	Lower Operating revenues and higher borrowings
11.	Return on Investment –Unquoted-Equity & MF	Income generated from investments	Time weighted average investments	27.83%	8.63%	223%	Increased Returns

92. The standalone financial statements were authorized for issue in accordance with a resolution passed by the Board of Directors on 17<sup>th</sup> May, 2024.
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 figure 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### 95. Events occurring after the Balance sheet date

Board of Directors have recommended a final dividend of ₹ 1.24 per equity share of ₹ 10/- each (P.Y. ₹ 3.70 per equity share of ₹10/- each) i.e. 12.40 % on paid up equity share capital of the Company for the financial year 2023-24 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

**(Nazhat Shaikh)**  
Director (Finance)  
DIN : 07348075

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

Dated : 17<sup>th</sup> May, 2024.  
Place: Mumbai

As per our report of even date attached

**For K. GOPAL RAO & CO.**  
Chartered Accountants  
Firm Regn. No. 000956S

**(Gopal Krishna Raju)**  
Partner  
Membership No: 205929

Dated : 17<sup>th</sup> May, 2024.  
Place: Mumbai

**For PARAKH & CO.**  
Chartered Accountants  
Firm Regn. No. 001475C

**(Shalabh Jain)**  
Partner  
Membership No: 441015

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### Standalone Segmentwise Revenue & Results for the year ended 31<sup>st</sup> March 2024

Annexure-1

₹ Crore

Sr. No	Particulars	Fertilizers	Trading	Industrial Chemicals	Unallocated	Total
<b>SEGMENT REVENUE</b>						
i.	Sales (Incl. Subsidy wherever applicable)	10969.48	4261.78	1708.65	-	16939.91
ii.	Other operating Income	27.91	0.13	1.69	11.67	41.40
	<b>Total Revenue</b>	<b>10997.39</b>	<b>4261.91</b>	<b>1710.34</b>	<b>11.67</b>	<b>16981.31</b>
<b>SEGMENT RESULT</b>						
i.	Segment Results	70.88	145.30	213.48	(33.88)	395.78
ii.	Interest Expense					183.64
iii.	Interest Income					51.17
iv.	<b>Profit Before Exceptional Item</b>					<b>263.31</b>
v.	Less: Exceptional Item - Expenditure / (Income)					(40.32)
vi.	<b>Profit before Ta</b>					<b>303.63</b>
vii.	Tax - Current					38.78
viii.	Deferred Tax Liability / ( Asset )					63.18
ix.	Tax adjustments of earlier years (excess) / short					(26.07)
x.	<b>Net Profi</b>					<b>227.74</b>
<b>OTHER INFORMATION</b>						
i.	Segment Assets	7271.38	1716.36	472.29	2006.35	11466.38
ii.	Segment Liabilities	2714.63	511.80	78.54	3545.01	6849.98
<b>Other Disclosures</b>						
iii.	Capital Expenditure	488.02	-	0.08	12.49	500.59
iv.	Depreciation and Amortisation	182.89	-	39.15	5.54	227.58
v.	Impairment	10.23	-	(3.88)	-	6.35
vi.	Other Non Cash Expenses	2.92	-	-	-	2.92

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### Standalone Segmentwise Revenue & Results for the year ended 31<sup>st</sup> March 2023

₹ 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.	Interest Expense					223.86
iii.	Interest Income					23.41
iv.	<b>Profit Before Exceptional Item</b>					<b>1180.51</b>
v.	Less: Exceptional Item - Expenditure / (Income)					(93.47)
vi.	<b>Profit before Ta</b>					<b>1273.98</b>
vii.	Tax - Current					327.33
viii.	Deferred Tax Liability / ( Asset )					21.53
ix.	Tax adjustments of earlier years (excess) / short					(42.03)
x.	<b>Net Profi</b>					<b>967.15</b>
<b>OTHER INFORMATION</b>						
i.	Segment Assets	6622.08	1076.03	537.78	1476.93	9712.82
ii.	Segment Liabilities	2632.08	105.80	125.77	2250.85	5114.50
<b>Other Disclosures</b>						
iii.	Capital Expenditure	300.64	-	0.03	2.69	303.36
iv.	Depreciation and Amortisation	166.31	-	34.74	5.53	206.58
v.	Impairment	0.34	-	5.52	-	5.86
vi.	Other Non Cash Expenses	3.45	-	-	0.01	3.46

\* Finance income and costs, and Corporate expenses are not allocated to individual segments as the same are managed on a group basis.

\* Current taxes, deferred taxes and write back of excess tax provisions are also not allocated to those segments as they are also managed on a group basis.

\* Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### Reconciliations to amounts reflected in Financial Statements

₹ Crore

Sr. No.	PARTICULARS	AS AT 31.03.2024	AS AT 31.03.2023
I	<b>OPERATING REVENUE</b>		
	<b>Segment Revenue</b>		
	India	16969.64	20877.10
	Outside India	-	562.77
	<b>Segment Revenue</b>	<b>16969.64</b>	<b>21439.87</b>
	Unallocated - Management fees	11.67	11.67
	<b>Total Operating Revenue</b>	<b>16981.31</b>	<b>21451.54</b>
II	<b>RECONCILIATION OF PROFITS</b>		
	Segment Profi	429.66	1465.35
	Add: Interest Income	51.17	23.41
		<b>480.83</b>	<b>1488.76</b>
	less: Finance Costs	183.64	223.86
	Corporate Expenses (net)	33.88	84.39
	<b>Profit Before Exceptional Item</b>	<b>263.31</b>	<b>1180.51</b>
	Less: Exceptional Item - Expenditure / (Income)	(40.32)	(93.47)
	<b>Profit Before Ta</b>	<b>303.63</b>	<b>1273.98</b>
III	<b>RECONCILIATION OF ASSETS</b>		
	<b>Segment Assets</b>	<b>9460.03</b>	<b>8235.89</b>
	Investments	1002.17	1002.39
	Corprate Assets + CWIP	29.80	23.06
	Non Current Tax Asset	264.58	172.83
	Derivatives (MTM Gain)	9.72	8.19
	Cash & Bank balances	344.54	51.72
	Other assets *	355.54	218.74
	<b>Total Assets</b>	<b>11466.38</b>	<b>9712.82</b>
IV	<b>RECONCILIATION OF LIAB ILITIES</b>		
	<b>Segment Liabilities</b>	<b>3304.97</b>	<b>2863.65</b>
	Borrowings Long-Term	940.39	1034.98
	Borrowings Short-Term	2222.40	829.78
	Deferred Tax Liabilities	305.73	236.90
	Other Current Financial Liabilities	56.08	146.14
	Other Non Current Financial Liabilities	0.47	0.05
	Other Liabilities	19.94	3.00
	<b>Total Liabilities</b>	<b>6849.98</b>	<b>5114.50</b>

\* Includes an amount of ₹ 191.72 Crore receivable from Government of India towards Import of Urea on Government Account (P.Y. ₹ 62.32 Crore)



# **CONSOLIDATED FINANCIAL STATEMENTS**

## INDEPENDENT AUDITOR'S REPORT (REVISED)

TO THE MEMBERS OF RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED

Report on the Audit of the Consolidated Ind AS Financial Statements

### Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of **RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED** (hereinafter referred to as "the Holding Company") and its jointly controlled entities comprising of the Consolidated Balance Sheet as at March 31, 2024 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, 2024 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 affair of the Holding Company as at March 31, 2024 and its consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flow 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.46 - Property, Plant and Equipment:**

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 partly 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

**b) Note No. 48 - Gas pooling applicable to Fertilizer (Urea) sector:**

The Company has recognized a receivable of Rs.0.73 crores for the Year ended March 2024 and Rs. 80.57 crore cumulatively till March 2024 from Department of Fertilizers on account of pooled price differential 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.50-Subsidy of Sulphur Coated Urea:**

The Company has undertaken production of Sulphur Coated Urea of 3791.72 MT for commercial purpose. Government of India has notified the Maximum Retail Price (MRP) which is on similar lines as that of Neem Coated Urea, however as the subsidy rates are yet to be notified, Company has estimated the subsidy income amounting to Rs. 10.81 crore based on the proportionate Nitrogen content of notified subsidy rates of Neem Coated Urea. The Company has approached DOF for notifying the subsidy of Sulphur Coated Urea.

**d) Note No. 51 - Revised NBS Subsidy rates by Government:**

Government of India announced reduction in rates of Nutrient Based Subsidy (NBS) which has adversely impacted profitability of imported NPK Fertilizers, to ensure availability of Phosphatic and Potassic (P&K) fertilizers in Rabi 2023-24 and undertake such procurement on priority. The price adversity if any beyond applicable NBS rates will be addressed by DOF to protect at no profit no loss basis.

Accordingly, the Holding Company has undertaken import of DAP and NPK Fertilizers during the year ending March 2024 and has recognized compensation towards such differential which is over and above the notified NBS rates based on its estimates amounting to Rs. 207.23 crore in line with DOF's assurance.

## INDEPENDENT AUDITOR'S REPORT (REVISED)

e) Note No. 59 - Exceptional Item:

The Company has sold 16,530 sqmeters of Transferable Development Rights (TDR) during the quarter ended 30th June, 2023 and realized a gain of Rs 25.28 Crores.

The Company has done fair valuation of TDR and recognized a gain of Rs. 15.04 crores as at 31st March, 2024.

These items has been reported as an exceptional item.

d) Note No. 63 – Revision of Consolidated Ind AS Financial Statements:

Auditors report issued on May 17, 2024, is revised with reference to note 63 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 FACT-RCF Building Product 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 06, 2024. 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.

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. 409.39 Crore refundable to FICC/DOF (PY Rs. 114.53 Crore refundable).</p> <p>Such adjustments have been done for escalations/ de-escalations in the cost of inputs and other costs, as estimated by the management based on the prescribed norms in line with known policy parameters.</p> <p>MRP of Urea being fixed by Government of India, the Holding Company is entitled for subsidy wherein certain inputs costs are a pass through and compensation for production beyond a level of production known as Reassessed capacity is restricted to lower of Import Parity Price (IPP) of Urea plus other incidental charges which the government incurs on imported Urea, or its own concession price, as determined under extant policies for Urea. Further subsidy income is net of adjustments of recoveries towards sale/transfer for surplus ammonia or non-conversion of entire ammonia into Urea.</p> <p>Since there is a time lag between actual expenditure incurred and notification of concession rates for the year, Management exercises significant judgement in arriving at the income entitlement on account of same for the year.</p>	<p><b>Our Procedure included:</b></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 Material Accounting policies (III) B) 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, judgments the management made in relation to the notifications policies ,subsequent evidence etc as applicable.</p>

## INDEPENDENT AUDITOR'S REPORT (REVISED)

Sr. No.	Key Audit matter	Response to Key Audit Matter
	<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>Testing reasonability of assumptions based on past trends, consistency in application and changes in the same owing to change in Government policies.</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>
<p>2</p>	<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 2024, 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>
<p>3</p>	<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>

## INDEPENDENT AUDITOR'S REPORT (REVISED)

### 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.

## INDEPENDENT AUDITOR'S REPORT (REVISED)

- 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 Standalone financial Results of the Corporation for the year ended March 31, 2023 were audited by M M Nissim & Co. LLP and Gokhale & Sathe (Joint Auditors) whose report dated May 30, 2023, expressed an unmodified opinion on those standalone financial results.
- 2) 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. 0.01 crore for the year ended 31st March 2024 as considered in the Consolidated Ind AS Financial statements for the year ended 31st March 2024.
  - 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 2024.
  - 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 2.45 Crore for the year ended 31st March 2024 as considered in the Consolidated Ind AS Financial statements for the year ended 31st March 2024.

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 financial 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 three joint ventures.

## INDEPENDENT AUDITOR'S REPORT (REVISED)

### 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 42.1.3 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 42 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

## INDEPENDENT AUDITOR'S REPORT (REVISED)

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; an
- 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. Based on our examination which included test checks, the Holding company has used an SAP HANA software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of audit we did not come across any instance of audit trail feature being tampered with. [Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.]

**For K. Gopal Rao & Co**  
Chartered Accountants  
FRN : 000956S

**Gopal Krishna Raju**  
Partner  
M. No.: 205929  
UDIN: 24205929BKGVLJ1146

Place: Mumbai  
Date: 06<sup>th</sup> June 2024

**For Parakh & Co.**  
Chartered Accountants  
FRN : 001475C

**Shalabh Jain**  
Partner  
M. No.: 441015  
UDIN: 24441015BKCYH7660



## 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 30,2024	(xvii)
FACT-RCF BUILDING PRODUCTS LIMITED	U26992KL2008PLC022347	Joint Controlled Entity	May 23 ,2024	(i)(a), (vii) (a), (vii) (b),(ix)(a), (xiv), (xvii) and (xix)
TALCHER FERTILIZERS LIMITED	U24120OR2015PLC019575	Joint Controlled Entity	May 14 ,2024	(i)(c)

**For K. Gopal Rao & Co**  
Chartered Accountants  
FRN : 000956S

**Gopal Krishna Raju**  
Partner  
M. No.: 205929  
UDIN: 24205929BKGVLJ1146

Place: Mumbai  
Date: 06<sup>th</sup> June 2024

**For Parakh & Co.**  
Chartered Accountants  
FRN : 001475C

**Shalabh Jain**  
Partner  
M. No.: 441015  
UDIN: 24441015BKCYH7660

## 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, 2024.)

### 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 2024, 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, 2024**.

### 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

## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

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 2024, 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 K. Gopal Rao & Co**  
Chartered Accountants  
FRN : 000956S

**Gopal Krishna Raju**  
Partner  
M. No.: 205929  
UDIN: 24205929BKGVLJ1146

Place: Mumbai  
Date: 06<sup>th</sup> June 2024

**For Parakh & Co.**  
Chartered Accountants  
FRN : 001475C

**Shalabh Jain**  
Partner  
M. No.: 441015  
UDIN: 24441015BKCZYH7660

## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF RASHTRIYA CHEMICALS & FERTILIZERS LIMITED FOR THE YEAR ENDED 31 MARCH 2024

The preparation of the consolidated financial statements of **Rashtriya Chemicals & Fertilizers Limited** for the year ended 31 March, 2024 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act), is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139(5) 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 06 June 2024 which supersedes their earlier report dated 17 May, 2024.

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, 2024 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of **Rashtriya Chemicals & Fertilizers Limited** and of the financial statements of jointly controlled entities - Urvarak Videsh Limited and Talcher Fertilizers Limited, but **did not conduct the** supplementary audit of the financial statements of FACT-RCF Building Products 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.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comments upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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

Place: New Delhi  
Date:04.09.2024

(Sandeep Lall)  
Director General of Audit, Central Expenditure  
(Agriculture, Food & Water Resources)

\* FACT-RCF Building Products Limited, Kochi is under process of Corporate Insolvency Resolution Proceedings by National Company Law Tribunal vide order dated 11.01.2024 as per Insolvency and Bankruptcy Code, 2016 and the Board of Directors was superseded.

## CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2024

₹ Crore

Particulars	Note No.	As at 31.03.2024	As at 31.03.2023
<b>1. NON CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	1	2540.38	2522.18
(b) Capital Work in Progress	1.4	431.25	211.48
(c) Right of Use Assets	2	12.14	15.02
(d) Investment Property	3	5.37	4.99
(e) Intangible Assets	4	0.03	0.43
(f) Financial Assets			
(i) Investments	5	991.51	994.19
(ii) Trade Receivables	6	-	-
(iii) Loans	7	-	5.10
(iv) Others	8	-	-
(g) Other Non-Current Assets	9	418.45	304.62
		<b>4399.13</b>	<b>4058.01</b>
<b>2. CURRENT ASSETS</b>			
(a) Inventories	10	2582.24	2585.41
(b) Financial Assets			
(i) Trade Receivables	11	3549.67	2608.82
(ii) Cash and Cash Equivalents	12	156.49	11.30
(iii) Bank Balances other than (ii) above	13	196.45	53.23
(iv) Loans	14	5.11	5.13
(v) Others	15	266.40	147.18
(c) Other Current Assets	16	300.23	235.54
		<b>7056.59</b>	<b>5646.61</b>
<b>TOTAL ASSETS</b>		<b>11455.72</b>	<b>9704.62</b>
<b>EQUITY AND LIABILITIES</b>			
<b>A. EQUITY</b>			
(a) Equity Share Capital	17	551.69	551.69
(b) Other Equity	18	4054.05	4038.43
		<b>4605.74</b>	<b>4590.12</b>
<b>B. LIABILITIES</b>			
<b>1. NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	19	940.39	1034.98
(ii) Lease Liabilities	20	8.05	9.25
(iii) Other Financial Liabilities	21	42.77	33.98
(b) Provisions	22	209.24	191.08

## CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2024

₹ Crore

Particulars	Note No.	As at 31.03.2024	As at 31.03.2023
(c) Deferred Tax Liabilities(Net)	23	305.73	236.90
(d) Other Non-Current Liabilities	24	23.73	27.78
		<b>1529.91</b>	<b>1533.97</b>
<b>2. CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	25	2342.86	827.67
(ii) Lease Liabilities	26	5.34	4.71
(iii) Trade Payables	27		
(A) Total Outstanding Dues of Micro Enterprises and Small Enterprises.		55.46	57.13
(B) Total Outstanding Dues of Creditors Other than Micro Enterprises and Small Enterprises.		1880.13	1954.16
(iv) Other Financial Liabilities	28	616.85	446.05
(b) Other Current Liabilities	24	264.50	119.09
(c) Provisions	29	154.93	171.72
		<b>5320.07</b>	<b>3580.53</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>11455.72</b>	<b>9704.62</b>
Statement of Material Accounting Policies	A		
Notes forming part of Financial Statements	1 - 66		

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 : 6<sup>th</sup> June, 2024.  
Place: Mumbai

As per our report of even date attached

For K. GOPAL RAO & CO.  
Chartered Accountants  
Firm Regn. No. 000956S

(Gopal Krishna Raju)  
Partner  
Membership No: 205929

Dated : 6<sup>th</sup> June, 2024.  
Place: Mumbai

For PARAKH & CO.  
Chartered Accountants  
Firm Regn. No. 001475C

(Shalabh Jain)  
Partner  
Membership No: 441015

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

₹ Crore

Particulars	Note No.	Year ended 31.03.2024	Year ended 31.03.2023
I. Revenue from Operations	30	16981.31	21451.54
II. Other Income	31	165.43	143.30
III. Total Income (I+II)		<b>17146.74</b>	<b>21594.84</b>
IV. Expenses:			
Cost of Materials Consumed	32	6348.50	8839.60
Purchases of Stock in Trade	33	4311.12	3047.43
Changes in Inventories of Finished Goods and Stock in Trade	34	(526.44)	252.96
Employee Benefits Expens	35	542.78	692.37
Finance Costs	36	183.64	223.86
Depreciation and Amortization Expense / Impairment	37	233.10	212.12
Other Expenses	38	5790.73	7145.99
Total Expenses		<b>16883.43</b>	<b>20414.33</b>
V. Profit Before Exceptional Items (III-IV)		<b>263.31</b>	<b>1180.51</b>
VI. Share of Profit / (Loss) of Associates / JV's		(2.46)	(0.84)
VII. Profit Before Exceptional Items (V-VI)		<b>260.85</b>	<b>1179.67</b>
VIII. Exceptional Items	39	(40.32)	(93.47)
IX. Profit before tax (VII-VIII)		<b>301.17</b>	<b>1273.14</b>
X. Tax Expense			
(1) Current Tax		38.78	327.33
(2) Deferred Tax		63.18	21.53
(3) Taxation Adjustment of Earlier Years Excess(-)/Short(+)		(26.07)	(42.03)
XI. Profit/ (loss) for the year (IX-X)		<b>225.28</b>	<b>966.31</b>
XII. Other Comprehensive Income	40		
(i) Items that will not be reclassified to profit or lo			
Remeasurements of Defi ed Benefit Plan		(24.45)	(39.32)
Fair Value Equity Instruments		22.48	5.19
(ii) Income tax relating to items that will not be reclassified to profit or lo			
Income Tax on Remeasurement of Defined Benefit Plans		2.08	3.56
Deferred Tax on Fair Value Equity Instruments		(5.65)	(1.30)
Other Comprehensive Income for the Year (XII)		<b>(5.54)</b>	<b>(31.87)</b>
XIII. Total Comprehensive Income for the Year (XI+XII)		<b>219.74</b>	<b>934.44</b>
XIV. Earnings Per Equity Share	56		
(i) Basic Earnings Per Share (₹)		4.08	17.52
(ii) Diluted Earnings Per Share (₹)		4.08	17.52
Statement of Material Accounting Policies	A		
Notes forming part of Financial Statements	1-66		

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 : 6<sup>th</sup> June, 2024.  
Place: Mumbai

As per our report of even date attached

For K. GOPAL RAO & CO.  
Chartered Accountants  
Firm Regn. No. 000956S

(Gopal Krishna Raju)  
Partner  
Membership No: 205929

Dated : 6<sup>th</sup> June, 2024.  
Place: Mumbai

For PARAKH & CO.  
Chartered Accountants  
Firm Regn. No. 001475C

(Shalabh Jain)  
Partner  
Membership No: 441015

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### A. EQUITY SHARE CAPITAL

₹ Crore

Balance as at 01.04.2023	Changes in equity share capital during the year	Balance as at 31.03.2024	Balance as at 01.04.2022	Changes in equity share capital during the year	Balance as at 31.03.2023
551.69	-	551.69	551.69	-	551.69

### B. OTHER EQUITY

#### FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

₹ Crore

	Reserves and Surplus		Items of Other Comprehensive Income	Total
	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	
Balance as at 01.04.2023	3965.66	-	72.77	4038.43
Profit for the year	-	225.28	-	225.28
Other Comprehensive Income (Net of Tax)	-	(22.37)	16.83	(5.54)
<b>Total Comprehensive Income for the year</b>	-	<b>202.91</b>	<b>16.83</b>	<b>219.74</b>
Dividend paid Refer note no. 18A	-	(204.12)	-	(204.12)
Transfer to General Reserve	(1.21)	1.21	-	-
<b>Balance as at 31.03.2024*</b>	<b>3964.45</b>	-	<b>89.60</b>	<b>4054.05</b>

#### FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

₹ Crore

	Reserves and Surplus		Items of Other Comprehensive Income	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. 18A	-	(226.19)	-	(226.19)
Transfer from General Reserve	704.36	(704.36)	-	-
<b>Balance as at 31.03.2023*</b>	<b>3965.66</b>	-	<b>72.77</b>	<b>4038.43</b>

\* The closing balance in General Reserve is arrived after adjustment of Remeasurement of Defined Benefit Plans amounting to ₹ 22.37 crore ( P.Y. ₹ 35.76 crore) during the year net of current tax amounting to ₹ 2.08 crore (P.Y. ₹ 3.56 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 K. GOPAL RAO & CO.**  
Chartered Accountants  
Firm Regn. No. 000956S

**For PARAKH & CO.**  
Chartered Accountants  
Firm Regn. No. 001475C

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

(Gopal Krishna Raju)  
Partner  
Membership No: 205929

(Shalabh Jain)  
Partner  
Membership No: 441015

(Nazhat Shaikh)  
Director (Finance)  
DIN : 07348075

Dated : 6<sup>th</sup> June, 2024.  
Place: Mumbai

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

Dated : 6<sup>th</sup> June, 2024.  
Place: Mumbai



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

₹ Crore

Particulars	As at 31.03.2024	As at 31.03.2023
<b>A Cash Flow From Operating Activities</b>		
Net Profit Before Tax	301.17	1273.14
Adjustments for :		
Share of (Profit) / Loss from Joint Venture	2.46	0.84
Exceptional Items - (Income)/ Expenses	(40.32)	(93.47)
Depreciation/Amortisation/Loss on Impairment of Assets	233.93	212.44
(Profit) / Loss on Sale of Property, Plant and Equipment / Intangible Assets	1.38	0.50
Interest Income	(43.04)	(10.28)
Dividend Income	(0.47)	(0.40)
Rental Income Derived from Investment Properties	(38.35)	(32.21)
(Gain) / Loss on Sale of Current Investments	(9.64)	(1.63)
Interest and Finance Charges	183.64	223.86
Provision for Bad/Doubtful Debts	2.40	1.49
Provision for Obsolescence Stores	0.52	1.97
Provision Written Back	(10.41)	(0.56)
Unrealised Foreign Exchange (Gain) /Loss	3.32	13.91
	<b>285.42</b>	<b>316.46</b>
Operating Profit Before Working Capital Change	586.59	1589.60
Adjustments for :		
Trade Receivables and Other Assets	(1147.43)	181.67
Inventories	10.87	(259.55)
Trade Payables and Other Liabilities	197.70	(346.97)
	<b>(938.86)</b>	<b>(424.85)</b>
Cash Generated / (Used) from Operations	(352.27)	1164.75
Direct Taxes Paid (Net of Refunds)	(70.00)	(377.74)
<b>Net Cash Generated / (Used) from Operating Activities ----- A</b>	<b>(422.27)</b>	<b>787.01</b>
<b>B Cash Flow from Investing Activities</b>		
Additions to Property, Plant and Equipment / Intangible Assets (Net of Trade Credit)	(482.34)	(384.64)
Sale of Property, Plant and Equipment / Intangible Assets	1.42	0.11
Purchase of Current Investments	(5285.74)	(4444.73)
Sale of Current Investments	5295.38	4454.40
Sale of Transferable Development Rights	63.02	-
Inter Corporate Advances / Repayments	5.10	5.10
Interest Received	42.80	10.44
Dividend Received	0.47	0.40
Rental Income Derived from Investment Properties	38.35	32.21
Margin Money Deposits Matured / (Placed) with Banks	(142.91)	11.18
	<b>(464.45)</b>	<b>(315.53)</b>
<b>Net Cash Generated / (Used) from Investing Activities ----- B</b>	<b>(464.45)</b>	<b>(315.53)</b>

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

₹ Crore

Particulars	As at 31.03.2024	As at 31.03.2023
<b>C Cash Flow from Financing Activities</b>		
Net Proceeds /Repayment of Working Capital Facilities and Short Term Loans	1159.92	(876.91)
Proceeds from Term loans	444.38	-
Repayments of Term loans	(183.70)	(228.66)
Interest Paid	(178.35)	(222.81)
Dividend Paid	(203.81)	(226.31)
Repayment of Lease liabilities	(6.53)	(5.22)
	<b>1031.91</b>	<b>(1559.91)</b>
<b>Net Cash Generated / (Used) from Financing Activities ----- C</b>	<b>1031.91</b>	<b>(1559.91)</b>
Net Increase/Decrease(-) in Cash and Cash Equivalent (A+B+C)	145.19	(1088.43)
Cash and Cash Equivalents as at 1st April (Opening Balance)	11.30	1099.73
Cash and Cash Equivalents as at 31st March (Closing Balance)	156.49	11.30
<b>Components of Cash and Cash Equivalents</b>		
Cash on Hand	-	-
Balance With Scheduled Banks		
in Current Accounts	156.49	11.30
in Term Deposits with Less Than 3 Months Maturity	-	-
	<b>156.49</b>	<b>11.30</b>

### 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 : 6<sup>th</sup> June, 2024.  
Place: Mumbai

As per our report of even date attached

For K. GOPAL RAO & CO.  
Chartered Accountants  
Firm Regn. No. 000956S

(Gopal Krishna Raju)  
Partner  
Membership No: 205929

Dated : 6<sup>th</sup> June, 2024.  
Place: Mumbai

For PARAKH & CO.  
Chartered Accountants  
Firm Regn. No. 001475C

(Shalabh Jain)  
Partner  
Membership No: 441015

## A. STATEMENT OF MATERIAL ACCOUNTING POLICIES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### 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 06th, 2024.

### 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 Material accounting policies at item no "M")
  - Certain provisions recognized using actuarial valuation techniques. (Refer to Material accounting policies at item no "P")
  - 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 Other Significant accounting policies at item no "H")
  - Transferable Development Rights (TDRs) received upon surrender of rights on open land which are measured at fair value. (Refer to Material accounting policies at item no "M")
- 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 2024.

#### Principles of Consolidation:

The financial statements of Jointly Controlled Entities are combined by applying equity method in accordance with Ind AS 28 - "Investment in Associates and Joint Ventures".

The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate Financial Statements. Differences in accounting policies followed by joint venture entity consolidated have been reviewed and no adjustments have been made, since the impact of these differences is not material.

## A. STATEMENT OF MATERIAL ACCOUNTING POLICIES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

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 31.03.2024	Date of the entity becoming Joint Venture
FACT –RCF Building Products Ltd.	India	50.00%	02-May-2008
Urvarak Videsh Limited	India	33.33%	18-July-2008
Talcher Fertilizers Limited	India	33.33%	13-Nov-2015

### e. Significant Accounting Judgements, Estimates and Assumptions

- 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.
- Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Any revisions to the accounting estimates are recognized prospectively when revised, in current and future periods.

Some of the significant judgements and assumptions exercised are given as under:-

#### 1.2.1 Impairment of Non-Financial Assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed separately.

#### 1.2.2 Taxes

The Company's tax jurisdiction is in India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

#### 1.2.3 Defined Benefit Plans

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of 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.

## A. STATEMENT OF MATERIAL ACCOUNTING POLICIES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### 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.

## III) Material accounting policies

### A) 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.

## A. STATEMENT OF MATERIAL ACCOUNTING POLICIES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

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.

### B) 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 good

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.

## A. STATEMENT OF MATERIAL ACCOUNTING POLICIES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### 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.

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.

### C) 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

## A. STATEMENT OF MATERIAL ACCOUNTING POLICIES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profits will be available against which the temporary differences can be utilized

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting period.

### c. Current Tax and Deferred Tax

Current and Deferred tax are recognized in Statement of Profit and loss, except when they relate to items that are recognized in Other Comprehensive Income (OCI) or directly in equity, in which case, the current and deferred tax are also recognized in OCI or directly in equity respectively.

- d. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### D) 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.



## A. STATEMENT OF MATERIAL ACCOUNTING POLICIES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### 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.

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 Equipmen	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.

### E) 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 signifi ant parts of the investment property are required to be replaced at intervals, the Company

## A. STATEMENT OF MATERIAL ACCOUNTING POLICIES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Depreciation on Investment property, wherever applicable, is provided on straight line basis as per useful lives prescribed in Schedule II to Companies Act 2013.

Investment properties are derecognised either when they have been disposed off or when they are being occupied by the Company for its own use or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition

### F) 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

### G) 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

## A. STATEMENT OF MATERIAL ACCOUNTING POLICIES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

Impairment losses of continuing operations, including impairment on inventories and right of use assets, are recognized in the Statement of profit and loss

### H) 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.

### I) 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 identifiable 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

## A. STATEMENT OF MATERIAL ACCOUNTING POLICIES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

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 activity

### J) 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 (REC) and Energy Savings Certificates (E-certs) are valued at lower of cost and net realizable value

Energy Savings Certificates (E-certs) purchased to meet the Renewable Purchase Obligation (RPO) through Power Exchanges are expensed out during the year.

#### 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.

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 (J)(d) plus bagging, handling and transportation costs incurred to bring the material in its present location and condition.

## A. STATEMENT OF MATERIAL ACCOUNTING POLICIES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### 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.

### K) 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

### L) 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.

### M) 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 measure 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)

## A. STATEMENT OF MATERIAL ACCOUNTING POLICIES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

- 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.

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.

## A. STATEMENT OF MATERIAL ACCOUNTING POLICIES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

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

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

## A. STATEMENT OF MATERIAL ACCOUNTING POLICIES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

- Trade receivables, other receivables, loans and advances are also fully provided for as doubtful upon review on case to case basis, to the extent of such loss considered as incurred.

### b. Financial Liabilities

#### Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition as loans and borrowings, payables, derivatives and financial liabilities at fair value through profit or loss. The Company's financial liability consists of trade and other payables, loans and borrowings, bank overdrafts, financial guarantee contracts and derivative financial instruments

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs, if any.

#### Subsequent Measurement

The subsequent measurement of financial liabilities of the Company depending on their classification is described below:-

#### i. Loans and Borrowings including Bank Overdrafts

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss

This category generally applies to interest-bearing loans and borrowings.

#### ii. Financial Guarantee Contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder of the guarantee for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS109 – Financial Instruments and the amount recognized less cumulative amortization.

#### Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss

### N) 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.

### O) 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



## A. STATEMENT OF MATERIAL ACCOUNTING POLICIES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

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.

### P) Employee Benefit

#### 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 benefit

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 follow

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

## A. STATEMENT OF MATERIAL ACCOUNTING POLICIES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

- Net interest expenses or income; and
- Re-measurements

The Company presents the first two components of defined benefit costs in the Statement of profit and loss in the line item 'Employee Benefits Expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

The cost of the defined benefit gratuity plan and other Post employment medical benefits and the present value of gratuity obligation are determined using actuarial valuation techniques.

### Termination Benefit

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 benefit

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.

## IV) Other 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.

## A. STATEMENT OF MATERIAL ACCOUNTING POLICIES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### B) Foreign Currencies

The standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency.

#### a. Transactions and Balances

Foreign Currency transactions are accounted at the rates prevailing on the date of transaction. Year-end monetary assets and liabilities are translated at the exchange rate prevailing on the date of the Balance sheet.

Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit and loss for the period in which they arise, except for the following:

- ◆ Exchange differences on Long term foreign currency borrowings relating to assets under construction for future productive use (i.e. Capital Work in progress), are included in the cost of those assets when they are regarded as an adjustment on account of interest costs on those foreign currency borrowings.
- ◆ Non-monetary items that are measured in terms of historical cost in foreign currencies are reported using the exchange rates at the date of the transaction.

### C) 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.

### D) Dividends

Dividend income is recognized when the Company's right to receive the payment is established.

### E) 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.

### F) 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.

### G) 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.

## A. STATEMENT OF MATERIAL ACCOUNTING POLICIES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

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.

### H) 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

### I) 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.

### J) Prepaid Expenses

Individual expenses up to ₹ 1,00,000 is not considered in classifying prepaid expenses.

### K) 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.

### L) 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.

### M) 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.

## V) 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.

## VI) Recent Pronouncements:

There is no recent pronouncement/amendment with respect to Ind AS accounting standards requiring additional disclosures.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

<b>NOTE NO. 1</b>		<b>PROPERTY, PLANT &amp; EQUIPMENT</b>										₹ Crore		
<b>AS AT 31.03.2024</b>		DEEMED COST / COST		DEPRECIATION		IMPAIRMENT LOSS		NET BOOK VALUE						
Sr. No.	Description	AS,AT 01.04.2023	Of Addi- tions/ Adjust- ments *	Of Deduc- tions/ Adjustments	AS,AT 31.03.2024	UPTO 01.04.2023	Provided during the year	On items Sold/ Discarded/ Adjusted	UPTO 31.03.2024	UPTO 01.04.2023	Provided during the year	UPTO 31.03.2024	AS,AT 31.03.2024	AS,AT 31.03.2023
a.	Land ( Freehold )	10.74	-	-	10.74	-	-	-	-	-	-	-	10.74	10.74
b.	Buildings	289.12	26.91	0.93	315.10	67.00	12.99	0.18	79.81	0.70	4.57	5.27	230.02	221.42
c.	Plant & Machinery	3267.73	185.13	1.44	3451.42	1063.53	188.02	0.61	1250.94	16.33	(0.75)	15.58	2184.90	2187.87
d.	Furniture & Fixtures	17.98	2.54	1.95	18.57	10.84	1.27	1.72	10.39	-	-	-	8.18	7.14
e.	Vehicles	4.42	0.80	0.61	4.61	3.17	0.24	0.50	2.91	-	-	-	1.70	1.25
f.	Office Equipments	41.37	13.28	0.76	53.89	27.68	5.88	0.48	33.08	-	-	-	20.81	13.69
g.	Others													
i)	Roads & Culverts	23.98	1.31	-	25.29	13.85	2.26	-	16.11	-	-	-	9.18	10.13
ii)	Railway Sidings	22.92	6.97	0.01	29.88	9.34	1.28	-	10.62	-	-	-	19.26	13.58
iii)	Water System, Sewerage & Drainage	21.70	-	-	21.70	9.57	1.38	0.02	10.93	-	-	-	10.77	12.13
iv)	Miscellaneous Equipments	108.16	8.85	1.48	115.53	63.93	8.04	1.26	70.71	-	-	-	44.82	44.23
	<b>TOTAL</b>	<b>3808.12</b>	<b>245.79</b>	<b>7.18</b>	<b>4046.73</b>	<b>1268.91</b>	<b>221.36</b>	<b>4.77</b>	<b>1485.50</b>	<b>17.03</b>	<b>3.82</b>	<b>20.85</b>	<b>2540.38</b>	<b>2522.18</b>
<b>AS AT 31.03.2023</b>												₹ Crore		
Sr. No.	Description	AS,AT 01.04.2022	Of Addi- tions/ Adjust- ments *	Of Deduc- tions/ Adjustments	AS,AT 31.03.2023	UPTO 01.04.2022	Provided during the year	On items Sold/ Discarded/ Adjusted	UPTO 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
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	-	67.00	0.70	-	0.70	221.42	218.05
c.	Plant & Machinery	2689.27	579.41	0.95	3267.73	892.92	171.22	0.61	1063.53	10.47	5.86	16.33	2187.87	1785.88
d.	Furniture & Fixtures	15.34	2.71	0.07	17.98	9.44	1.41	0.01	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	0.26	27.68	-	-	-	13.69	10.74
g.	Others													
i)	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	0.22	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>1.10</b>	<b>1268.91</b>	<b>11.17</b>	<b>5.86</b>	<b>17.03</b>	<b>2522.18</b>	<b>2115.22</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

₹ Crore

1.1 \* Additions/Adjustments in PPE include the following

Item of Asset	AS AT 31.03.2024	AS AT 31.03.2023
Exchange Difference	0.97	-
Borrowing Costs	1.92	-
<b>TOTAL</b>	<b>2.89</b>	<b>-</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 19

₹ Crore

Capital work in progress	AS AT 31.03.2024	AS AT 31.03.2023
Opening Balance	211.48	512.93
Additions	465.99	312.69
Capitalisations	245.61	614.14
Impairment Loss	0.61	-
<b>Closing Balance</b>	<b>431.25</b>	<b>211.48</b>

### NOTE NO. 2 NON-CURRENT ASSETS - RIGHT OF USE ASSETS (ROU)

AS AT 31.03.2024

Description	DEEMED COST / COST		DEPRECIATION		IMPAIRMENT LOSS		NET BOOK VALUE	
	AS.AT 01.04.2023	Of Additions/ Adjustments	UPTO 01.04.2023	Provided during the year	UPTO 01.04.2023	Provided during the year	AS.AT 31.03.2024	AS.AT 31.03.2023
Land (Leasehold) ROU	10.39	-	3.21	0.80	-	1.92	4.46	7.18
Buildings ROU	3.32	0.74	1.88	0.94	-	-	1.22	1.44
Vehicles ROU	14.13	3.96	7.73	3.90	-	-	6.46	6.40
<b>TOTAL</b>	<b>27.84</b>	<b>4.70</b>	<b>12.82</b>	<b>5.64</b>	<b>-</b>	<b>1.92</b>	<b>12.14</b>	<b>15.02</b>

AS AT 31.03.2023

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 31.03.2023	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>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### NOTE NO. 3 NON-CURRENT ASSETS - INVESTMENT PROPERTY

#### AS AT 31.03.2024

Description	DEEMED COST / COST		DEPRECIATION		IMPAIRMENT LOSS		NET BOOK VALUE	
	AS.AT 01.04.2023	Of Addi- tions/ Adjust- ments	Provided during the year	On items Sold/ Discarded/ Adjusted	UPTO 01.04.2023	Provided during the year	UPTO 31.03.2024	AS.AT 31.03.2024
Land ( Freehold )	0.01	-	-	-	-	-	-	0.01
Buildings	6.32	0.93	1.34	(0.20)	1.71	-	-	5.36
<b>TOTAL</b>	<b>6.33</b>	<b>0.93</b>	<b>1.34</b>	<b>(0.20)</b>	<b>1.71</b>	<b>-</b>	<b>-</b>	<b>5.37</b>

#### AS AT 31.03.2023

Description	DEEMED COST / COST		DEPRECIATION		IMPAIRMENT LOSS		NET BOOK VALUE	
	AS.AT 01.04.2022	Of Addi- tions/ Adjust- ments	Provided during the year	On items Sold/ Discarded/ Adjusted	UPTO 01.04.2022	Provided during the year	UPTO 31.03.2023	AS.AT 31.03.2022
Land ( Freehold )	0.01	-	-	-	-	-	-	0.01
Buildings	6.34	-	1.17	0.17	1.34	-	-	4.98
<b>TOTAL</b>	<b>6.35</b>	<b>-</b>	<b>1.17</b>	<b>0.17</b>	<b>1.34</b>	<b>-</b>	<b>-</b>	<b>4.99</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 31.03.2024	AS AT 31.03.2023
Rental income derived from investment properties	38.35	32.21
Less: Direct operating expenses (including repairs and maintenance) generating rental income	2.58	2.99
Less: Direct operating expenses (including repairs and maintenance) that did not generate rental income	0.06	0.05
<b>Profit arising from investment properties before depreciation and indirect expense</b>	<b>35.71</b>	<b>29.17</b>
Less: Depreciation	0.17	0.17
<b>Profit arising from investment properties before indirect expense</b>	<b>35.54</b>	<b>29.00</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 2024, the fair values of the properties is ₹ 956.30 crore (₹ 875.19 crore as on 31.03.2023). 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 2024

3.5 Fair value disclosures for investment properties is detailed below

Reconciliation of Fairvalue	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
<b>LAND</b>		
Opening balance	269.64	267.53
Fair Value	280.07	269.64
Fair value differenc	10.43	2.11
Purchases / Transfers	-	-
<b>Closing balance</b>	<b>280.07</b>	<b>269.64</b>
<b>BUILDING</b>		
Opening balance	605.55	626.35
Fair Value	629.57	641.19
Fair value differenc	24.02	14.84
Purchases / Transfers	46.66	(35.64)
<b>Closing balance</b>	<b>676.23</b>	<b>605.55</b>
<b>TOTAL</b>		
Opening balance	875.19	893.88
Fair Value	909.64	910.83
Fair value differenc	34.45	16.95
Purchases / Transfers	46.66	(35.64)
<b>Closing balance</b>	<b>956.30</b>	<b>875.19</b>

### NOTE NO. 4 NON-CURRENT ASSETS - INTANGIBLE ASSETS

AS AT 31.03.2024

Description	DEEMED COST / COST		DEPRECIATION		IMPAIRMENT LOSS		NET BOOK VALUE	
	AS.AT 01.04.2023	Of Addi- tions/ Adjust- ments	Provided during the year	On items Sold/ Discarded/ Adjusted	UPTO 01.04.2023	Provided during the year	UPTO 01.04.2023	AS.AT 31.03.2024
Computer Software	16.99	-	16.56	0.41	16.56	0.41	-	0.03
<b>TOTAL</b>	<b>16.99</b>	<b>-</b>	<b>16.56</b>	<b>0.41</b>	<b>16.56</b>	<b>0.41</b>	<b>-</b>	<b>0.03</b>

AS AT 31.03.2023

Description	DEEMED COST / COST		DEPRECIATION		IMPAIRMENT LOSS		NET BOOK VALUE	
	AS.AT 01.04.2022	Of Deduc- tions/ Adjust- ments	UPTO 01.04.2022	On items Sold/ Discarded/ Adjusted	UPTO 01.04.2022	Provided during the year	UPTO 01.04.2022	AS.AT 31.03.2023
Computer Software	16.99	-	15.39	1.18	15.39	1.18	0.01	0.43
<b>TOTAL</b>	<b>16.99</b>	<b>-</b>	<b>15.39</b>	<b>1.18</b>	<b>15.39</b>	<b>1.18</b>	<b>0.01</b>	<b>0.43</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### NOTE NO. 5 "NON-CURRENT ASSETS" "FINANCIAL ASSETS -INVESTMENTS"

₹ Crore

Particulars	As at 31.03.2024	As at 31.03.2023
<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. 23,57,000 equity shares) of ₹10 each)	2.36	2.36
Less:- Provision for Diminution in the value of investment	(2.36)	(2.36)
	-	-
<b>i Urvarak Videsh Ltd.</b> (1,80,002 equity shares (P.Y.1,80,002) of ₹10 each )	0.01	0.02
<b>ii Talcher Fertilizers Limited</b> (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)	794.81	797.26
	<b>794.82</b>	<b>797.28</b>
<b>b Investment Designated at Fair Value Through OCI Indian Potash Limited*</b> (6,73,200 equity shares (P.Y. 6,73,200 equity shares) of ₹10 each)	119.76	97.28
<b>B Other Investments (Unquoted) Designated at Fair Value Through P&amp;L</b>		
Transferable Development Rights	<b>76.93</b>	<b>99.63</b>
<b>TOTAL</b>	<b>991.51</b>	<b>994.19</b>
<b>*Reconciliation of fair value measurement of the investment in unquoted equity shares of Indian Potash Limited (IPL)</b>		
Opening Balance	97.28	92.09
Total Gains and Losses Recognised in OCI	22.48	5.19
Closing Balance	119.76	97.28
<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>		
(a) FACT-RCF Building Products Ltd. ( 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) Urvarak Videsh Ltd. (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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### NOTE NO. 6 "NON-CURRENT ASSETS" "FINANCIAL ASSETS - TRADE RECEIVABLES"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
<b>Trade Receivables</b>		
Credit Impaired	1.92	1.95
Less: Provision for Doubtful Debts	(1.92)	(1.95)
<b>TOTAL</b>	-	-

### NOTE NO. 7 "NON-CURRENT ASSETS" "FINANCIAL ASSETS - LOANS"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
i. Secured Considered Good : Loans- Employees	-	-
ii. Unsecured Considered Good : Loan- Other CPSE	-	5.10
iii. Significant Increase in Credit Risk	-	-
iv. Credit Impaired	-	-
<b>TOTAL</b>	-	5.10

### NOTE NO. 8 "NON-CURRENT ASSETS" "FINANCIAL ASSETS - OTHERS"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
<b>(i) Advances to Related Parties</b>		
Considered Doubtful (Refer Note No. 55.1)	36.50	36.50
Less: Provision	(36.50)	(36.50)
	-	-
<b>(ii) Others</b>		
Receivables Towards Rent / Services Provided		
Unsecured - Considered Doubtful	0.91	1.57
Less: Provision for Doubtful Receivables	(0.91)	(1.57)
	-	-
<b>TOTAL</b>	-	-

### NOTE NO. 9 "NON-CURRENT ASSETS" "OTHER NON-CURRENT ASSET"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
<b>(i) Capital Advances</b>		
Unsecured -Considered Good	68.89	33.67
<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. 55.1)	1.37	1.37
Less: Provision	(1.37)	(1.37)
	-	-

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
<b>b. Other Advances</b>		
Unsecured -Considered Good		
i. VAT Receivable		
Unsecured -Considered Good	10.28	22.11
ii. Considered Doubtful	1.90	2.93
Less: Provision for Doubtful Advances	(1.90)	(2.93)
	-	-
iii. Advance Income Tax (Net of Provision)	264.58	172.83
iv. Deposits with Customs, Port Trust etc.		
Unsecured -Considered Good (Refer Note No. 42.1.2)	73.71	74.35
Unsecured -Considered Doubtful	2.06	2.06
Less: Provision	(2.06)	(2.06)
	73.71	74.35
v. Prepaid expenses	0.94	1.65
vi. Other Miscellaneous	0.05	-
	349.56	270.94
<b>(iii) Others</b>		
Employee Benefit Asset	-	0.01
<b>TOTAL</b>	<b>418.45</b>	<b>304.62</b>

### NOTE NO. 10 "CURRENT ASSETS" "INVENTORIES"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
<b>i Raw Materials</b>	491.82	864.76
Raw Materials-in-Transit	138.89	265.60
Raw Materials (Sub Total)	630.71	1130.36
Less: Provision	(3.35)	(3.35)
Raw Materials (Total)	<b>627.36</b>	<b>1127.01</b>
<b>ii Finished Goods</b>	335.04	269.74
Finished Goods-in-Transit	99.01	97.08
Finished Goods (Total)	<b>434.05</b>	<b>366.82</b>
<b>iii Stock in Trade/Bought Out Products</b>	553.86	409.77
Stock in Trade/Bought Out Products-in-Transit	417.94	105.35
Stock in Trade/Bought Out Products (Total)	<b>971.80</b>	<b>515.12</b>
<b>iv. Intermediary Products</b>	<b>75.48</b>	<b>74.07</b>
<b>v. By Products</b>	<b>3.93</b>	<b>2.77</b>
<b>vi. Stores &amp; Spares, Packing Materials and Petroleum Products</b>	487.54	525.20
Less: Provision for Obsolescence etc./Loss under Investigation	(18.21)	(25.91)
	<b>469.33</b>	<b>499.29</b>
<b>vii. Certified Emission Reduction Credits (CER) / Renewable Energy Certificate (REC) / E-Certs</b>	<b>0.29</b>	<b>0.33</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
(No. of CER Units C.Y. NIL , P.Y. NIL)		
(No. of REC Units C.Y. 3030, P.Y. 1622)		
(No. of E-Cert Units C.Y. 9740, P.Y. 13413)		
<b>TOTAL</b>	<b>2582.24</b>	<b>2585.41</b>
<b>Inventory Includes:</b>		
<b>Stores and Spares</b>		
a) Under Inspection	0.82	41.91
b) With Fabricators	9.65	2.03
Cost of Inventories Recognised as expense	6600.90	8966.10
Write down of Inventories Charge to P&L (Difference Between Cost & NRV)	25.64	63.00
Reversal of Write downs	-	-

### NOTE NO. 11 "CURRENT ASSETS" "FINANCIAL ASSETS - TRADE RECEIVABLES"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
<b>Subsidy Receivable (Unsecured - Considered Good)</b>	<b>2953.31</b>	<b>2097.17</b>
<b>Trade Receivables</b>		
Secured - Considered good	189.28	185.54
Unsecured - Considered good	409.41	326.65
Significant Increase in Credit Risk	0.29	0.15
	<b>598.98</b>	<b>512.34</b>
Less : Provision for Expected Credit Loss *	(2.62)	(0.69)
Total - Trade Receivables	596.36	511.65
<b>TOTAL</b>	<b>3549.67</b>	<b>2608.82</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.

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
<b>ECL % - Ageing</b>		
Not Due	0.12	0.07
00 - 90 days	2.31	1.69
91 - 180 days	26.10	29.44
181 - 365 days	96.85	87.06
> 365 days (fully secured)	-	-
<b>Age of Receivables (₹ Cr)</b>		
Receivable from Gol (Not tested for ECL)	7.75	12.59
Not Due - Other Trade Receivables	569.00	484.50
00 - 90 days	17.39	14.90
91 - 180 days	4.15	0.07
181 - 365 days	0.48	0.07

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
> 365 days (fully secured)	0.21	0.21
<b>Movement in ECL allowance (₹Cr)</b>	<b>598.98</b>	<b>512.34</b>
Balance at Beginning of the year	0.69	0.44
Movement	1.93	0.24
Balance at End of the year	2.62	0.69

Out of the Total Trade Receivables, Trade Receivables amounting to ₹ 189.28 Crore as on 31.03.2024 (PY ₹ 185.54 Crore) are secured against collaterals in form of Deposits / Bank Guarantees received and held by the company.

### NOTE NO. 12 "CURRENT ASSETS" "FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
<b>Cash and Cash Equivalents</b>		
i. Balances with Bank	156.49	11.30
ii. Cash on Hand*	-	-
<b>TOTAL</b>	<b>156.49</b>	<b>11.30</b>

The above cash and cash equivalent have not been pledged (\* CY ₹ 24,522 PY ₹ 38,946).

### NOTE NO. 13 "CURRENT ASSETS" "FINANCIAL ASSETS - OTHER BANK BALANCES"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
i. Margin Money Deposit / Bond Money Received from Employees	194.76	51.85
ii. In Unpaid Dividend Account *	1.69	1.38
<b>TOTAL</b>	<b>196.45</b>	<b>53.23</b>

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

### NOTE NO. 14 "CURRENT ASSETS" "FINANCIAL ASSETS - LOANS"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
i. Secured Considered Good Loans- Employees	0.01	0.03
ii. Unsecured Considered Good 'Loan- Other CPSE	5.10	5.10
iii. Significant Increase in Credit Ris	-	-
iv. Credit Impaired	-	-
<b>TOTAL</b>	<b>5.11</b>	<b>5.13</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### NOTE NO. 15 "CURRENT ASSETS" "FINANCIAL ASSETS - OTHERS"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
i. Fairvalue of Derivatives	9.72	8.19
ii. Interest Receivable	1.13	0.89
iii. Receivables towards Rent / Services provided *	255.55	138.10
<b>TOTAL</b>	<b>266.40</b>	<b>147.18</b>

\* Expected Credit Loss - NIL

\* Includes an amount of ₹ 191.72 Crore Receivable from Government of India towards Import of Urea on Government Account (P.Y. ₹ 62.32 crore)

### NOTE NO. 16 "CURRENT ASSETS" "OTHER CURRENT ASSETS"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
i. Raw Materials		
Security Deposits		
Unsecured -Considered Good	1.29	1.01
ii. Other Advances		
Unsecured -Considered Good		
i. Contractors	21.48	25.94
ii. Employees	0.29	0.35
iii. GST Receivable	249.48	176.80
iv. Prepaid Expenses	27.69	31.42
<b>Total Other Advances</b>	<b>298.94</b>	<b>234.51</b>
iii. Employee Benefit Asset	-	0.02
<b>TOTAL</b>	<b>300.23</b>	<b>235.54</b>

### NOTE NO. 17 "EQUITY" "EQUITY SHARE CAPITAL"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
<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 2024

### RECONCILIATION OF SHARES OUTSTANDING AT THE BEGINNING AND END OF THE REPORTING PERIOD

	31.03.2024		31.03.2023	
	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.

### DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY

Particulars	31.03.2024		31.03.2023	
	% 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	31.03.2024		31.03.2023		% change during the year
	% age of shareholding	No.	% age of shareholding	No.	
President of India	75.00%	413769483	75.00%	413769483	0.00%

Particulars	31.03.2023		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%

### NOTE NO. 18 "EQUITY" "OTHER EQUITY"

	Note No.	₹ Crore	
		AS AT 31.03.2024	AS AT 31.03.2023
<b>i. Other Reserves</b>			
<b>General Reserve</b>			
Opening Balance		3965.66	3261.30
Add: Transferred from Retained Earnings		(1.21)	704.36
Closing Balance		3964.45	3965.66
<b>Equity Instruments through Other Comprehensive Income Reserve</b>			
Opening Balance		72.77	68.88
Add: Other Comprehensive Income for the Year (Net of Tax)		16.83	3.89
Closing Balance		89.60	72.77

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

		₹ Crore	
		AS AT 31.03.2024	AS AT 31.03.2023
<b>ii. Retained Earnings</b>			
Opening Balance / Adjustments		-	-
Profit for the Year		225.28	966.31
Adjustment for Remeasurement of Defined Benefit Plans (Net of Ta)		(22.37)	(35.76)
Less: Dividends Paid		(204.12)	(226.19)
Less: Transfer to General Reserve		1.21	(704.36)
Closing Balance		-	-
<b>TOTAL</b>		<b>4054.05</b>	<b>4038.43</b>

For FY 2023-24, The Board of Directors have recommended a final dividend of ₹ 1.24 per equity share (P.Y. ₹ 3.70 per equity share) which is subject to approval by shareholders of the Company.

### NOTE NO. 18A "DIVIDEND"

		₹ Crore	
		AS AT 31.03.2024	AS AT 31.03.2023
<b>Dividends on Equity Shares paid during the year</b>			
Final Dividend for the FY 2022-23 [₹ 3.70 (P.Y. ₹ 2.50) per equity share of ₹ 10 each]		204.12	137.92
Interim Dividend for the FY 2023-24 [₹ NIL (P.Y. ₹ 1.60) per equity share of ₹ 10 each]		-	88.27
<b>TOTAL</b>		<b>204.12</b>	<b>226.19</b>

### NOTE NO. 19 "NON-CURRENT LIABILITIES" "FINANCIAL LIABILITIES - BORROWINGS"

		₹ Crore			
		AS AT 31.03.2024		AS AT 31.03.2023	
		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>		499.87	-	499.78	-
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>499.87</b>	<b>-</b>	<b>499.78</b>	<b>-</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

	₹ Crore			
	AS AT 31.03.2024		AS AT 31.03.2023	
	Non Current	Current	Non Current	Current
<b>Term Loan from Banks</b>				
<b>1 Rupee Loan from Banks</b>				
<b>a Kotak Mahindra Bank Limited</b>	-	-	88.64	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. The said loan has been fully repaid during the year.				
<b>b UCO Bank</b>	153.00	27.00	-	-
A loan of ₹ 180 crore availed from UCO Bank Limited 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 3 months MCLR plus Nil Margin. Repayment of the said loan would fall due for ₹ 27.00 crore in F.Y. 2024-25, ₹ 36.00 crore in F.Y. 2025-26, ₹ 36.00 crore in F.Y. 2026-27, ₹ 36.00 crore in F.Y. 2027-28, ₹ 36.00 crore in F.Y. 2028-29, ₹ 9.00 crore in F.Y. 2029-30				
	153.00	27.00	88.64	27.27
<b>2 Foreign Currency Loan / External Commercial Borrowings (ECB)</b>				
<b>a CTBC</b>	153.50	16.81	-	-
ECB of EURO 19.00 million availed by the Company from CTBC Bank Co., Ltd., Singapore Branch, under RBI Loan Registration no. 202305227 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 1 months EURIBOR plus margin of 1.15% per annum. Repayment of the said loan would fall due for ₹ 17.14 crore in F.Y. 2024-25, ₹ 34.28 crore in F.Y. 2025-26, ₹ 34.28 crore in F.Y. 2026-27, ₹ 34.28 crore in F.Y. 2027-28, ₹ 34.28 crore in F.Y. 2028-29, ₹ 17.14 crore in F.Y. 2029-30				

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

	₹ Crore			
	AS AT 31.03.2024		AS AT 31.03.2023	
	Non Current	Current	Non Current	Current
<b>b State Bank of India</b>	-	-	-	37.85
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 & HRSR 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. The said loan has been fully repaid during the year.				
<b>c State Bank of India</b>	114.93	32.74	146.66	32.47
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 ₹ 32.91 crore in F.Y. 2024-25, ₹ 32.91 crore in F.Y. 2025-26, ₹ 32.91 crore in F.Y. 2026-27, ₹ 32.91 crore in F.Y. 2027-28, ₹ 16.46 crore in F.Y. 2028-29				
	<b>268.43</b>	<b>49.55</b>	<b>146.66</b>	<b>70.32</b>
<b>UNSECURED</b>				
<b>Non Convertible Debentures (NCDs)</b>				
<b>6.59% Listed Unsecured Non Convertible Debentures (RCF Series I -2022)</b>	-	299.95	299.90	-
Listed Unsecured Non Convertible Debentures(NCDs) (RCF Series I -2022) in Nos. 3000 have been issued at an interest rate of 6.59% per annum for a tenure of 3 years having face value of ₹ 10 lakhs each on 31st January 2022 which are redeemable on 31st January 2025.				
	-	299.95	299.90	-
<b>Term Loan from Banks</b>				
<b>South Indian Bank</b>	19.09	76.36	-	-
A loan of ₹ 95.45 crore is availed from The South Indian Bank Limited at a rate of interest linked to 3 months T-Bill Rate plus fixed margin of 0.92% per annum. Repayment of the said loan would fall due for ₹ 76.36 crore in F.Y. 2024-25, ₹ 19.09 crore in F.Y. 2025-26.				
	19.09	76.36	-	-
Amount disclosed under the head "CURRENT BORROWINGS" (Refer Note No. 25)		<b>(452.86)</b>		<b>(97.59)</b>
<b>TOTAL</b>	<b>940.39</b>	<b>-</b>	<b>1034.98</b>	<b>-</b>
<b>Details of Borrowings and Transaction Costs</b>				
<b>A External Commercial Borrowings</b>				
Total External Commercial Borrowings	269.47	50.06	147.11	70.77
Less: Transaction Costs	1.04	0.51	0.45	0.45
Carrying value of External Commercial Borrowings	<b>268.43</b>	<b>49.55</b>	<b>146.66</b>	<b>70.32</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

		₹ Crore			
		AS AT 31.03.2024		AS AT 31.03.2023	
		Non Current	Current	Non Current	Current
B	Non-Convertible Debentures				
i.	6.59% Listed Secured Non Convertible Debentures (RCF Series I -2020)	500.00	-	500.00	-
	Less: Transaction Costs	0.13	-	0.22	-
	<b>Carrying value of Non-Convertible Debentures</b>	<b>499.87</b>	<b>-</b>	<b>499.78</b>	<b>-</b>
ii.	6.59% Listed Unsecured Non Convertible Debentures (RCF Series I -2022)	-	300.00	300.00	-
	Less: Transaction Costs	-	0.05	0.10	-
	<b>Carrying value of Non-Convertible Debentures</b>	<b>-</b>	<b>299.95</b>	<b>299.90</b>	<b>-</b>

### NOTE NO. 20 "NON-CURRENT LIABILITIES" "FINANCIAL LIABILITIES - LEASE LIABILITIES"

		₹ Crore	
		AS AT 31.03.2024	AS AT 31.03.2023
	Lease Liabilities	8.05	9.25
	<b>TOTAL</b>	<b>8.05</b>	<b>9.25</b>

### NOTE NO. 21 "NON-CURRENT LIABILITIES" "FINANCIAL LIABILITIES - OTHERS"

		₹ Crore	
		AS AT 31.03.2024	AS AT 31.03.2023
	Security Deposit from Vendors	42.77	33.98
	<b>TOTAL</b>	<b>42.77</b>	<b>33.98</b>

### NOTE NO. 22 "NON-CURRENT LIABILITIES" "PROVISIONS"

		₹ Crore	
		AS AT 31.03.2024	AS AT 31.03.2023
	<b>Provision for Employee Benefits</b>		
i.	Leave Salary Encashment	73.49	63.41
ii.	Post Retirement Medical Benefits	135.09	127.47
iii.	Long Service Award	0.66	0.20
	<b>TOTAL</b>	<b>209.24</b>	<b>191.08</b>

### NOTE NO. 23 "NON-CURRENT LIABILITIES" "PROVISIONS"

		₹ Crore	
		AS AT 31.03.2024	AS AT 31.03.2023
	<b>a. Deferred Tax Liability:</b>		
i.	Depreciation	344.89	313.27
ii.	Fair Value of Investments	29.99	24.34
iii.	Revenue from TDR	10.48	10.48
iv.	Other Temporary Difference	3.20	2.37
	<b>TOTAL</b>	<b>388.56</b>	<b>350.46</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
<b>b. Deferred Tax Liability:</b>		
i. Provision for Doubtful Debts/Claims/Advances	10.74	11.17
ii. Provision for Obsolescence of Stores	0.69	3.86
iii. Provision for Diminution in Value of Investments	8.91	8.91
iv. Expenditure Allowable on Payment Basis	46.68	71.92
v. Other Temporary Difference	15.81	17.70
<b>TOTAL</b>	<b>82.83</b>	<b>113.56</b>
<b>Net Deferred Tax Liability</b>	<b>305.73</b>	<b>236.90</b>

### NOTE NO. 24 "OTHER LIABILITIES"

		₹ Crore	
	Note No.	AS AT 31.03.2024	AS AT 31.03.2023
<b>I NON CURRENT</b>			
<b>Others</b>			
i. Advance Rent Received	24A	0.41	1.01
ii. Government Grants	24B	0.52	0.61
iii. Deferred Income		22.80	26.16
<b>TOTAL OTHER NON CURRENT LIABILITIES (I)</b>		<b>23.73</b>	<b>27.78</b>
<b>II CURRENT</b>			
<b>(a) Revenue Received in Advance</b>			
Income Received in Advance from Customers (Contract Liabilities)	24C	209.33	70.14
<b>(b) Other Advances</b>			
Retention Money		12.50	12.50
<b>(c) Other Liabilities:</b>			
i. Advance Rent Received	24A	0.61	0.70
ii. Government Grants	24B	0.06	0.06
iii. Deferred Income		3.76	3.20
iv. <b>Statutory Dues:</b>			
a. Withholding Taxes		19.44	16.49
b. GST Payable		2.79	-
v. Others		16.01	16.00
		42.67	36.45
<b>TOTAL OTHER CURRENT LIABILITIES (II)</b>		<b>264.50</b>	<b>119.09</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### NOTE NO. 24A "ADVANCE RENT RECEIVED"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
At at 1st April	1.71	2.28
Received / (Repaid) during the Year	0.05	-
Released to the Statement of Profit and Loss	0.74	0.57
<b>As at 31st March</b>	<b>1.02</b>	<b>1.71</b>
Current	0.61	0.70
Non-Current	0.41	1.01

### NOTE NO. 24B "GOVERNMENT GRANTS"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
At at 1st April	0.67	0.76
Received / (Repaid) during the Year	-	-
Released to the Statement of Profit and Loss	0.09	0.09
<b>As at 31st March</b>	<b>0.58</b>	<b>0.67</b>
Current	0.06	0.06
Non-Current	0.52	0.61

### NOTE NO. 24C "INCOME RECEIVED IN ADVANCE FROM CUSTOMERS (CONTRACT LIABILITIES)"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
At at 1st April	70.14	111.08
Received during the Year	209.33	70.14
Released to the Statement of Profit and Loss	70.14	111.08
<b>As at 31st March</b>	<b>209.33</b>	<b>70.14</b>
Current	209.33	70.14
Non-Current	-	-

### NOTE NO. 25 "CURRENT LIABILITIES" "FINANCIAL LIABILITIES - BORROWINGS"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
(a) Working Capital Loans		
I. Secured		
a. From Banks (Repayable on Demand) *		
Working Capital Demand Loan	860.00	670.00
Total Secured	860.00	670.00

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
<b>II. Unsecured</b>		
<b>From Banks</b>		
Rupee Loans **	1030.00	60.08
Total Secured	1030.00	60.08
<b>Total Working Capital Loans</b>	<b>1890.00</b>	<b>730.08</b>
<b>(b) Current Maturities of Long Term Debt (Refer Note No. 19)</b>		
<b>I. Secured</b>	76.55	97.59
<b>II. Unsecured</b>	376.31	-
Total	<b>452.86</b>	<b>97.59</b>
<b>TOTAL</b>	<b>2342.86</b>	<b>827.67</b>

\* Cash Credit from banks carrying interest rate of 8.40%-8.55% per annum (PY 6.75% - 7.65% per annum) and Working Capital Demand Loan carrying interest of 7.02%-7.30% per annum (PY 4.10%-7.07% 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 Short Term Rupee Loans carrying interest of 6.94%-7.70% per annum (PY 3.90%-6.98% per annum).

### NOTE NO. 26 "CURRENT LIABILITIES" "FINANCIAL LIABILITIES - LEASE LIABILITIES"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
Lease Liabilities	5.34	4.71
<b>TOTAL</b>	<b>5.34</b>	<b>4.71</b>

### NOTE NO. 27 "CURRENT LIABILITIES" "FINANCIAL LIABILITIES - TRADE PAYABLES"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
<b>Trade Payables (including Acceptances)</b>		
(A) Outstanding Dues of Micro Enterprises and Small Enterprises	55.46	57.13
(B) Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	1880.13	1954.16
<b>TOTAL</b>	<b>1935.59</b>	<b>2011.29</b>

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

### NOTE NO. 28 "CURRENT LIABILITIES" "FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
i. Interest Accrued But Not Due on Borrowings	37.03	31.74
ii. Unclaimed Dividend*	1.69	1.38
iii. Payables on Capital Account	62.84	42.86
iv. Standing Deposit from Customers	72.48	70.71

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

₹ Crore

	AS AT 31.03.2024	AS AT 31.03.2023
v. Trade Deposit from Customers	96.45	85.32
vi Earnest Money Deposit & Security Deposit from Vendors	90.79	81.84
vii Other Payables - Tie Ups	228.28	9.09
viii Ex-gratia & Employee Benefits	27.29	123.11
<b>TOTAL</b>	<b>616.85</b>	<b>446.05</b>

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

### NOTE NO. 29 "CURRENT LIABILITIES" "FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES"

₹ Crore

	AS AT 31.03.2024	AS AT 31.03.2023
<b>Provision for Employee Benefits</b>		
i. Leave Salary Encashment	96.83	111.63
ii. Post Retirement Medical Benefits	10.76	10.65
iii. Payable to Provident Fund	47.27	49.41
iv. Long Service Award	0.07	0.03
<b>TOTAL</b>	<b>154.93</b>	<b>171.72</b>

### NOTE NO. 30 "REVENUE FROM OPERATIONS"

₹ Crore

	Note No.	AS AT 31.03.2024	AS AT 31.03.2023
<b>(1) Sales</b>			
<b>A Manufactured Products</b>	<b>30A</b>		
Fertilizers		2585.63	2865.04
Industrial Products		1708.65	3220.04
		4294.28	6085.08
<b>B Bought-out Products</b>	<b>30A</b>		
Fertilizers		2130.00	1731.40
Net Sales		6424.28	7816.48
<b>(2) Other Operating Revenues</b>			
Subsidy on Urea & Complex Fertilizers* (Refer Note No. 49)	<b>30B</b>	10515.63	13568.89
Sale of Scrap		12.76	23.53
Management Fees -For Services rendered		11.67	11.67
Margin on Tie- ups		16.97	30.97
<b>TOTAL</b>		<b>10557.03</b>	<b>13635.06</b>
<b>Revenue from Operations</b>		<b>16981.31</b>	<b>21451.54</b>

\*Subsidy includes ₹ 148.00 crore (P.Y. ₹ 10.62 crore) in respect of earlier years, determined during the year

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### NOTE NO. 30A "SALES - PRODUCT WISE BREAK-UP"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
<b>1 Manufactured</b>		
<b>A Fertilizers</b>		
Suphala 15 : 15 : 15	1421.82	1642.28
Urea / Neem Coated Urea	1110.74	1138.43
Others	53.07	84.33
	2585.63	2865.04
<b>B Industrial Products</b>		
Ammonia	523.39	1236.10
Dilute Nitric Acid	108.85	142.55
Concentrated Nitric Acid	111.86	186.54
Ammonium Bi-carbonate	50.03	77.06
Methylamines	117.88	130.20
Ammonium Nitrate Melt	695.56	1287.12
Others	101.08	160.47
	1708.65	3220.04
<b>2 Bought-out Products</b>		
Imported Di Ammonium Phosphate	1272.80	744.26
Imported Urea	-	562.77
Imported S 15 15 15	86.35	-
Imported NPK 10:26:26	449.03	78.46
Imported NPK 20:20:0	293.87	317.95
Others	27.95	27.96
	2130.00	1731.40
<b>TOTAL</b>	<b>6424.28</b>	<b>7816.48</b>

### NOTE NO. 30B "SUBSIDY ON UREA & COMPLEX FERTILIZERS"

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
<b>1. Manufactured Fertilizers</b>		
Price	7952.74	11304.03
Freight	431.12	425.18
	8383.86	11729.21
<b>2. Bought-out Fertilizers</b>		
Price	1983.80	1765.04
Freight	147.97	74.64
	2131.77	1839.68
<b>TOTAL</b>	<b>10515.63</b>	<b>13568.89</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### NOTE NO. 31 "OTHER INCOME"

	₹ Crore	
	Year Ended 31.03.2024	Year Ended 31.03.2023
<b>1. Interest Income on Financial Assets carried at Amortised Cost</b>		
a. On Loans to Employees	0.01	0.01
b. On Deposits with Bank and Others	42.92	10.17
c. From Customers [includes ₹ 0.86 crore (P.Y. ₹ 11.74 crore) crore dues from DOF]	3.69	13.13
d. From Others	0.11	0.10
	46.73	23.41
<b>2. Interest Income on Taxes</b>		
a. On Income Tax Refund	4.43	-
b. On Sales Tax Refund	0.01	-
	4.44	-
<b>TOTAL</b>	<b>51.17</b>	<b>23.41</b>
<b>3. Dividend Income</b>		
Dividend from Equity Investment measured at fair value through OCI	0.47	0.40
	0.47	0.40
<b>4. Other Non-Operating Income</b>		
<b>a. Net Gain arising on Financial Assets measured at FVTPL</b>		
i. Gain / (Loss) on Sale of Mutual Fund Investments	9.64	1.58
ii. Gain / (Loss) on Derivatives	(7.99)	(0.24)
	1.65	1.34
b. Profit on Sale of Fixed Assets (Net)	0.16	0.01
c. Bad Debts Recovered	0.12	0.78
d. Rental Income Including Other Recoveries	47.37	38.55
e. Lease Compensation of Railway Siding	0.21	0.21
f. Government Grants (Refer Note No. 24B)	0.09	0.09
g. Amortisation of Deferred Deposits	5.83	7.42
h. Miscellaneous Income	58.42	71.10
	112.20	118.16
Less: Transfer to Research and Development Expenses (Refer Note No. 38C)	(0.06)	(0.01)
	<b>165.43</b>	<b>143.30</b>

### NOTE NO. 32 "COST OF MATERIALS CONSUMED"

		₹ Crore	
	Note No.	Year Ended 31.03.2024	Year Ended 31.03.2023
Raw Materials	32A	6220.54	8695.78
Packing Materials		127.97	144.18
Less : Transferred to Research & Development (Refer Note No. 38C)		(0.01)	(0.36)
<b>TOTAL</b>		<b>6348.50</b>	<b>8839.60</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### NOTE NO. 32A "ITEMWISE BREAKUP OF MATERIALS CONSUMED"

	₹ Crore	
	Year Ended 31.03.2024	Year Ended 31.03.2023
<b>RAW MATERIALS</b>		
Rock Phosphate	167.05	238.25
Di-Ammonium Phosphate	2.75	169.79
Mono-Ammonium Phosphate	632.13	791.02
Muriate of Potash	562.32	775.21
Sulphur	32.43	51.08
Natural Gas	4704.95	6543.20
Others	118.91	127.23
<b>SUB TOTAL</b>	<b>6220.54</b>	<b>8695.78</b>
Less : Transferred to Research and Development (Refer Note No. 38C)	(0.01)	(0.36)
<b>TOTAL</b>	<b>6220.53</b>	<b>8695.42</b>

### NOTE NO. 33 "PURCHASES OF STOCK IN TRADE"

	₹ Crore	
	Year Ended 31.03.2024	Year Ended 31.03.2023
Imported Urea	-	501.99
Imported Di Ammonium Phosphate	3113.32	1420.53
Imported S 15:15:15	109.31	-
Imported NPK : 20:20:0	534.29	797.18
NPK 10:26:26	533.72	338.83
Others	20.48	33.09
<b>SUB TOTAL</b>	<b>4311.12</b>	<b>3091.62</b>
Less: Transferred to Plant for internal consumption		
Imported DAP / MOP	-	(44.19)
<b>TOTAL</b>	<b>4311.12</b>	<b>3047.43</b>

### NOTE NO. 34 "CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN TRADE"

		₹ Crore	
	Note No.	Year Ended 31.03.2024	Year Ended 31.03.2023
<b>Opening Stock</b>			
Finished Goods	34A	366.82	183.27
Intermediary Products		74.07	37.43
By-Products		2.77	2.90
Stock in Trade	34A	515.12	988.09
Certified Emission Reduction Credits (CER) / Renewable Energy Certificates (REC) / E-Cer		0.33	0.38

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

		₹ Crore	
	Note No.	Year Ended 31.03.2024	Year Ended 31.03.2023
<b>Sub-Total</b>		959.11	1212.07
<b>Closing Stock</b>			
Finished Goods	34B	434.05	366.82
Intermediary Products		75.48	74.07
By-Products		3.93	2.77
Stock in Trade	34B	971.80	515.12
Certified Emission Reduction Credits (CER) / Renewable Energy Certificates (REC) / E-Cer		0.29	0.33
<b>Sub-Total</b>		<b>1485.55</b>	<b>959.11</b>
<b>TOTAL</b>		<b>(526.44)</b>	<b>252.96</b>

### NOTE NO. 34A "OPENING STOCK - PRODUCT WISE BREAK-UP"

		₹ Crore	
		Year Ended 31.03.2024	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. Interest Income on Taxes</b>			
Methanol		0.26	2.65
Concentrated Nitric Acid		0.22	0.10
Ammonium Bi-carbonate		0.21	0.07
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
		366.82	183.27
<b>2. Bought-out Products</b>			
<b>Fertilizers</b>			
Imported Di Ammonium Phosphate		212.03	987.93
Imported NPK 12:32:16		111.37	-
Imported NPK 20:20:0		182.82	-
Others		8.90	0.16
		515.12	988.09
<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 2024

### NOTE NO. 34B "CLOSING STOCK - PRODUCT WISE BREAK-UP"

	₹ Crore	
	Year Ended 31.03.2024	Year Ended 31.03.2023
<b>Finished Goods</b>		
<b>1. Manufactured</b>		
<b>A. Fertilizers</b>		
Urea (Trombay)	15.77	2.96
Urea (Thal)	139.30	112.23
Complex Fertilizers	244.22	214.82
Others	32.96	33.60
<b>B. Industrial Products</b>		
Methanol	0.01	0.26
Concentrated Nitric Acid	0.36	0.22
Ammonium Bi-carbonate	0.26	0.21
Methylamines	0.85	1.04
Ammonium Nitrate Melt	0.03	0.04
Dimethyl Formamide	0.08	0.08
Dimethyl Acetamide	0.01	1.25
Argon Gas / Liquid	0.20	0.11
Others	-	-
	434.05	366.82
<b>2. Bought-out Products</b>		
<b>Fertilizers</b>		
Imported Di Ammonium Phosphate	782.90	212.03
Imported NPK 12:32:16	182.80	111.37
Imported NPK 20:20:0	1.43	182.82
Others	4.67	8.90
	971.80	515.12
<b>TOTAL</b>	<b>1405.85</b>	<b>881.94</b>

### NOTE NO. 35 "EMPLOYEE BENEFITS EXPENSE"

	₹ Crore	
	Year Ended 31.03.2024	Year Ended 31.03.2023
Salaries, Wages and Bonus	473.68	592.04
Contribution to Provident Fund and Other funds	35.24	66.98
Contribution to Gratuity Fund	5.53	4.92
Workmen and Staff Welfare Expenses	77.44	76.21
	591.89	740.15
Less: Transferred to Research and Development ( Refer Note No. 38C)	(2.71)	(2.45)
Share recoverable from Thal Ammonia Extension and Others	(46.40)	(45.33)
	(49.11)	(47.78)
<b>TOTAL</b>	<b>542.78</b>	<b>692.37</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### NOTE NO. 36 "FINANCE COSTS"

		₹ Crore	
		Year Ended 31.03.2024	Year Ended 31.03.2023
<b>1</b>	<b>Interest on Financial Liabilities carried at Amortised Cost</b>		
a.	Interest on Term Loans from Banks	36.51	18.30
b.	Interest on Non-Convertible Debentures	52.86	52.72
c.	Interest on Working Capital from Banks	82.41	92.92
d.	Interest on Other Loans and Deposits	4.93	5.47
e.	Unwinding of Discount on Deposits	5.34	5.39
f.	Other Borrowing Costs	0.78	1.37
g.	Exchange Differences Re-arded as an Adjustment to Borrowing Costs	3.54	44.52
h.	Interest Expense on Lease Liabilities	1.26	1.05
		187.63	221.74
<b>2</b>	<b>Other Finance Costs</b>	(3.99)	2.12
	<b>TOTAL</b>	<b>183.64</b>	<b>223.86</b>

### NOTE NO. 37 "DEPRECIATION AND AMORTISATION EXPENSES / IMPAIRMENT"

		₹ Crore	
		Year Ended 31.03.2024	Year Ended 31.03.2023
i.	Depreciation on Property Plant and Equipment	221.36	200.74
ii.	Impairment on Property Plant and Equipment	7.94	5.86
iii.	(Reversal) of Impairment on Property Plant and Equipment	(4.12)	-
iv.	Depreciation on Investment Property	0.17	0.17
v.	Amortisation on Intangible Assets	0.41	1.18
vi.	Depreciation on Right of Use Asset	5.64	4.49
vii.	Impairment on Right of Use Asset	1.92	-
viii.	Impairment on Capital work in progress	0.61	-
	Total Depreciation / Amortisation Impairment provided during the year	233.93	212.44
	Less : Under Research and Development (Refer Note No. 38C)	(0.83)	(0.32)
	<b>As reported under Statement of Profit &amp; Loss</b>	<b>233.10</b>	<b>212.12</b>

### NOTE NO. 38 " OTHER EXPENSES"

		₹ Crore	
	Note No.	Year Ended 31.03.2024	Year Ended 31.03.2023
Stores and Spares		66.10	71.92
Power and Fuel		4178.55	5741.56
Water Charges		207.16	61.29
Repairs and Maintenance	38A	243.81	230.57
Freight and Handling Charges		869.58	723.48
Rent		10.27	4.74
Rates and Taxes		11.79	10.00
Insurance		48.87	45.28
Miscellaneous Expenses	38B	155.28	257.47
Less: Transferred to Research & Development Expenses (Refer Note No. 38C)		(0.68)	(0.32)
<b>TOTAL</b>		<b>5790.73</b>	<b>7145.99</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### NOTE NO. 38A "REPAIRS AND MAINTENANCE"

	₹ Crore	
	Year Ended 31.03.2024	Year Ended 31.03.2023
Plant and Machinery	196.02	179.58
Buildings	26.35	32.13
Other Assets	22.36	19.08
	244.73	230.79
Less: Transferred to Research & Development Expenses (Refer Note No. 38C)	(0.92)	(0.22)
<b>TOTAL</b>	<b>243.81</b>	<b>230.57</b>

### NOTE NO. 38B "MISCELLANEOUS EXPENSES"

		₹ Crore	
	Note No.	Year Ended 31.03.2024	Year Ended 31.03.2023
Security Expenses-Factory and Others		59.41	54.14
Electricity Charges-Township and Office		6.29	5.75
Advertisement		1.34	1.87
Bank Charges		6.52	10.46
Promotion and Publicity		16.73	6.00
Hire Charges for Vehicles		4.83	4.43
Travelling Expenses		5.90	5.35
Entertainment Expenses		0.04	0.03
Research and Development Expenses	38C	7.38	6.55
Loss on Fixed Assets Sold /Discarded		1.54	0.51
Losses/ Damages and Other Amounts Written Off		-	(0.01)
Foreign exchange Loss/(Gain)		11.18	109.78
Corporate Social Responsibility Expenses		17.93	11.93
Provision for Doubtful Debts/ Claims/ Advances		2.40	1.49
Provision for Obsolescence of Stores		0.52	1.97
Bad Debts Written Off		-	0.26
Provision of Earlier Years no Longer Required		(10.41)	(0.56)
Liabilities for Expenses no Longer Required		(8.31)	(7.36)
Recovery of Share of Common Expenses		(18.10)	(18.32)
Other Expenses **		50.09	63.20
<b>TOTAL</b>		<b>155.28</b>	<b>257.47</b>

\*\* Includes Directors' Sitting Fees C.Y. ₹ 14,65,000, P.Y. ₹ 23,45,000

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### NOTE NO. 38C "RESEARCH & DEVELOPMENT EXPENSES"

	₹ Crore	
	Year Ended 31.03.2024	Year Ended 31.03.2023
Salaries and Staff Welfare Expenses	2.71	2.45
Repairs and Maintenance	0.92	0.22
Depreciation	0.83	0.32
Direct Research Expenditure	2.29	2.89
Other Expenses	0.17	0.17
Handling Charges	0.51	0.15
Materials Consumed	0.01	0.36
<b>SUB TOTAL</b>	<b>7.44</b>	<b>6.56</b>
Less: Transferred from Other Income	(0.06)	(0.01)
<b>TOTAL</b>	<b>7.38</b>	<b>6.55</b>

### NOTE NO. 39 "EXCEPTIONAL ITEMS"

	₹ Crore	
	Year Ended 31.03.2024	Year Ended 31.03.2023
Transferable Development Rights [Expense or Loss / (Income or Gain)]	(40.32)	(63.32)
Reversal of Gas Pool Provision on Non Urea - AMRCD Award	-	(30.15)
<b>TOTAL</b>	<b>(40.32)</b>	<b>(93.47)</b>

### NOTE NO. 40 "OTHER COMPREHENSIVE INCOME"

	₹ Crore	
	Year Ended 31.03.2024	Year Ended 31.03.2023
<b>Items that will not be reclassified to profit or lo</b>		
Remeasurements of Defined Benefit Pla	(24.45)	(39.32)
Fair Value Equity Instruments (IPL Shares)	22.48	5.19
	(1.97)	(34.13)
Less: Income Tax / Deferred Tax Relating to Above Items	(3.57)	2.26
<b>TOTAL</b>	<b>(5.54)</b>	<b>(31.87)</b>

### NOTE NO. 41 "DISCLOSURE OF FINANCIAL ASSETS AND LIABILITIES AS PER IND AS 107 "

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
<b>I) FINANCIAL ASSETS</b>		
α BREAKUP OF FINANCIAL ASSETS AT FAIR VALUE THOROUGH OCI		
Investments - Fully Paid Shares	119.76	97.28
<b>TOTAL</b>	<b>119.76</b>	<b>97.28</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

	₹ Crore	
	AS AT 31.03.2024	AS AT 31.03.2023
<b>b. BREAKUP OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT &amp; LOSS</b>		
Derivatives	9.72	8.19
Transferable Development Rights	76.93	99.63
Investments in Mutual Funds	-	-
<b>TOTAL</b>	<b>86.65</b>	<b>107.82</b>
<b>c. BREAKUP OF FINANCIAL ASSETS CARRIED AT AMORTISED COST / COST</b>		
Loans	5.11	10.23
Others Financial Assets	256.68	138.99
Trade Receivables	3549.67	2608.82
Cash and Cash Equivalents	156.49	11.30
Other Bank Balances	196.45	53.23
	4164.40	2822.57
<b>d. BREAKUP OF FINANCIAL ASSETS CARRIED AT COST</b>		
Investments - Joint Ventures	794.82	797.28
<b>Total</b>	<b>794.82</b>	<b>797.28</b>
<b>TOTAL FINANCIAL ASSETS</b>	<b>5165.63</b>	<b>3824.95</b>
<b>II) FINANCIAL LIABILITIES</b>		
<b>a. BREAKUP OF FINANCIAL LIABILITIES CARRIED AT AMORTISED COST</b>		
Borrowings	3283.25	1862.65
Trade Payables	1935.59	2011.29
Interest Accrued but Not Due on Borrowings	37.03	31.74
Unclaimed Dividend	1.69	1.38
Creditors on Capital Account	62.84	42.86
Standing Deposit from Customers	72.48	70.71
Trade Deposit from Customers	96.45	85.32
Earnest Money Deposit & Security Deposit from Vendors	133.56	115.82
Ex-gratia & Employee Benefit	27.29	123.11
Other Payables - Tie Ups	228.28	9.09
ROU Lease Liability	13.39	13.96
<b>Total</b>	<b>5891.85</b>	<b>4367.93</b>
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>5891.85</b>	<b>4367.93</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 2024

### NOTE NO. 42 Contingent Liabilities not provided for:

42.1 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 31.03.2024	As at 31.03.2023
1	Claims on the Company not acknowledged as debts' Contractors / Suppliers/ Arbitrators etc.	161.16	160.17
2	Demands raised by various authorities that may arise in respect of matters in appeal		
	Excise Duty (D) (Refer note no 42.1.1)	70.33	70.33
	Excise Duty (S)	18.52	18.52
	Sales Tax	5.49	6.26
	Income Tax	86.61	77.64
	Service Tax (D)	13.92	13.92
	Service Tax (S)	2.41	2.40
	Custom Duty (D)	80.93	80.93
	GST	1.31	-
3	Water charges claimed by Municipal Corporation of Greater Mumbai(Refer note no 42.1.2)	36.73	36.86
4	Claims preferred by local authorities	8.77	8.72
5	Claims preferred by port authorities	28.65	-
	<b>GRAND TOTAL</b>	<b>514.83</b>	<b>475.75</b>

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

42.1.1 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.

42.1.2 Out of the above ₹ 36.73 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.

42.1.3 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 ₹ 0.78 crore (P.Y. ₹ 0.43 Crore) from the stock exchanges (BSE & NSE). Since the appointment of Directors is done by Government of India, the Company has 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 2024

The Company is in receipt of notice of penalty aggregating to ₹ 0.01 crore (P.Y. ₹ 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.

- 42.2 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.
- 42.3 In respect of clause 42.1 to 42.2 above, it is not practicable for the Company to estimate the closure of these issues and the consequential timing of cash flows, if any.

### NOTE NO. 43 Other Commitments:

Particulars	(₹ Crore)	
	As at 31.03.2024	As at 31.03.2023
Capital Expenditure Commitments (net of advances)	754.62	418.71
Commitment Towards Investments in JV (Talcher Fertilizers Ltd)	1364.19	378.71
Corporate Guarantee	2.20	2.20

### NOTE NO. 44 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 financial 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.

45. 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.

46. 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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

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>Land</b>				
	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.
PPE	Trombay Land	0.24	No	1978	The Company is in the process of obtaining the Transfer of title deeds in its favour.
	<b>Building</b>				
	Thal – Kihim Township	3.09	No	1984	The Company is in the process of obtaining evidence of title / permissions / approvals etc.

47. Balance of subsidy receivables includes certain amounts receivable from Government recognized on estimated basis and are subject to confirmatio .
48. In FY 2022-23, the Company was 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 during the year 2022-23, the Company had sourced Spot gas for its urea operations in lieu of gas sourced under the EPMC mechanism 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, the Company has continued to recognize such differential i.e. (EPMC / Spot gas price – Cheaper market gas price) amounting to ₹ 80.57 crore cumulatively till March 2024 which has been shown as receivable from DoF.

49. 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 ₹ 409.39 crore refundable to FICC/DOF (PY ₹ 114.53 crore refundable).

Upon introduction of Direct Benefit Transfer (DBT) schemes for all Fertilizer Companies, there is shift in procedure for generation of subsidy claims with respect to Price subsidy & disbursement thereon. As per the same, Company is entitled for generation of claims/receipt of subsidy on the basis of actual sale by the retailers on weekly basis through POS machines. Accordingly, as on 31.03.2024, quantity of 8.58 LMT of urea and P&K having subsidy amounting ₹ 2141.70 Crore has been recognized in the

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

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 5.77 LMT and subsidy ₹ 2288.95 crore).

50. The Company has undertaken production of Sulphur Coated Urea of 3791.72 MT for commercial purpose. Government of India has notified the Maximum Retail Price (MRP) which is on similar lines as that of Neem Coated Urea, however as the subsidy rates are yet to be notified, Company has estimated the subsidy income amounting to ₹ 10.81 crore based on the proportionate Nitrogen content of notified subsidy rates of Neem Coated Urea. The Company has approached DOF for notifying the subsidy of Sulphur Coated Urea.
51. Directives have been given to Fertilizer CPSE's by Department of Fertilizers (DOF) vide letter No F.21-01/2023-FM dated 21<sup>st</sup> September 2023 to ensure availability of Phosphatic and Potassic (P&K) fertilizers in Rabi 2023-24 and undertake such procurement on priority. The price adversity if any beyond applicable NBS Subsidy rates will be addressed by DOF to protect at no profit no loss basis. Accordingly based on the directives of DOF with assurance of protection of losses on such imports the Company has undertaken import of DAP and NPK fertilizers during the period October to March 2024. Further, DoF has directed for submission of the data duly audited by statutory auditor of the Company and approved by Board of Directors.

Accordingly pending submission of a duly audited claim, the Company has recognized compensation towards such differential which is over and above the notified NBS rates based on its estimates amounting to approximately ₹ 207.23 crore for the year in line with DOF's assurance.

52. 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).

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 had 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 and the award was received in favour of the Company. The LSTK contractor has challenged this award in High Court.

The LSTK contractor has deposited the amount as directed by the Court with Company. However in the event, the Petition is allowed and the award is set aside, either in whole or in part, by the Court, the Company is obligated, within 10 days from the date of such order, to refund the entire amount of ₹ 218.46 crore deposited by M/s Thermax Ltd or any other amount as may be directed by the Court along with interest @ 6% per annum or such other rate as may be directed by Court which has accrued from date of such deposit.

53. 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 ₹ 24.21 crore as at 31.03.2023. Upon review of fair value plan assets as compared to present value of the defined benefit obligation, the deficit stands reduced to ₹ 4.00 crore as at 31.03.2024 resulting in an reversal of provision amounting to ₹ 20.21 Crore during the year. (P.Y. ₹ 8.13 crore additional provision).

Provision on account of interest shortfall determined through actuarial valuation has been recognized amounting to ₹ 1.89 Crore (PY ₹ Nil) in statement of Profit and Loss and ₹ 16.18 Crore (PY ₹ 25.19 crore) in Other Comprehensive Income respectively.

54. Based on the nature of business activities undertaken by the Company and requirement of Ind AS 108-Operating Segment, following are the operating segments identify

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 2024

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.

### NOTE NO. 55 Disclosures under Ind AS 24 on Related Party Transactions are given below:

#### 55.1 Transactions with Joint Controlled Entities

##### 1) Relationship

##### JOINT CONTROLLED ENTITIES

Name of the Company	No of Shares (F.Y. 2023-24)	No of Shares (F.Y. 2022-23)	Country of Incorporation	% of Ownership interest as at	
				31.03.2024	31.03.2023
1) FACT-RCF BUILDING PRODUCTS LTD. (FRBL) *	35227000 of ₹ 10 each	35227000 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. 1<sup>st</sup> 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 31.03.2024	Year ended 31.03.2023	
1	Contribution towards share capital-TFL	-	-	
2	Reimbursement of Share of Expenses from TFL	5.93	3.58	

#### Balance Outstanding:

			(₹ Crore)	
Sr. No.	Particulars	As at 31.03.2024	As at 31.03.2023	
		Joint Ventures	Joint Ventures	
1	Advances Given –FRBL *	37.87	37.87	
2	Reimbursement of Share of Expenses receivable from TFL	14.58	8.68	

\*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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

National Company Law Tribunal (NCLT) proceedings have been initiated vide order dated 11th December, 2023 on FACT-RCF Building Products Limited (FRBL) and an Interim Resolution Professional (IRP) has been appointed in place. However, there is no impact on Company's financial statements, as the Company has made full provision of its investments/dues from FRBL in earlier years. Further as the Company's share of losses has exceeded its investments in the joint venture, no further losses of the said joint venture is being recognised as per IND AS 28 and thus this has no impact on the Company's consolidated financial statements.

### 55.2 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)

Sr. No.	Particulars	2023-24	2022-23
1	Transactions during the year*	-	481.23
	Dividend	0.42	0.40
	Sitting Fees	-	-
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 25<sup>th</sup> May, 2022 to 14<sup>th</sup> March, 2023.

(₹ Crore)

Sr. No.	Particulars	2023-24	2022-23
1	Transactions during the year*	0.35	0.18
2	Accounts receivable/(payable) as at 31st March	(0.06)	(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 to 08.02.2024

(₹ Crore)

Sr. No.	Nature of Transaction	2023-24	2022-23
1	Transactions during the year*	2.75	2.92
2	Accounts receivable/(payable) as at 31st March	(0.60)	(0.06)

\* Consultancy services etc.

- (iv) **Fertilisers and Chemicals Travancore Limited (FACT)** – Owing to Shri S. C. Mudgerikar holding additional charges as Chairman & Managing Director as per directives of DoF in the said entity from upto 23<sup>rd</sup> February, 2024.

(₹ Crore)

Sr. No.	Nature of Transaction	2023-24	2022-23
1	Transactions during the year*	(4.35)	(0.37)
2	Accounts receivable/(payable) as at 31st March	5.46	10.67

\* Procurement of raw materials, loan repayment by FACT and interest accrued during the year.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### b) Disclosure as per Section 186 of the Companies Act, 2013

(₹ Crore)

Sr. No.	Name of Party	Amount as on 31.03.2024	Amount as on 31.03.2023
1.	FACT Ltd (Joint Venture Partner in FRBL) Inter Corporate Loan	5.10	10.20
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

### 55.3 Key Management Personnel

#### a) Whole Time Directors & Company Secretary

- (i) Shri S. C. Mudgerikar , Chairman & Managing Director
- (ii) Ms. Nazhat J. Shaikh, Director (Finance) and CFO
- (iii) Shri Milind M. Deo, Director (Technical) (Upto 30.09.2023)
- (iv) Ms. Ritu Goswami, Director (Technical) (From 17.01.2024)
- (v) Shri Jai Bhagwan Sharma, Company Secretary

#### b) Independent Directors

- (i) Ms. Shashi Bala Bharti (Upto 24.06.2023)
- (ii) Shri Chandra Bhushan Pandey (upto 06.11.2023)
- (iii) Shri Gopinathan Nair Anilkumar

#### c) Government Nominee Directors

- (i) Ms. Aneeta C. Meshram
- (ii) Shri Sanjay Rastogi (upto 04.01.2024)
- (iii) Dr. Ajay Shanker Singh (from 05.01.2024)

### Details relating to parties referred above:

#### (i) Remuneration:

(₹ Crore)

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Shri. S C Mudgerikar	1.14	0.99
Shri K U Thankachen	-	0.95
Ms. Nazhat J Shaikh	0.89	0.69
Shri. Milind M Deo	1.23	0.79
Mrs. Ritu Goswami	0.11	-
Shri. Jai Bhagwan Sharma	0.70	0.62
<b>Total</b>	<b>4.07</b>	<b>4.04</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 2024

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 31.03.2024	Year ended 31.03.2023
Ms Shashi Bala Bharti	0.02	0.08
Shri Chandra Bhushan Pandey	0.04	0.07
Shri Kashee Nath Akela	-	0.01
Shri Gopinathan Nair Anilkumar	0.08	0.07
<b>Total</b>	<b>0.14</b>	<b>0.23</b>

### 55.4 Transaction with other Government related Entities

In the ordinary course of its business, the Company enters into transactions with other Government controlled entities. The Company has transactions with other Government-controlled entities, including but not limited to the following:

- Purchase of Gas, Raw Materials/Finished Goods;
- Purchase of Assets/Spare parts from Original equipment manufacturers (OEMs);
- Sale of Industrial chemicals;
- Rendering and receiving of services;

These transactions are conducted in the ordinary course of business on terms comparable to those with other entities that are not government controlled entities

### 55.5 Transaction with Trusts

(₹ Crore)

Name of Related Party	Nature of Transactions	2023-24	2022-23
<b>Contribution to Trust</b>			
RCF Ltd Employees Provident Fund Trust	Contribution	14.49	31.14
RCF Ltd Employees Gratuity Fund	Contribution	6.79	7.94
<b>Reimbursement of Gratuity pasyment made on behalf of Trust</b>			
RCF Ltd Employees Gratuity Fund	Reimbursement	30.37	38.66
<b>Balance payable/(receivable) as on 31<sup>st</sup> March of financial yea</b>			
RCF Ltd Employees Provident Fund Trust	Contribution	5.36	8.59
RCF Ltd Employees Gratuity Fund	Contribution / Net of reimbursement due	(6.42)	(4.02)

### NOTE NO. 56 Earnings per Share –Basic and Diluted

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Net profit after tax as per Statement of Profit and loss ₹ crore) (A)	225.28	966.31
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)	4.08	17.52
Diluted earnings per Share (in Rupees) (Face Value of ₹ 10/- per share) (A)/(B)	4.08	17.52
EPS from continuing operations (Face Value of ₹ 10/- per share)	4.08	17.52



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### NOTE NO. 57 "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	
		31.03.2024	31.03.2023
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 31.03.2024 (Audited)	As at 31.03.2023 (Audited)
1	Non-Current Assets	2.34	2.34
2	Cash and Cash Equivalent	0.08	0.16
3	Current Assets other than Cash and Cash Equivalent	3.09	7.51
4	Non-Current Liabilities	66.01	64.65
5	Current Liabilities	91.47	91.80
6	Equity	(149.07)	(146.44)
7	Proportion of the company's ownership	50%	50%
8	Carrying amount of the investment*	-	-

(₹ Crore)

Sr. No.	Particulars	Year Ended 31.03.2024 (Audited)	Year Ended 31.03.2023 (Audited)
1	Income	0.30	0.96
2	Cost of materials consumed	-	-
3	Change in inventories	-	-
4	Depreciation and amortization expense	-	-
5	Finance costs	1.72	7.07
6	Employee benefits expense	0.40	0.48
7	Other Expenses	0.81	1.31
8	Profit/Loss from continuing operations before exceptional ite	(2.63)	(7.90)
9	Exceptional Item	-	-
10	Profit/Loss Before Ta	(2.63)	(7.90)
11	Total comprehensive income for the year	(2.63)	(7.90)
12	Company's Share of profit / (loss) for the year	(1.32)	(3.95)

\* 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 ₹ 1.32 crore for the year (P.Y. ₹ 3.95 crore) and ₹ 74.54 crore cumulatively upto the year ended 31.03.2024 (P.Y. ₹ 73.22 crore).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

- 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 31.03.2024 (Audited)	As at 31.03.2023 (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	0.07
4	Non-Current Liabilities	-	-
5	Current Liabilities	0.04	0.03
6	Equity	0.04	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 31.03.2024 (Audited)	Year Ended 31.03.2023 (Audited)
1	Income { ₹ 42,000 (P.Y ₹ 34,600)}	-	-
2	Cost of materials consumed	-	-
3	Depreciation and amortization expense	-	-
4	Finance costs	-	-
5	Employee benefits expense	-	-
6	Other Expenses	0.01	0.01
7	Profit/(Loss) from continuing operation	(0.01)	(0.01)
8	Total comprehensive income for the year	(0.01)	(0.01)
9	Company's Share of profit /(loss) for the year	(0.01)	-

\*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 31.03.2024 (Audited)	As at 31.03.2023 (Audited)
1	Non-Current Assets	5244.56	2704.33
2	Cash and Cash Equivalent	145.99	141.03
3	Current Assets other than Cash and Cash Equivalent	739.82	401.02
4	Non-Current Liabilities	3133.68	490.02
5	Current Liabilities	612.24	364.67
6	Equity	2384.45	2391.78
7	Proportion of the Company's ownership	33.33%	33.33%
8	Carrying amount of the investment	805.48	805.48
9	Capital Commitment	7667.17	9175.67

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

(₹ Crore)

Sr. No.	Particulars	Year Ended 31.03.2024 (Audited)	Year Ended 31.03.2023 (Audited)
1	Income	0.59	5.89
2	Cost of materials consumed	-	-
3	Depreciation and amortization expense	0.58	0.61
4	Finance costs	-	-
5	Employee benefits expense	3.44	4.22
6	Other Expenses	3.87	3.40
7	Profit/(Loss) from continuing operation	(7.30)	(2.34)
8	Total comprehensive income for the year	(7.34)	(2.53)
9	Company's Share of profit / (loss) for the year	(2.45)	(0.84)

### NOTE NO. 57 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	82.74	3810.92	101.09	227.74	100	(5.54)	101.11	222.20
<b>Joint Venture (as per Equity Method)</b>								
<b>Indian</b>								
FACT –RCF Building Products Ltd.	-	-	-	-	-	-	-	-
Urvarak Videsh Limited	-	0.01	-	(0.01)	-	-	-	(0.01)
Talcher Fertilizers Limited	17.26	794.81	(1.09)	(2.45)	-	-	(1.11)	(2.45)
<b>Total</b>	<b>100.00</b>	<b>4605.74</b>	<b>100</b>	<b>225.28</b>	<b>100</b>	<b>(5.54)</b>	<b>100</b>	<b>219.74</b>

### NOTE NO. 58 Contingent Assets:

- a) As per the Arbitration award received in its favor for the compensation claimed in respect of surrender of land to Mumbai Metropolitan Regional Development Authority (MMRDA) on 23rd May, 2018, Company is eligible for compensation either in the form of cash / TDRs amounting to ₹ 75.17 crore along with interest over and above the entitled compensation as recommended by Arbitration award. Company has filed an execution application, however MMRDA has obtained stay against the same from Mumbai High Court subject to deposit of 25% of the disputed amount with the Court. MMRDA has deposited 25% of the disputed amount as directed by the Court and the Company has withdrawn the same amounting to ₹ 27.93 crores in F.Y.2020-21 upon submission of bank guarantees of equivalent amount in favour of the Court. The matter is yet to be heard.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

- b) Further, in respect to action initiated towards certain parties for recovery of its dues, the Company has file Execution Petitions attaching properties in existence upon receipt of favorable orders from Court amounting to ₹ 0.63 crore (P.Y. ₹ 0.63 crore).
- c) 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 ₹ 29.33 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 DO

### NOTE NO. 59 Exceptional items:

Exceptional item consists of:

Sr. No.	Particulars	Year ended	
		31.03.2024	31.03.2023
(₹ Crore)			
<b>A.</b>	<b>Transferrable Development Right</b>		
	Loss / (Gain) on Sale/Revaluation of Development Right Certificate received / receivable from MMRDA towards surrender of land in earlier years to MMRDA/MCGM.*	(25.28)	(36.47)
	Loss / (Gain) on Revaluation of valuation of Development Right Certificate received from Municipal Corporation of Greater Mumbai towards surrender of land.	(15.04)	(26.85)
	<b>Net Exceptional Expense / (Income)</b>	<b>(40.32)</b>	<b>(63.32)</b>
<b>B.</b>	<b>Disputes with GAIL (I) Ltd.</b>		
	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)
	<b>Net Exceptional Expense / (Income)</b>	<b>-</b>	<b>(30.15)</b>
	<b>Grand Total (A+B)</b>	<b>(40.32)</b>	<b>(93.47)</b>

\* The Company has sold 16,530 Sq. meters of Transferable Development Rights (TDR) during the quarter ended 30th June, 2023 and realized a gain of ₹ 25.28 Crores.

### NOTE NO. 60 Disclosure as per Ind AS 116 – Leases

Sr. No.	Particulars	Year ended	
		31.03.2024	31.03.2023
(₹ Crore)			
<b>Details pertaining to Lease Arrangement considered as ROU</b>			
1	Total Gross Lease liability	16.87	17.00
2	Total Discounted lease liability	13.39	13.95
3	Cash Outflow due to Lease Liabilit	6.53	5.22
4	Interest charged to PL	1.26	1.05
5	Depreciation charged to PL	5.63	4.49
6	Cancellations charged to PL	-	-

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

(₹ Crore)

Sr. No.	Particulars	31.03.2024	31.03.2023
7	<b>Maturity Profile of Lease Liabilit</b>		
	On Demand	-	-
	Less Than 3 Months	1.52	1.15
	3 to 12 Months	3.82	3.56
	1 to 5 years	6.34	6.70
	5 Years & Above	1.71	2.55
	<b>Grand Total</b>	<b>13.39</b>	<b>13.96</b>
	<b>Details pertaining exemptions availed as Short Term Lease Arrangement and not considered above</b>		
8	During the year charged to P&L	10.49	7.25
9	<b>Disclosure of undiscounted lease receivables wrt to assets given on Operating lease as a lessor</b>		
	On Demand	0.14	0.10
	Less Than 3 Months	1.23	0.86
	3 to 12 Months	3.76	2.50
	1 to 5 years	17.06	11.35
	5 Years & Above	2.14	4.23
	<b>Grand Total</b>	<b>24.33</b>	<b>19.04</b>

61. 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.

62. 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

63. Consolidated financial statements were prepared based on audited Financial Statements of Joint Venture entities viz Urvarak Videsh Limited and Talcher Fertilizers Limited and Management Certified Financial Statements in respect of Joint Venture entity viz FACT-RCF Building Product Limited and the same was approved by Board of Directors on 17<sup>th</sup> May, 2024. 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 17<sup>th</sup> May, 2024, 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 FACT-RCF Building Product Limited. Accordingly, on receipt of audited Financial Statements of FACT-RCF Building Product Limited, Consolidated Financial Statements of the Company stands duly revised.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

The summary of Impact of the Consolidated Financial Statements based on the audited Financial Statements of the respective Joint ventures is as under:

(₹ Crore)		
Particulars	Considering Un-audited	Considering Audited
1 Share of Profit/(Loss) of Joint venture	(2.46)	(2.46)
2 Other Equity	4054.05	4054.05

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.57 above.

64. The Consolidated Financial Statements were authorized for issue in accordance with a resolution passed by the Board of Directors on 06<sup>th</sup> June 2024.
65. The Consolidated 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
66. The figure 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 : 6<sup>th</sup> June, 2024.  
Place: Mumbai

As per our report of even date attached

For K. GOPAL RAO & CO.  
Chartered Accountants  
Firm Regn. No. 000956S

(Gopal Krishna Raju)  
Partner  
Membership No: 205929

Dated : 6<sup>th</sup> June, 2024.  
Place: Mumbai

For PARAKH & CO.  
Chartered Accountants  
Firm Regn. No. 001475C

(Shalabh Jain)  
Partner  
Membership No: 441015

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### Consolidated Segmentwise Revenue & Results for the period ended 31<sup>st</sup> March 2024

Annexure-1

₹ Crore

Sr. No	Particulars	Fertilizers	Trading	Industrial Chemicals	Unallocated	Total
<b>SEGMENT REVENUE</b>						
i.	Sales ( Incl. Subsidy wherever applicable )	10969.48	4261.78	1708.65	-	<b>16939.91</b>
ii.	Other operating Income	27.91	0.13	1.69	11.67	<b>41.40</b>
	Total Revenue	10997.39	4261.91	1710.34	11.67	<b>16981.31</b>
<b>SEGMENT RESULT</b>						
i.	Segment Results	70.88	145.30	213.48	(33.88)	<b>395.78</b>
ii.	Share of profit / (loss) of Joint Venture	(2.46)	-	-	-	<b>(2.46)</b>
iii.	Interest Expense					<b>183.64</b>
iv.	Interest Income					<b>51.17</b>
v.	<b>Profit Before Exceptional Item</b>					<b>260.85</b>
vi.	Less: Exceptional Item - Expenditure / (Income)					<b>(40.32)</b>
vii.	<b>Profit before Ta</b>					<b>301.17</b>
viii.	Tax - Current					<b>38.78</b>
ix.	Deferred Tax Liability / ( Asset )					<b>63.18</b>
x.	Tax adjustments of earlier years (excess) / short					<b>(26.07)</b>
xi.	<b>Net Profi</b>					<b>225.28</b>
<b>OTHER INFORMATION</b>						
i.	Segment Assets	7260.72	1716.36	472.29	2006.35	<b>11455.72</b>
ii.	Segment Liabilities	2714.63	511.80	78.54	3545.01	<b>6849.98</b>
<b>Other Disclosures</b>						
iii.	Investments in Joint Ventures	794.82	-	-	-	<b>794.82</b>
iv.	Capital Expenditure	488.02	-	0.08	12.49	<b>500.59</b>
v.	Depreciation and Amortisation	182.89	-	39.15	5.54	<b>227.58</b>
vi.	Impairment	10.23	-	(3.88)	-	<b>6.35</b>
vii.	Other Non Cash Expenses	2.92	-	-	-	<b>2.92</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### 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 Venture	(0.84)	-	-	-	(0.84)
iii.	Interest Expense					223.86
iv.	Interest Income					23.41
v.	<b>Profit Before Exceptional Item</b>					<b>1179.67</b>
vi.	Less: Exceptional Item - Expenditure / (Income)					(93.47)
vii.	<b>Profit before Ta</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 Profi</b>					<b>966.31</b>
<b>OTHER INFORMATION</b>						
i.	Segment Assets	6613.88	1076.03	537.78	1476.93	9704.62
ii.	Segment Liabilities	2632.08	105.80	125.77	2250.85	5114.50
<b>Other Disclosures</b>						
iii.	Investments in Joint Ventures	797.28	-	-	-	797.28
iv.	Capital Expenditure	300.64	-	0.03	2.69	303.36
v.	Depreciation and Amortisation	166.31	-	34.74	5.53	206.58
vi.	Impairment	0.34	-	5.52	-	5.86
vii.	Other Non Cash Expenses	3.45	-	-	0.01	3.46

\* Finance income and costs, and Corporate expenses are not allocated to individual segments as the same are managed on a group basis.

\* Current taxes, deferred taxes and write back of excess tax provisions are also not allocated to those segments as they are also managed on a group basis.

\* Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### Reconciliations to Amounts Reflected in Consolidated Financial Statements

₹ Crore

Sr. No.	PARTICULARS	AS AT 31.03.2024	AS AT 31.03.2023
I	<b>OPERATING REVENUE</b>		
	<b>Segment Revenue</b>		
	India	16969.64	20877.10
	Outside India	-	562.77
	<b>Segment Revene</b>	<b>16969.64</b>	<b>21439.87</b>
	Unallocated - Management fees	11.67	11.67
	<b>Total Operating Revenue</b>	<b>16981.31</b>	<b>21451.54</b>
II	<b>RECONCILIATION OF PROFITS</b>		
	Segment Profi	427.20	1464.51
	Interest Income	51.17	23.41
		<b>478.37</b>	<b>1487.92</b>
	less: Finance Costs	183.64	223.86
	Corporate Expenses (net)	33.88	84.39
	<b>Profit Before Exceptional Item</b>	<b>260.85</b>	<b>1179.67</b>
	Less: Exceptional Item - Expenditure / (Income)	(40.32)	(93.47)
	<b>Profit Before Ta</b>	<b>301.17</b>	<b>1273.14</b>
III	<b>RECONCILIATION OF ASSETS</b>		
	<b>Segment Assets</b>	<b>9449.37</b>	<b>8227.69</b>
	Investments	1002.17	1002.39
	Corprate Assets + CWIP	29.8	23.06
	Non Current Tax Asset	264.58	172.83
	Derivatives (MTM Gain)	9.72	8.19
	Cash & Bank balances	344.54	51.72
	Other assets *	355.54	218.74
	<b>Total Assets</b>	<b>11455.72</b>	<b>9704.62</b>
IV	<b>RECONCILIATION OF LIABILITIES</b>		
	<b>Segment Liabilities</b>	<b>3304.97</b>	<b>2863.65</b>
	Borrowings Long-Term	940.39	1034.98
	Borrowings Short-Term	2222.4	829.78
	Deferred Tax Liabilities	305.73	236.90
	Other Current Financial Liabilities	56.08	146.14
	Other Non Current Financial Liabilities	0.47	0.05
	Other Liabilities	19.94	3.00
	<b>Total Liabilities</b>	<b>6849.98</b>	<b>5114.50</b>

\* Includes an amount of ₹ 191.72 Crore receivable from Government of India towards Import of Urea on Government Account (P.Y. ₹ 62.32 Crore)

## FORM AOC-1

### Annexure-A

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

### STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARY / ASSOCIATES / JOINT VENTURES

#### Part A: Subsidiaries

Name of Subsidiary Company	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Proviso for taxation	Profit after taxation	Proposed Dividend	% of Share-holding	Reasons for non-consolidation:
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Not Applicable

#### Part B: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 relating to Associate Companies and Joint Ventures

Name of Joint Venture	Last audited balance sheet date	Shares of Associate / Joint Ventures held by the Company on year end		Networth attributable to Shareholding as per the latest audited Balance Sheet (₹ in crore)	Profit / Loss for the year Considered in Consolidation (₹ in crore)	Profit / Loss for the year Not Considered in Consolidation (₹ in crore)	Description of how there is significant influence	Reason why the associate / joint venture is not consolidated
		No	Extent of Holding %					
1. FACT – RCF Building Products Ltd.	31-Mar-2024	35,227,000	50.00%	(74.54)	-	(1.32)	Note A	**
2. Urvarak Videsh Limited	31-Mar-2024	180,002	33.33%	0.01	(0.01)	-	Note A	
3. Talcher Fertilizers Limited	31-Mar-2024	805,480,826	33.33%	794.81	(2.45)	-	Note A	

#### Note

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

\*\* 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 & Managing Director

DIN : 03498837

(Nazhat Shaiikh)

Director (Finance)

DIN : 07348075

(J. B. Sharma )


Company Secretary

Membership No: FCS5030


Dated : 6<sup>th</sup> June, 2024.

Place: Mumbai



 'Urea Gold' Rake Flag off program held on 25.01.2024, at the hands of Hon'ble RCF CMD



 RCF honoured with the Award in the Category - Best Navratna by Dun & Bradstreet. The Award was received by Ms. Nazhat J. Shaikh, Director(Finance) & Ms. Ritu Goswami, Director(Technical) during 16th edition of "PSU and Government Summit" at New Delhi.



साथ बढ़ें समृद्धि की ओर

नवरत्न कंपनी

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