



Annual Report 2016-17



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Ramagundam Fertilizers and Chemicals Limited



BOARD OF DIRECTORS AND SENIOR MANAGEMENT



Shri Sanjay Gupta
Chairman



Shri Ajay Narayan Deshpande
Director



Shri Rajiv Kumar Chandio
Director



Shri Devinder Singh Ahuja
Director



Dr. Kavitha Gotru
Director



Shri Rakesh Mohan Joshi
Independent Director



Shri Bharat Bhushan Goyal
Independent Director



Shri Vivek Kumar Malhotra
Chief Executive Officer



Shri Sunil Bhatia
Chief Financial Officer



SENIOR OFFICIALS

CORPORATE CENTRE (CC)

Shri Vivek Kumar Malhotra
Chief Executive Officer

Shri Sunil Bhatia
Chief Financial Officer

Shri V. S. Chhaya
GM (Project)

Shri S. K. Sarin
GM (C&P)

Shri Hira Nand
GM (F&A)

Shri S. K. Jha
DGM (Prodn.) & HR (l/c)

Shri N. K. Mishra
Company Secretary

PROJECTS

Shri Rajan Thapar
GM (Project-Site)

PROJECT ADDRESS : Ramagundam Fertilizers and Chemicals Limited, FCIL Plant, Fertilizer City Ramagundam, Distt. Karimnagar Telangana - 505210

Regd. Office

Ramagundam Fertilizers and Chemicals Limited

SCOPE, Complex, Core-III,
7, Institutional Area, Lodhi
Road, New Delhi - 110003

Statutory Auditors

M/s. A. N. Garg & Company
Chartered Accountants

309-310, Aggrawal Millenium
Tower-I, Netaji Subhash Place,
Pitampura, Delhi - 110034

Corporate Office

Ramagundam Fertilizers and Chemicals Limited

4th floor, Mohta Building,
4, Bhikaji Cama Place,
New Delhi - 110066

BANKERS

1. State Bank of India
2. Union Bank of India
3. Vijaya Bank
4. Bank of India
5. Dena Bank
6. Oriental Bank of Commerce
7. HDFC Bank



Chairman's statement

Dear Shareholders,



It gives me an immense pleasure to share with you an update on the overall performance of your company. In the challenging environment, your company performed well and achieved various milestones in the execution of the project of setting up of State of the Art Gas based Ammonia-Urea plant at Ramagundam under Government's initiative of revival of closed fertilizer units giving much desired thrust to "Make in India" initiative.

Before deliberating on the activities of the Company, I would like to briefly share information with respect to state of economy and in particular fertilizers sector during 2016-17.

Economic Scenario and Fertilizer Industry

Indian Economy has retained its status as one of the fastest growing economy of the world. Real GDP for the year 2016-17 is estimated at ₹121.90 lakh crore with a growth rate of 7.1%. The expectations are high in the fiscal 2017-18 for maintaining the growth rate with the support of progressive Policies of the Government, commitment towards Policy Reforms, benign oil prices, strong domestic consumption demand etc. Further, the implementation of a unified GST in India will be one of the most significant reforms introduced which would go a long way in strengthening the economy.

Agriculture is the one of the largest sectors of Indian Economy, which significantly contributes in the total GDP of the Country. Fertilizer Industry, with the emerging scenario, plays vital role in the growth of Agriculture Sector.

Government's continuous thrust to encourage indigenous production to substitute imports is an indicator of upward trend in the Industry's future.

The year 2016-17 even though was a normal monsoon year for most of the Country but for Maharashtra, Karantaka, Telanagana amongst other south Indian states experienced deficient rainfall.

Government of India has successfully mandated Neem Coating of Urea. Neem Coating ensures slow release of Nitrogen resulting in lower usage of Urea, prevents leaching of soil nutrient and hinders diversion of Urea or non-agricultural uses.

Urea is the most popular source of the major plant nutrient – Nitrogen and plays vital role in ensuring the food security in the country. The Urea industry in the country has manufacturers from public, co-operative and private sectors. With the increase in the area under irrigation and introduction of high yielding varieties of crops, there has been a gradual increase in the demand of Urea over the years. Despite increase in demand, no new Urea capacities were added during last 17 years except revamp of few existing plants. This has resulted into widening of gap between demand and domestic supply thereby increasing the imports.

Urea production in the country during the Financial Year 2016-17 was 24.20 million MT against 24.45 million MT during the previous year. India imported around 5.48 million MT of Urea during the Financial Year 2016-17, which is around 18% of the total Urea consumption in the country. The positive changes in Government policies including pooling of gas during the previous year have augured well for the industry and all the plants in the country were able to operate at optimum efficiency level.

Goods and Services Tax(GST)

Effective from 1st July, 2017, the implementation of GST is a big positive for the economy and will bring in more transparency in the tax administration. GST will create a common Indian market, improve tax compliance and governance. I would like to share that your Company has in place a robust system for GST compliance.



Performance Highlights

Your Company was incorporated on 17th February, 2015 for setting up Gas based Urea manufacturing plant at Ramagundam with capacity of 2,200 MTPD Ammonia Unit and 3,850 MTPD Urea Plant at an estimated cost of the project at Rs.5254 crore to be funded in the Debt Equity of 75 : 25.

Your Company is a Joint Venture Company of National Fertilizers Limited (NFL), Engineers India Limited (EIL) and Fertilizer Corporation of India Limited (FCIL) with 26% equity each by NFL & EIL. FCIL has been granted 11% equity in terms of CCEA approval.

During the second reported period upto 31st March, 2017 your Company achieved various milestones in execution of the Project of setting up of Urea Plant at Ramagundam. Cumulative % Progress of the Project in physical terms is 47.4% as on 15th August, 2017. Your Company has placed Contract/Order of the value of Rs. 3337 crore upto 15th August, 2017. All major contracts/orders have been placed and construction activities at site are in full swing. The Project is anticipated to be commissioned by December, 2018.

Your Company achieved Financial Closure for Debt portion of Rs.3940.71 crore (75%) in March, 2016 on receipt of final sanctions from consortium of six Banks led by SBI. First drawal of debt was made on 4th July, 2017. Lease Deed and Substitution Agreement were signed on 14th August 2017.

GITL is providing gas connectivity from its Mallavaram-Bhilwara pipeline. GITL placed EPC Contract for laying of pipeline on 5th July, 2017 and pipeline is scheduled to be commissioned by September, 2018. Gas shall be allocated for the project under second stage of gas pooling mechanism in Urea sector implemented by Government from June, 2015.

After approval of Government of Telangana State for subscription to 11% equity shares in the Company, shareholders approved preferential allotment of equity shares of Rs. 72.21 crore to the State Government in the Extra-ordinary General Meeting held on 18th August, 2017.

For balance untied equity of 26%, discussion with prospective investors viz. Licensors and other strategic investors are at advanced stage.

Your Company remains committed to good corporate governance as per Government guidelines.

Manpower

The operations of your Company are presently managed by drawing expert manpower from NFL & EIL. Empowerment of executives is an imperative for improving the Project performance on time and cost matrix. Enhanced delegation of powers has been extended to the executives to enable them take instant decisions related to projects and its effective implementation. This will have direct impact on schedule and cost effectiveness of the projects. Manpower in your Company are highly motivated and dedicated with professional expertise and strong technical caliber.

Apart from the aforesaid officials, there are no regular employees on the payroll.

Acknowledgement

On behalf of the Board of Directors, I extend sincere gratitude to our esteemed Shareholders for unwavering support, Department of Fertilizers, Ministry of Petroleum & Natural Gas, State Government of Telangana for their valuable guidance and look forward to their continued support.

I would like to thank Statutory, Secretarial and Government Auditors, Banks, Regulatory Authorities for their guidance and support.

I would like to thank all our employees for their commitment, hard work and contribution to the Company's performance.

Before I conclude, I would like to take this opportunity to thank my colleagues on the Board for their counsel, involvement and commitment in achieving the objectives of the Company.

Date : 29th August, 2017

Shri Sanjay Gupta
Chairman
DIN : 05281731



CIVIL & STRUCTURAL WORKS FOR U&O – M/s CINDA



Civil & Strl. Works for U&O (M/s CINDA):
 Pipe rack Area-1, 2 & 3 Structural erection.



Civil & Strl. Works for U&O (M/s CINDA):
 Ammonia Cooling Tower Basin Cell-01 & 02.



Civil & Strl. Works for U&O (M/s CINDA):
 Filter Water Reservoir



Civil & Strl. Works for U&O (M/s CINDA):
 HRSG Area foundation footing

BUILDING WORKS – M/s FFIL



Civil & Strl. Works for U&O (M/s CINDA):
 Flare stack foundation



Building Works (M/s FFIL):
 Switchyard Substation cum Control room.



Building Works (M/s FFIL): Main control room.

REFORMER PACKAGE – M/s HEURTEY



Reformer Package (M/s Heurtey): Boiler Area

BAGGING BUILDING & RAILWAY PLATFORM – M/s SRR



Bagging Building & Railway Platform (M/s SRR):
Bagging Building column works
Bagging Building & Railway Platform (M/s SRR):
M20 Retaining Wall - South Side
Bagging Building & Railway Platform (M/s SRR):
Control Room Plinth Beam Casting

UREA PRILLING TOWER – M/s SIMPLEX



Urea Prilling Tower (M/s Simplex): Prilling tower

AMMONIA STORAGE TANK – M/s VTV



Ammonia Storage Tanks Package (M/s VTV):
T-101A Annular Assembly



Building Works (M/s FFIL):
Switchyard Substation cum Control room.

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DIRECTORS' REPORT

To

The Shareholders Ramagundam Fertilizers and Chemicals Limited

Dear Members,

Your Directors have great pleasure in presenting the 2nd Annual Report for the financial year ended March 31, 2017 along with Audited Statement of Accounts, the Auditors' Report and Comments of the Comptroller and Auditor General of India.

2016-17 in Retrospect

Your Company is setting up new State of Art Ammonia- Urea Plant at Ramagundam at an estimated project cost of ₹5254.28 crore. Company declared Zero date of the project on 25th September, 2015 and Project is anticipated to be commissioned by December, 2018.

Financial Performance

The key highlights of the financial performance of the Company for the year, as stated in the audited financial statement, along with the corresponding performance for the previous period are as under:

The company being in its project development stage is yet to start with its commercial business operations hence no income was generated from business operations. Income and expenditure for the previous period from 17th Feb'2015 to 31st Mar'2016 was earlier entirely charged to "Expenditure during Construction Period" in the Financial Statements of that period, which were prepared in accordance with the erstwhile Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 and other relevant provisions of the Companies Act, 2013.

Consequent upon issuance of notification of Companies (Indian Accounting Standards) Rules 2015 under Section 133 of the Act, the Financial Statements for the previous period from 17th Feb'2015 to 31st Mar'2016 as well as for FY 2016-17 been reviewed / recompiled in accordance with compliance requirement as per said rules.

Comparative Financial Performance is given hereunder:

(Figures in ₹ Lakhs)

Sl. No.	Particulars	Period from 17 th Feb' 2015 to 31 st March, 2016 (As per GAAP)	Adjustments (as at date of transition i.e. 31 st March, 2016)	Period from 17 th Feb'2015 to 31 st Mar'2016 (As per Ind AS)	Period from 1 st Apr', 2016 to 31 st Mar'2017 (As per Ind AS)
	Income				
1	Revenue from operations	0	0	0	0
2	Other Income	0	32.40	32.40	30.98
A	Total Income	0	32.40	32.40	30.98



Sl. No.	Particulars	Period from 17 th Feb'2015 to 31 st March, 2016 (As per GAAP)	Adjustments (as at date of transition i.e. 31 st March, 2016)	Period from 17 th Feb'2015 to 31 st Mar'2016 (As per Ind AS)	Period from 1 st Apr', 2016 to 31 st Mar'2017 (As per Ind AS)
	Expenditure				
1	Cost of Services	0	341.48	341.48	79.44
2	Depreciation and Amortisations	0	0	0	0
B	Total Expenses	0	341.48	341.48	79.44
C	Profit/ (Loss) Before Tax (A-B)	0	(309.08)	(309.08)	(4 8 . 4 6)
D	Tax expenses	0	10.28	10.28	0
E	Profit (Loss) for the year/period	0	(319.36)	(319.36)	(4 8 . 4 6)
F	Reserves & Surplus	0	(321.06)	(321.06)	(393.10)
G	Net worth			4567.94	30295.90
H	Basic & diluted EPS			(3.17)	(0.04)

Transfer to Reserves

During the previous financial period, no transfer was made to Reserves & Surplus, however, consequent upon implementation of IndAS, ₹(321.06) lakh has been shown under the head Reserves & Surplus as on 31st March, 2016. Reserves & Surplus as on 31st March, 2017 stands at ₹(393.10) lakh.

Share Capital

Paid up Share Capital of the company increased from ₹30.89 crore as on 31st March, 2016 to ₹250.89 crore as on 31st March 2017 comprising of 25,08,90,008 Equity Shares of ₹10/- each, fully paid up.

During the current reporting period, the Share subscription money of ₹ 56 crore, received from its promoters viz. EIL and NFL, is pending allotment and has been shown in the Financial Statements as Share Application Money pending Allotment.

Dividend

Your Directors have not recommended any dividend as the Company is yet to start its commercial business operations.

Physical and Financial Status of the Project.

The project of setting up of Ammonia-Urea Complex of Urea capacity of 1.27 Million Ton is being executed on Engineering, Procurement & Construction and Management (EPCM) route. M/s Engineers India Limited (EIL) has been engaged for providing EPCM Services. Detailed Feasibility Report (DFR) was submitted to Department of Fertilizers on 21st July, 2015, in terms of New Investment Policy-2012.

Licensors Agreements for Ammonia and Urea were entered into with M/s HALDOR TOPSOE A/S (HTAS) Denmark and M/s Saipem S.p.A, Italy respectively on 24th September, 2015.

Zero Date of the project was declared on 25th September, 2015 with scheduled commissioning of the project in 36 months from the Zero date. Project activities are progressing well and the Project is anticipated to be commissioned by December, 2018

Environment clearance was received from Ministry of Environment & Forest on 16th October, 2015. Approval for Consent for Establishment (CFE) from Telangana State Pollution Control Board was received on 13th January, 2016.

Topography survey, Soil Investigation, Tree Cutting with the approval of District Forest Officer, Karimnagar, Route Survey, Railway Siding Study have been completed.

The licensors for Ammonia and Urea have submitted Final Basic Engineering Design Package in May, 2016. Detailed Engineering and ordering of critical equipment by EIL is under progress. For Ammonia Unit, purchase order(s) for proprietary equipment placed on the Ammonia licensor, M/s HTAS.

Your Company has made firm commitments of ₹3224 crore as on 30th June, 2017 and physical progress of the Project is 47.4% as on 15th August, 2017.

Financial Closure

Tie up of Debt for the Project – The project is funded in the Debt Equity ratio of 75:25. Financial appraisal of the project was carried out by M/s SBICaps and Debt of ₹3940.71 crore (75%) has been tied up with consortium of six Banks, led by State Bank of India. 1st drawl of debt was made on 4th July, 2017.

Equity tie up – Both the Sponsors, NFL and EIL are contributing 26% equity each and in terms of Government approval 11% equity is to be issued to FCIL against the Land and the rights specified in Concession Agreement and / or Lease Deed.

Government of Telangana State conveyed in-principle approval for 11% equity participation in the Company. Subsequently, Government of Telangana State has conveyed approval for release of around 50% of its equity contribution.

For tie up of balance equity of 26%, M/s SBICapital Markets Limited has been appointed as consultant and discussions are underway with prospective investors.

Gas Connectivity and Supply - Gas Transportation Agreement (GTA) with GSPL India Transco Limited (GITL) for connectivity from Mallavaram to the battery limits of the plant, including spur-line

of 28KM was signed on 8th July, 2016. The pipeline is scheduled to be commissioned by September, 2018.

Allocation of Gas for the Project - Pursuant to meeting taken by Principal Secretary to Prime Minister on 11th August, 2015, MoP&NG vide letter dated 27th August, 2015 intimated that RFCL will be covered under the second phase of pooling as per Policy for pooling of gas for Fertilizer (Urea) Sector.

Concession Agreement- Concession Agreement with respect to right and concession to the Company in regard to Facility Area for financing, designing, engineering, procurement, development, operation and maintenance of the Project was executed on 23rd March, 2016 with FCIL.

Signing of Lease Deed with FCIL and Substitution Agreement among RFCL, FCIL and SBI as Lenders' representative are at the advance stage of execution.

Marketing of Urea - Your Company shall enter into Marketing agreement with NFL, having second largest market share of Urea in the Country. NFL's marketing territory spreads pan India and the production of 1.27 Million ton of Urea shall be marketed by NFL.

Future Prospects

Indian Economy is one of the fastest growing economy of the world. Real GDP for the year 2016-17 is estimated at ₹121.90 lakh crore with a growth rate of 7.1%.

There was a robust growth in production of food grains which registered 8.7% sequential growth in FY 2016-17. Urea is a nitrogenous fertilizer which is the major source of nitrogen for crops. Its demand is continuously growing in the country. There is still a wide gap between requirement of urea and its availability (including supplies from OMIFCO) in the country as evidenced from import of large quantity of urea in last few years. However, import of Urea has dropped from 84.74 Lakh Metric Ton (LMT) in 2015-16 to 54.81 LMT in 2016-17.

In 2016-17 the overall Urea production declined by 1.1% from 244.61 LMT in 2015-16 to 242.00 LMT in 2016-17. Urea sales declined by 7.4% from 319.74 LMT in 2015-16 to 296.07 LMT in 2016-17.

During 2016-17 the demand supply gap of urea was 55 LMT, which was 18% of total urea demand.

Against the projected demand of 337.54 LMT of Urea, the indigenous supply by the year 2017-18, after taking into consideration the existing aggregate capacities and likely expansion by existing units on the anvil, is estimated to be around 256.20 LMT (including supply from OMIFCO). The demand-supply gap is likely to increase to 81.34 LMT by 2017-18. The gap is required to be bridged in coming years by creating new capacities.

The demand for fertilizer in Andhra Pradesh / Telangana has increased to 29.87 LMT in 2016-17 as against 17.52 LMT in 2004-05. Moreover, there are no mega capacity fertilizer plants in Southern Region except urea plant of Nagarjuna Fertilizers and Chemicals Limited (NFCL) at Kakinada. Due to large gap between demand and supply, major quantity of Urea produced from RFCL plant will be marketed and consumed within Southern zone itself.

Board of Directors

During the period under review, the following changes took place in the Board of Directors of the Company:

DIN	Name	Designation	Date of Appointment	Date of Cessation
2942267	Shri Ram Singh	Director	17-Feb-15	21-Mar-17
2820429	Shri Maliyakal Sagar Mathews	Director	17-Feb-15	01-Feb-17
6608642	Shri Sushil Pal	Director	17-Feb-15	17-Aug-16
6408953	Shri Manoj Mishra	Director (Chairman)	20-07-2015 (Regularised w.e.f. 14-09-2016)	28-Feb-17
7578042	Shri Prabhas Kumar	Director	17-08-2016 (Regularised w.e.f. 14-09-2016)	22-Nov-16
7639190	Dr. Kavitha Gotru	Director	22-Nov-16	Continuing
7687173	Shri Devinder Singh Ahuja	Director	01-Feb-17	Continuing
5146544	Shri Rajiv Kumar Chandiok	Director	28-Feb-17	Continuing
5281731	Shri Sanjay Gupta	Director (Chairman)	21-Mar-17	Continuing
7204232	Shri Rakesh Mohan Joshi	Independent Director	31-Mar-17	Continuing
7254856	Shri Bharat Bhushan Goyal	Independent Director	31-Mar-17	Continuing

Board Meetings

The Board met 7(Seven) times for transacting the business of the Company during the period under review on the following dates:

Board Meeting Number	Date of Board Meeting	Presence of Directors
11.	29-04-2016	All the Directors except Shri AN Deshpande
12.	19-07-2016	All the Directors except Shri Sushil Pal
13.	17-08-2016	All the Directors
14.	14-09-2016	All the Directors
15.	22-11-2016	All the Directors
16.	16-02-2017	All the Directors
17.	31-03-2017	All the Directors except Shri Sanjay Gupta and Dr. Kavitha Gotru

The intervening gaps between the Board Meetings were within the prescribed limit laid down under the Companies Act, 2013 read with Secretarial Standard issued by the Institute of Company Secretaries of India.

As on March 31, 2017 composition of the Board is as follows: -

DIN	Name	Designation
5281731	Shri Sanjay Gupta	Non-executive and Non-independent Director, (Chairman)
3435179	Shri Ajay Narayan Deshpande	Non-executive and Non-independent Director
5146544	Shri Rajiv Kumar Chandiok	Non-executive and Non-independent Director
7687173	Shri Devinder Singh Ahuja	Non-executive and Non-independent Director
7639190	Dr. Kavitha Gotru	Non-executive and Non-independent Director
7204232	Shri Rakesh Mohan Joshi	Non-executive Independent Director
7254856	Shri Bharat Bhushan Goyal	Non-executive Independent Director

Key Managerial Personnel

Following are the Key Managerial Personnel: -

- Shri Vivek Kumar Malhotra - Chief Executive Officer (CEO)
- Shri Sunil Bhatia - Chief Financial Officer (CFO), and
- Shri Navin Kumar Mishra - Company Secretary (CS).

Board Evaluation & Training of Board Members

Presently, the Board comprises of 7 Directors, 2 each nominated by EIL and NFL respectively, 1 Director is nominated by FCIL and 2 Directors have been appointed as Independent Directors.

Ministry of Corporate Affairs vide notification bearing no. G.S.R. 463(E) exempted Government Companies from annual evaluation of its Directors, subject to the provisions contained therein.

The non-executive Board members are eminent personalities having wide experience in the field of business, education, industry, commerce and administration. Their presence on the Board has been advantageous and fruitful in taking business decisions. The Board, with respect to the status of Project and other related matters, is kept up-to-date through Agenda papers and briefings by CEO & CFO and presentations by Project Consultant, Engineers India Limited.

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, Your Directors to the best of their knowledge state: -

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures, if any;

- b. that such accounting policies as mentioned in Note-1 to the Financial Statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the profit and loss of the Company for that period;
- c. that the proper and sufficient care has been taken for the 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 fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis: and
- e. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Appointment of Independent Directors; formation of Audit and Nomination & Remuneration Committees

In compliance with the provisions of Section 149 and other applicable provisions of Companies Act, 2013, the Board in its 17th Meeting held on 31st March, 2017, appointed Shri Rakesh Mohan Joshi and Shri Bharat Bhushan Goyal as Independent Directors. The Company has received necessary declaration from both the independent Directors under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

Audit Committee which was constituted by the Board in its Meeting held on 17th April, 2017, comprises following Members :

1. Shri Bharat Bhushan Goyal, Independent Director, Chairman of the Audit Committee,
2. Shri Rakesh Mohan Joshi, Independent Director,
3. Shri Ajay Narayan Deshpande, Director, and
4. Shri Rajiv Kumar Chandiok, Director.

First Meeting of the Audit Committee was held on 4th May, 2017. All the Members were present in the first Audit Committee Meeting.

Nomination & Remuneration Committee

Company is operating with officials posted on deputation /secondment basis from EIL and NFL on cost to company basis. There was no regular manpower in the Company during the period under review.

Except for the Independent Directors, who are paid sitting fees of ₹10,000/- for attending each Meetings of the Board / Committee, no payment is made to any other Director, whether by way of sitting fees or otherwise.

In the given perspective, there is no requirement for the time being to constitute Nomination & Remuneration Committee.

Adequacy of Internal Financial Controls with reference to the Financial Statements

The Company has in place adequate internal financial controls and are operating effectively.

Internal Audit

The Company has appointed a Firm of Chartered Accountants to carry out Internal Audit. During the year, several internal audit assignments with focus on checks and controls on system and procedures, monitoring compliances and continuous upgrade of controls have been carried out by the Internal Auditors and the reports are regularly submitted to the Board/Audit Committee.

Secretarial Auditor

M/s Pranav Kumar & Associates, Practicing Company Secretaries, was appointed to conduct the Secretarial Audit of the Company for the financial year 2016-17, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report for the financial year 2016-17 is annexed to this Report. The Secretarial Audit Report is self-explanatory in nature and do not require any further comments and explanations.

Statutory Auditors & Statutory Auditors' Report

The Statutory Audit of your Company was conducted by Chartered Accountants firm M/s. A N Garg & Co., appointed by Comptroller & Auditor General (C&AG). Independent Auditors' Report on the Financial Statement of the Company for the period from 01st April, 2016 to 31st March, 2017 is Annexed.

Comments of C&AG

Comments of C&AG under section 143(6)(b) for the period ended 31st March, 2017 are given as Annexure to the Annual Report.

Cash Flow

A Cash Flow Statement for the period from 01st April, 2016 to 31st March, 2017 is attached to and forms part of the Financial Statements.

Extract of Annual Return

In accordance with section 134(3) of the Act, extract of the annual return in the Form MGT-9 forms part of the Directors' Report as Annexure.

Conservation of Energy & Foreign Exchange Earnings and Outgo

Scheduled commissioning of Ramagundam Project is expected by end of 2018. As the Company's operations do not involve any manufacturing or processing activities for the time being, the particulars required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 regarding conservation of energy and technology absorption are not applicable.

During the period under review, foreign exchange earnings was NIL (Previous year – NIL). Foreign exchange outgo by way of imports and other expenses amounted to ₹60.59 crore (Previous year - ₹16.24 crore).

Risk Management

The Project is under implementation stage. Board, through its continuous vigilance, keeps a close eye on operations of the Company so as to ensure effective progress on every stage of Project implementation.

Corporate Social Responsibility

The provisions of Section 135 of the Act in respect of Corporate Social Responsibility are not applicable to the Company as the Project of the Company is in development stage and Company is yet to begin its commercial operations.

Related Party Disclosures

The particulars of contract/arrangements entered into by the company with related parties referred to in Section 188 (1) of the Companies Act, 2013 including arm's length transactions under third proviso there to are disclosed in Form No. AOC-2 as Annexure.

Vigilance & Integrity Pact

Vigilance Department is headed by CVO and RFCL is committed to higher ethical standards in contracts and procurement as well as transparency in all its business dealings. An Integrity Pact Program was adopted for all Contracts & Purchases in RFCL's account for enquiries having threshold Value for MR/Tender/Package above ₹1.0 crore for covering under IPs.

Other Disclosures

No disclosure or reporting is required in respect of the following items as either these were not applicable or there were no transactions on these items during the financial year 2016-17:-

- i. Details relating to deposits covered under Chapter V of the Act.
- ii. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- iii. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- iv. Details regarding receipt of remuneration or commission by the Managing Director or the Whole-time Director from any of its subsidiaries.
- v. Buy-back of shares.
- vi. Issue of Bonus shares.
- vii. Inter Corporate Loans and Investments
- viii. Subsidiaries, JVs or Associate Companies
- ix. Particulars of employees pursuant to section 197 read with rule 5 of the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Further, during the financial year 2016-17 :-

- a. there were no cases reported under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013,

- b. there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operation in future, and
- c. There have been no changes in the nature of business.

Also, there are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this report.

Acknowledgement:

Your Directors acknowledge valuable guidance and continued support extended by various Departments and Ministries of the Government of India viz. Ministry of Chemicals & Fertilizers, Ministry of Petroleum & Natural Gas and State Government of Telangana.

The Board acknowledges the guidance and support extended by C&AG, Statutory Auditors, Promoters NFL, EIL, FCIL, valued licensors, suppliers and contractors.

Your Directors wishes to place on record its sincere appreciation to the Banks for their valued co-operation.

The Board would also like to place on records its appreciation to the hard work, commitment and unstinting efforts put in by officials deputed by Promoters and consultants engaged by the Company.

For and on behalf of the Board

**(Sanjay Gupta)
Chairman**

DIN: 05281731

Place : New Delhi

Date : 29th August, 2017

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis. **NIL**
2. Details of contracts or arrangements or transactions at arm's length basis.

Sl. No.	Particulars	Details
a)	Name(s) of related party & nature of relationship	Engineers India Limited (EIL) - Promotor Company National Fertilizers Limited (NFL) - Promotor Company The Fertilizer Corporation of India Limited (FCIL) - Promotor Company
b)	Nature of contracts / arrangements / transaction	EIL- Engineering, Procurement, Construction Management Consultancy Services (EPCM Contract). EIL & NFL- Reimbursement of salary & wages of officials on deputation & secondment basis. EIL & NFL- Other reimbursement.
c)	Duration of Contracts / Arrangements / Transactions	Since inception of Joint Venture Company i.e. 17 th Feb'2015 till the duration/availing of respective services.
d)	Salient Terms of the Contracts or arrangements or transaction including value, if any	EIL- Under EPCM Contract- on Monthly Progress basis - Rs. 5884.16 Lakh. EIL & NFL- Salary & wages (Reimbursement)- Rs. 411.25 Lakh & Rs. 337.19 Lakh respectively. Other Expenses (Reimbursement) EIL - Rs. 8.48 Lakh NFL - Rs. 4.78 Lakh
e)	Date of approval by the Board	8 th Board Meeting (held on 14th Jan'2016) and 9th Board Meeting (held on 08th March'2016)
f)	Amount paid as advances, if any	NIL

For and on behalf of the Board

Sanjay Gupta
Chairman
DIN: 05281731

Place: New Delhi
Date: 29th August, 2017

MGT - 9

Extract of Annual Return as on the Financial Period ended on 31st March, 2017

[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1. CIN	U24100DL2015PLC276753
2. Registration Date	17 th February, 2015
3. Name of the Company	Ramagundam Fertilizers and Chemicals Limited
4. Category/Sub-Category of the Company	Company limited by shares / Indian Non Government Public Company
5. Address of the Registered office and contact details	<p>Registered Office:- Scope Complex, Core-III, 7, Institutional Area, Lodhi Road, New Delhi -110003, India.</p> <p>Corporate Office: - 4th Floor, Mohta Building, 4, Bhikaji Cama Place, New Delhi – 110066, India</p> <p>Telephone : 011-26701400 Fax Number : 011-26180729 Email : info@rfcl.co.in</p>
6. Whether listed company	No
7. Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company: -

	Name and Description of main products/ the services	NIC Code of the Product / service	% to total turnover of company
1	Manufacturing of Fertilizers and Chemicals (Ammonia and Urea)	20121 and 20122	The company is yet to commence business operations

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

The Company does not have any holding, subsidiary or associate companies. Entire equity share capital of the Company is held by three Joint Venture Partners viz. National Fertilizers Limited, Engineers India Limited and Fertilizer Corporation of India Limited and their nominees. Their shareholding in the Company is shown under Serial Number IV (ii).

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category - wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	0	4	4	0	0	4	4	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0			
d) Bodies Corp	0	30890004	30890004	100	0	250890004	250890004	100	712.20
e) Banks / FI	0	0	0	0	0	0	0	0	
f) Any Other	0	0	0	0	0	0			
Sub-total(A)(1):-	0	30890008	30890008	100	0	250890008	250890004	100	712.20
2) Foreign	0	0	0	0	0	0	0	0	
Sub-total(A)(2):-	0	0	0	0	0	0	0	0	
Total Shareholding of Promoter (A)=(A)(1)+ (A)(2)	0	30890008	30890008	100	0	250890008	250890004	100	712.20
B. Public Shareholding	0	0	0	0	0	0	0	0	0
1. Institutions									
Sub-total (B)(1)	0	0	0	0	0	0	0	0	
2. Non Institutions	0	0	0	0	0	0	0	0	
Sub-total(B)(2)	0	0	0	0	0	0	0	0	
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0	0	0	0	0	
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	
Grand Total (A+B+C)	0	30890008	30890008	100	0	250890008	250890004	100	712.20

ii. Share Holding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	National Fertilizers Limited	15440002	49.98	0	125440002	50	0	712.44
2.	Engineers India Limited	15440002	49.98	0	125440002	50	0	712.44
3.	Fertilizer Corporation of India Limited	10000	0.03	0	10000	0	0	0%
4.	Shri Ram Singh	1	0.00	0	1	0	0	0%
5.	Shri AshwaniPrasher	1	0.00	0	1	0	0	0%
6.	Shri Ravi Kumar Chopra	1	0.00	0	1	0	0	0%
7.	Shri Sunil Bhatia	1	00.0	0	1	0	0	0%
Total		30890008	100.00	0	250890008	100.00	0	712.20

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	30890008	100	30890008	12.31
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
1.	Increase in Promoters shareholding by Allotment of 2,40,00,000 equity shares of ₹ 10/- each, fully paid-up on 29-04-2016	2,40,00,000	77.70	54890008	21.88
2.	Increase in Promoters shareholding by Allotment of 1,77,00,000 equity shares of ₹ 10/- each, fully paid-up on 17-08-2016	1,77,00,000	57.30	72590008	28.93
3.	Increase in Promoters shareholding by Allotment of 4,13,00,000 equity shares of ₹ 10/- each, fully paid-up on 14-09-2016	4,13,00,000	133.70	113890008	45.39

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4.	Increase in Promoters shareholding by Allotment of 5,40,00,000 equity shares of ₹ 10/- each, fully paid-up on 22-11-2016	5,40,00,000	174.81	167890008	66.92
5.	Increase in Promoters shareholding by Allotment of 8,30,00,000 equity shares of ₹ 10/- each, fully paid-up on 16-02-2017	8,30,00,000	268.70	250890008	100.00
	At the End of the year	-	-	25,08,90,008	100.00

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Entire equity share capital of the Company is held by its Promoters (Joint Venture Partners) viz. National Fertilizers Limited & Engineers India Limited along with their nominees and Fertilizer Corporation of India Limited.

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	2 (Note 1 & 2)	0	2	0
1	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	(1) (Note)	0	1	0
	At the End of the year	-	-	1	0

Note :-

- 1) Shri Ram Singh ceased to be Director of the Company w.e.f. 21-03-2017. He holds 1 (One) Equity Share of ₹ 10/-, fully paid-up as subscriber to MOA.
- 2) Shri Sunil Bhatia, CFO, has subscribed to the MOA and holds 1 (One) Equity Share of ₹ 10/- each, fully paid-up as subscriber to MOA, representing NFL.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment: -

The company does not have any secured loans, unsecured loans or Deposits at the beginning or end of the financial year.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/ or Manager

The company has not appointed any Managing Director, Whole-Time Directors and/or Manager during the year.

B. Remuneration to other directors:

The company has not paid remuneration to any Directors during the FY 2016-17 and previous reporting .

C. Remuneration to Key Managerial Personnel Other than MD /Manager/ WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO	Company Secretary	Total
	Gross salary	₹39.25 lakh + Service Tax	₹23.84 lakh + Service Tax	₹6.28 lakh	₹69.37 lakh
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Reimbursed to EIL (Note-1)	Reimbursed to NFL (Note-1)		
	(b) Value of perquisites u/s 17(2) Income- tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
	Stock Option	0	0	0	0
	Sweat Equity	0	0	0	0
	Commission - as % of profit - others, specify...	0	0	0	0
	Others, please specify	0	0	0	0
	Total	₹39.25 lakh	₹23.84 lakh	₹6.28 lakh	₹69.37 lakh

Note-1: Note: CEO and CFO are on deputation/secondment basis from EIL and NFL respectively. Gross Salary inclusive of all perquisites etc. pertaining to FY 2016-17 paid/payable to them by their respective employers has been reimbursed to their employers by RFCL.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding Fees Imposed	Authority [RD /NCLT/Court]	Appeal made. If any (give details)
A. Company					
Penalty					
Punishment			----- NONE -----		
Compounding					
B. Directors					
Penalty					
Punishment			----- NONE -----		
Compounding					
C. Other Officers In Default					
Penalty					
Punishment			----- NONE -----		
Compounding					

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

[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,

Ramagundam Fertilizers And Chemicals Limited

(CIN NO:- U24100DL2015PLC276753)

Scope Complex, Core- III, 7 Institutional area,

Lodhi Road South Delhi New Delhi-110003

We have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Ramagundam Fertilizers And Chemicals Limited** (hereinafter called “the Company”) for the audit period covering the financial year ended on March 31, 2017. 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 authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period under consideration 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, 2017, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder.
- (ii) Other applicable laws including Labour and industrial laws etc. for the year ended on 31st March, 2017 for the purpose required in it.
- (iii) All other specific laws applicable to the Company.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above. A copy of our observation in this respect is attached herewith as **Annexure-A**.

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

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above and other applicable Acts.

We further report that, based on the information provided and the representation made by the Company and also on the review of the internal compliance reports taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes exist in the Company to monitor and ensure compliance with provisions of applicable industry specific Acts, general laws like Labour laws and environmental laws etc.

During the audit period, there were no major events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

We further report that, the compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

We further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors, Independent Directors and Woman Director. 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 is given to all Directors to schedule the Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance, 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.

All decisions at the Board Meetings were carried out with requisite majority as recorded in the minutes of the Meetings of the Board of Directors of the Board.

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.

For Pranav Kumar & Associates

Company Secretaries

Pranav Kumar

(Partner)

M.No.-5013

CP. No.-3429

Date: 28th July, 2017

Place: Vaishali, Ghaziabad, U.P.

SECRETARIAL AUDIT OBSERVATION FOR F.Y. 2016-17

**Ramagundam Fertilizers And Chemicals Limited
(CIN NO:- U24100DL2015PLC276753)**

We report that, based on the information provided and the representation made by the Company and by the Board, the company is under the process of making Internal Compliance mechanism as the company is yet to start its manufacturing operation.

- (a) The appointment of Independent director was done during the year on 31st March, 2017. Thus meeting of independent directors as per Schedule IV of the Companies Act, 2013 could not be held in the financial year and the same will be conducted in due course of time.
- (b) In view of the appointment of Independent Director on 31st March, 2017, the audit committee pursuant to Section 177 Companies Act, 2013 read with the respective Rules could not be constituted, during the period under consideration. However as per management representation, Annual Accounts of the Company for the financial year 2016-17 along with Statutory Auditors' report was reviewed by the Audit Committee in its meeting held on 4th May, 2017.
- (c) During the period under consideration, all the staff of the company are on deputation from the different public sector companies, with no regular staffs of its own. Thus the Nomination & remuneration committee was not constituted pursuant to the Section 178 Companies Act, 2013 read with the respective Rules. Company is under the process of appointing regular staff and in due course of time will constitute the Nomination & remuneration committee.

For Pranav Kumar & Associates
Company Secretaries

Pranav Kumar
(Partner)
M.No.-5013
CP No.-3429

Date: 28th July, 2017
Place: Vaishali, Ghaziabad, U.P.

Annexure

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF RAMAGUNDAM FERTILIZERS AND CHEMICAL LIMITED FOR THE YEAR ENDED 31 MARCH 2017.

The preparation of financial statements of Ramagundam Fertilizers and Chemical Limited for the year ended 31 March 2017 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 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 May 4, 2017.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Ramagundam Fertilizers and Chemical Limited for the year ended 31 March 2017 under section 143(6)(a) of the Act.

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

**(Nandana Munshi)
Director General of Commercial Audit
& Ex-officio Member, Audit Board-II,
New Delhi**

**Place: Delhi
Date: 6.06.2017**



रामगुण्डम फर्टिलाइजर्स एण्ड केमिकल्स लिमिटेड

Annual Accounts

From 1st April, 2016 to 31st March, 2017



INDEPENDENT AUDITOR'S REPORT

To

The Members of,

RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Report on the Financial Statements:-

We have audited the accompanying financial statements of **RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED** ("the company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:-

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial



control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion:-

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2017;
- b) In the case of the Statement of Profit and Loss, loss for the year then ended.
- c) In the case of the Cash Flow Statement, of the cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements:-

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, 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 (5) of the Act, we have considered the directions & sub-directions issued by the Comptroller & Auditor General of India. We give our report in the attached **Annexure "B"**.
3. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss Statement and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in **Annexure "C"**.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company did not held any cash balance between the period November 8, 2016 to December 30, 2016. Also, no transaction in cash has been made by the company during the aforesaid period.

For A. N. GARG & COMPANY

Chartered Accountants
FRN- 004616N

A. N. GARG
(FCA, Partner)
M.No.-083687

Place: DELHI
Date: 04-05-2017

Annexure “A”

The Annexure referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our Report of even date to the financial statements of the company for the period 01th April’ 2016 to 31st March’ 2017.

We report that:-

- i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
(c) Provision of clause i(c) of the order is not applicable.
- ii. As explained to us, the company does not have any inventory, hence paragraph (ii) of the Order, 2016 are not applicable to the company.
- iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii(a),iii(b) and iii(c) of the order are not applicable to the Company.
- iv. In respect of loans, investments, guarantees, and security, necessary provision of section 185 & 186 of the Companies Act, 2013 have been complied with wherever applicable on the company.
- v. The Company has not accepted any deposits in violation of sections 73 to 76 of the Companies Act, 2013. Accordingly, direction issued by RBI and the provisions of sections 73 to 76 or any other relevant provisions of the Company Act, 2013 and the rules framed there under are not applicable.
- vi. As per information & explanation given by the management, Company is not covered under maintenance of cost records specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 as company is under construction stage and commercial production has not commenced.
- vii. (a) According to the records of the company, undisputed statutory dues including, Provident fund, Employees’ State insurance, Income tax, Sales tax, Service Tax, Custom Duty, Excise Duty, value added tax, cess and any other statutory dues to the extent applicable, have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding.
(b) According to the information and explanations given to us, there is no amount payable in respect of income tax, service tax, sales tax, customs duty, excise duty, value added tax and cess whichever applicable, which have not been deposited on account of any disputes.
- viii. As the company has not taken any loan from financial institutions, banks, or debenture holders, clause (viii) of the Order is not applicable.

- ix. The company has not raised money by way of initial public offer or further public offer and term loan.
- x. According to the information and explanation given to us, no case of fraud by the company or by its officers or employees has been noticed or reported during the period under audit.
- xi. No managerial remuneration has been paid or provided; hence provision of clause (xi) of the Order is not applicable.
- xii. The company is not a Nidhi Company, hence provision of clause 3 (xii) of the order is not applicable.
- xiii. Details of all the transactions with related parties in compliance with section 177 and 188 of companies Act 2013 have been disclosed in the Financial Statements.
- xiv. The company has not made any private placement of shares during the period under review.
- xv. The Company has not entered into any non cash transactions with the directors or persons connected with him.
- xvi. The Company is not required to register under section 45-IA of the Reserve Bank of India Act 1934.

For A. N. GARG & COMPANY

Chartered Accountants
FRN-004616N

A. N. GARG

(FCA, Partner)
M.No.-083687

Place: DELHI

Date: 04-05-2017

Annexure“B”

COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of **Ramagundam Fertilizers and Chemicals Limited** for the period 1st April, 2016 to 31st March, 2017 in accordance with the directions/sub-directions issued by the C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the directions issued to us.

For A. N.GARG & COMPANY

Chartered Accountants

FRN- 004616N

A. N. GARG

(FCA, Partner)

M.No.-083687

Place: DELHI

Date: 04-05-2017

Enclosed: Directions u/s 143 (5) are attached.

AUDIT REPORT OF RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED FOR THE PERIOD 01/04/2016 TO 31/03/2017 PURSUANT TO DIRECTIONS/SUB-DIRECTIONS UNDER SECTION 143(5) OF THE COMPANIES ACT 2013

Directions for the year 2016-17

- 1. Whether the Company has clear title / lease deeds for freehold and leasehold respectively? If not please state the area of freehold and lease hold land for which title / lease deeds are not available.**

The Company has entered into Concession Agreement with FCIL on 23rd March, 2016 towards award of right and concession to the Company in regard to Facility Area (land measuring approximately 1284 acre) for financing, designing, engineering, procurement, construction, development, operation and maintenance of the Project. The concession period is 99 years commencing from the Effective Date i.e. 25th September, 2015. The concession shall only become exercisable from the Effective Date upon FCIL and the Company having complied with the conditions precedent including execution of Lease Deed as per the Concession Agreement. Compliance of conditions precedent is in progress as on 31st March, 2017 and on its completion, Facility Area and usable assets shall be taken over in the Books of Account of the Company. However, pre-project activities have commenced at the site for which Company has awarded site works.

- 2. Whether there are any cases of waiver/write off of debtors / loans / interest etc. If yes, the reasons there for and amount involved.**

There is no any case regarding the waiver/write off of debtors/loans /interest during the year.

- 3. Whether proper records are maintained for inventories lying with third parties & assets received as gift / grant(s) from the Govt. or other authorities.**

There are no any inventories lying with the third party and assets received as gift / grant(s) from the Govt. or other Authorities.

Annexure “C”

ANNEXURE TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED** (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone 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 control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India.

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 over financial reporting 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 over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A 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.

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For A. N. GARG & COMPANY

Chartered Accountants
FRN- 004616N

A. N. GARG

(FCA, Partner)
M.No.-083687

Place: DELHI

Date: 04-05-2017

Balance Sheet as at March 31, 2017

	Notes	March 31, 2017 (₹ In Lakhs)	March 31, 2016 (₹ In Lakhs)
Assets			
Non-current assets			
Property, plant and equipment	3	2,045.91	20.51
Capital work-in-progress	4	20,091.18	3,184.61
Intangible Assets	5	13.76	4.96
Intangible assets under development	6	3,483.22	1,651.83
Financial assets			
-Other financial assets	7	61.46	35.59
Other non-current assets	12	5,953.22	577.51
Total non-current assets		31,648.75	5,475.01
Current assets			
Financial assets			
-Investments	8	1.05	-
-Cash and cash equivalents	9	1.69	221.91
-Other bank balances	10	2,598.12	-
-Other financial assets	7	0.44	0.44
Current tax assets(net)	11	13.35	-
Other current assets	13	139.59	3.73
Total current assets		2,754.24	226.08
Total Assets		34,402.99	5,701.09
Equity and Liabilities			
Equity			
Equity share capital	14	25,089.00	3,089.00
Other equity			
-Reserves and surplus	15.a	(393.10)	(321.06)
-Share Application money pending allotment	15.b	5,600.00	1,800.00
Total equity		30,295.90	4,567.94
Liabilities			
Current liabilities			
Financial liabilities			
-Other financial liabilities	16	3,649.81	997.57
Current tax liabilities	17	-	0.03
Other current liabilities	18	457.28	135.55
Total current liabilities		4,107.09	1,133.15
Total liabilities		4,107.09	1,133.15
Total equity and liabilities		34,402.99	5,701.09

Significant Accounting Policies 1

Critical estimates and judgements 2

The accompanying note number 1 to 35 form an integral part of these financial statements.

For and on behalf of the Board of Directors

Navin K Mishra Company Secretary PAN:AIQPM3388P	Sunil Bhatia CFO PAN : ADGPB2048E	Vivek Kumar Malhotra CEO PAN : AEUPM1391N	Rajiv Kumar Chandio Director DIN: 5146544	Sanjay Gupta Chairman DIN: 5281731
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As per our report of even date attached

For A N Garg & CO.
Chartered Accountants
Firm Reg No. 004616N

A N Garg
Partner
Membership No. 083687

Place: New Delhi
Date: 04th May, 2017

Statement of Profit and Loss for the Year Ended March 31, 2017

(₹ In Lakhs)

	Notes	For the year ended March 31, 2017	For the period ended March 31, 2016
Income			
Other income	19	30.98	32.40
Total income		30.98	32.40
Expenses			
Depreciation and amortisation expense	20	-	-
Other expenses	21	79.44	341.48
Total expenses		79.44	341.48
Profit (Loss) before tax		(48.46)	(309.08)
Income tax expense	22		
Current tax		-	10.28
Deferred tax		-	-
Profit / (Loss) for the year / period		(48.46)	(319.36)
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss		-	-
Other comprehensive income for the year/ period, net of tax		-	-
Total comprehensive income for the year / period		(48.46)	(319.36)
Earnings / (Loss) per equity share			
Basic earnings / (Loss) per share Rs. / Share	23	(0.04)	(3.17)
Diluted earnings (Loss) per share Rs. / Share	23	(0.04)	(3.17)
Significant Accounting Policies	1		
Critical estimates and judgements	2		

The accompanying note number 1 to 35 form an integral part of these financial statements.

For and on behalf of the Board of Directors

Navin K Mishra Company Secretary PAN:AIQPM3388P	Sunil Bhatia CFO PAN : ADGPB2048E	Vivek Kumar Malhotra CEO PAN : AEUPM1391N	Rajiv Kumar Chandio Director DIN: 5146544	Sanjay Gupta Chairman DIN: 5281731
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As per our report of even date attached
For **A N Garg & CO.**
Chartered Accountants
Firm Reg No. 004616N

A N Garg
Partner
Membership No. 083687

Place: New Delhi
Date: 04th May, 2017

Statement of Changes in Equity for the Year Ended March 31, 2017

(₹ In Lakhs)

a) Equity Share Capital

Share capital subscribed at the time of incorporation	489.00
Changes in equity share capital during the period	2,600.00
Balance as at March 31, 2016	3,089.00
Changes in equity share capital during the year	22,000.00
Balance as at March 31, 2017	25,089.00

b) Other equity

	Share application money pending allotment	Reserves and surplus (Retained earnings)	Total (Other Equity)
Balance as at February 17, 2015	-	-	-
Profit (Loss) for the period	-	(319.36)	(319.36)
Other comprehensive income	-	-	-
Total comprehensive income	-	(319.36)	(319.36)
Share issue Expenses	-	(1.70)	(1.70)
Transaction with owners in their capacity of owners			
Application money received during the year	1,800.00	-	1,800.00
Balance as at March 31, 2016 A	1,800.00	(321.06)	1,478.94
Profit for the year	-	(48.46)	(48.46)
Other comprehensive income	-	-	-
Total comprehensive income B	-	(48.46)	(48.46)
Share issue Expenses C	-	(23.58)	(23.58)
Transaction with owners in their capacity of owners			
Share application money received during the year D	25,800.00	-	25,800.00
Less: Allotment of equity shares during the year E	22,000.00	-	22,000.00
Balance as at March 31, 2017 (A+B+C+D-E)	5,600.00	(393.10)	5,206.90
Significant Accounting Policies 1			
Critical estimates and judgements 2			

For and on behalf of the Board of Directors

Navin K Mishra Company Secretary PAN:AIQPM3388P	Sunil Bhatia CFO PAN : ADGPB2048E	Vivek Kumar Malhotra CEO PAN : AEUPM1391N	Rajiv Kumar Chandio Director DIN: 5146544	Sanjay Gupta Chairman DIN: 5281731
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As per our report of even date attached
For A N Garg & CO.
Chartered Accountants
Firm Reg No. 004616N

A N Garg
Partner
Membership No. 083687

Place: New Delhi
Date: 04th May, 2017

Statement of Cash Flows

(₹ In Lakhs)

	For the year ended March 31, 2017	For the period ended March 31, 2016
Cash Flow from Operating Activities:		
Profit / (loss) before income tax	(48.46)	(309.08)
Adjustments for :		
Interest income classified as investment cash flow	(24.59)	(32.40)
Dividend income classified as investment cash flow	(6.39)	-
Change in operating assets and liabilities		
(Increase)/Decrease current other financial assets	-	(0.44)
(Increase) in other current assets	(135.85)	(3.73)
(Increase)/Decrease other bank balances	(2,598.12)	-
(Increase) in non current other financial assets	(25.87)	(35.59)
(Increase)/decrease in other non-current assets	(177.48)	(467.55)
Increase/ (decrease) in other current liabilities	321.73	135.55
Cash generated from operations	(2,695.03)	(713.24)
Net cash inflow from operating activities	(2,695.03)	(713.24)
Cash Flow from Investing Activities:		
Capital expenditure on fixed assets, work in progress (Including capital advances)	(23,318.16)	(3,974.30)
Current investment	(1.05)	-
Dividend income	6.39	-
Income with short term deposits with banks (net of TDS of Rs. 13.35 lakhs (Py 10.25 lakhs)	11.21	22.15
Net cash outflow from investing activities	(23,301.61)	(3,952.15)
Cash Flow from Financing Activities:		
Proceeds from equity share capital	22,000.00	3,089.00
Proceeds from share application money	3,800.00	1,800.00
Share issue costs	(23.58)	(1.70)
Net cash inflow (outflow) from financing activities	25,776.42	4,887.30
Net increase (decrease) in cash and cash equivalents	(220.22)	221.91
Cash and cash equivalents at the beginning of the financial year	221.91	-
Cash and cash equivalents at end of the year	1.69	221.91
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per above comprise of the following:		
Cash and bank equivalents (Note : 9)	1.69	221.91
Balances as per statement of cash flows	1.69	221.91
Significant Accounting Policies	1	
Critical estimates and judgements	2	

The accompanying note number 1 to 35 form an integral part of these financial statements.

For and on behalf of the Board of Directors

Navin K Mishra Company Secretary PAN:AIQPM3388P	Sunil Bhatia CFO PAN : ADGPB2048E	Vivek Kumar Malhotra CEO PAN : AEUPM1391N	Rajiv Kumar Chandiook Director DIN: 5146544	Sanjay Gupta Chairman DIN: 5281731
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As per our report of even date attached
For **A N Garg & CO.**
Chartered Accountants
Firm Reg No. 004616N

A N Garg
Partner
Membership No. 083687

Place: New Delhi
Date: 04th May, 2017

Notes to the Financial Statements for the Year Ended March 31, 2017

Brief Background of the Company

Ramagundam Fertilizers and Chemicals Limited is a public company limited by shares, incorporated and domiciled in India. The Company is a joint venture between National Fertilizers Limited, Engineers India limited and Fertilizers Corporation of India Limited and is engaged in setting up new Ammonia-Urea complex at Ramagundam, Telangana, India.

The financial statements were authorised for issue in accordance with a resolution of the directors on 04-05-2017.

Note 1 : Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of the financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated. The financial statements are for the Ramagundam Fertilizers and Chemicals Limited (the 'Company').

(a) Basis of preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 [Companies (Indian Accounting Standards) Rules, 2015] (as amended) and other relevant provisions of the Act.

The financial statements up to period ended March 31, 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities and contingent consideration that are measured at fair value.

(b) Segment reporting

The Company is yet to commence its operation. Hence, there are no reportable segment.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognized in profit or loss.

(d) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates and laws, that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

(e) Leases

As a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of lease, at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.



(f) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) investments and other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost, A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses, which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

(iii) Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 25 details how the Company determines whether there has been a significant increase in credit risk.

(iv) Derecognition of financial assets

A financial asset is derecognized only when:

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

(v) Income recognition

Interest income

Interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument, but does not consider the expected credit losses.

Dividend

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(h) Property, plant and equipment

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Expenditure incurred during the construction period and directly attributable to the construction activity has been capitalized as capital work in progress and will be allocated to the fixed assets at the time of Capitalization of the project.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for, as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, which is aligned to useful life specified under Schedule II of Companies Act, 2013. For significant part of Plant and Machinery, Computer and data processing units' residual value of five percent and rupee one in respect of other fixed assets is retained.

Leasehold land and buildings are amortized over the lease period. Buildings constructed over leasehold land are depreciated at the estimates useful life, which is in line with useful life as specified under schedule II of the Companies Act, 2013 where the lease period is beyond the useful life of the building.

Depreciation on Fixed Assets whose actual cost does not exceed five thousand rupees, are provided at the rate of 100% and the residual of Rupees one is retained.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the

end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(i) Intangible assets

(i) Computer software

All items of Intangible Assets are stated at historical cost less amortization. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

(ii) Amortization methods and periods

Software, which is not integral part of the related hardware, is treated as intangible assets and amortized on straight-line method over a period of five years or its license period whichever is less.

The assets' residual useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(j) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year, which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

(k) Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(l) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners
- by the weighted average number of equity shares outstanding during the financial year

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(m) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflect current market assessments of the time value of money and the risk specific to the liability. The increase in the provision due to the passage of time is recognized as interest expenses.

(n) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

Note 2 : Critical Estimates and Judgements

The preparation of financial statements requires the use of accounting estimates, which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items, which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

- Estimated useful life of Property Plant and Equipment and Intangible Assets — Note 1(h)
- Recognition of deferred tax assets— Note 1(d)

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Notes to the Financial Statement for the Year Ended March 31, 2017

Note 3 : Property, Plant and Equipment

(₹In Lakhs)

	Building- on lease hold land	Plant and machinery	EDP Equipments	Furniture & Fixtures	Electrical Installations	Office Equipments	Total
As at 31 March 2016							
Gross carrying amount							
Balance as at 17 th February, 2015	-	-	-	-	-	-	-
Additions	-	-	17.11	1.85	-	3.40	22.36
Disposals	-	-	-	-	-	-	-
Closing gross carrying amount			17.11	1.85		3.40	22.36
Accumulated depreciation							
Balance as at 17 th February, 2015	-	-	-	-	-	-	-
Depreciation charge during the period	-	-	1.50	0.05	-	0.30	1.85
Disposals	-	-	-	-	-	-	-
Closing accumulated depreciation			1.50	0.05		0.30	1.85
Net carrying amount			15.61	1.80		3.10	20.51
As at 31 March 2017							
Gross carrying amount							
Opening gross carrying amount	-	-	17.11	1.85	-	3.40	22.36
Additions	698.96	277.72	55.95	31.26	856.00	174.76	2,094.65
Disposals	-	-	-	-	-	-	-
Closing gross carrying amount	698.96	277.72	73.06	33.11	856.00	178.16	2,117.01
Accumulated depreciation							
Balance as at the beginning of the period	-	-	1.50	0.05	-	0.30	1.85
Depreciation charge during the year	5.06	5.20	13.66	5.16	27.61	12.56	69.25
Disposals	-	-	-	-	-	-	-
Closing accumulated depreciation	5.06	5.20	15.16	5.21	27.61	12.86	71.10
Net carrying amount	693.90	272.52	57.90	27.90	828.39	165.30	2,045.91

Note : - The Company has entered into Concession Agreement with FCIL on 23rd March, 2016 towards award of right and concession to the Company in regard to facility Area (lease hold land admeasuring approximately 1284 acre) for financing, designing , engineering , procurement , construction , development , operation and maintenance of the project.

As per Concession Agreement, the concession period is of 99 years commencing from the Effective Date i.e. 25th September, 2015. The concession shall only become exercisable from the effective date upon FCIL and company having complied with the Conditions Precedent including execution of Lease Deed as per the Concession Agreement. Compliance of Conditions Precedent by FCIL is still not completed till date and the lease deed relating to the land has not been executed . The company has started its project construction activity on a part of aforesaid land. However pending transfer of complete right of use of land through lease deed, the lease of land has not been recognized in the financial statements. The company has received possession of few assets acquired from FCIL in terms of Concession Agreement, these assets have been recognized at its fair value in financial statement.

Note 4 : Capital Work-in-Progress

		March 31, 2017		March 31, 2016
			(₹ In Lakhs)	
(i) Contracts and Procurements		10,010.97		632.02
(ii) Engineering, procurement contract management fees		7,326.52		1,442.36
(iii) Expenditure during Construction period pending allocation				
Opening balance	1,110.23		-	
Add:				
Rent	109.17		45.13	
Consultancy (Includes reimbursement of salary Rs.748.44 lakhs (Previous period Rs.218.78 lakhs)) (Refer Note- 30)	801.91		959.84	
Rates & taxes	157.13		21.15	
Insurance	223.45		-	
Advertisement	238.52		42.43	
Electricity	43.00		1.67	
Manpower charges (Outsourced)	52.26		-	
Bank charges	19.06		-	
Travelling & Conveyance	68.39		26.12	
Repair and maintenance - Building	11.21			
Others	45.64		13.08	
Depreciation	71.46		2.07	
Less: Other capital receipts				
Forfeiture of EMD	48.00		-	
Interest on FDR against margin money	109.02		-	
Interest on mobilisation advances	19.62		-	
Sale of cut tree wood - site	17.47		-	
Other misc. income	0.29		-	
Unwinding of Interest accrued on security deposit	3.34	2,753.69	1.26	1,110.23
Total (I + ii + iii + iv)		20,091.18		3,184.61
Movement of Capital Work in Progress:				
Balance as at the beginning of the year/ period		3,184.61		-
Add: Additions during the year/ Period		18,764.81		3,184.61
Less: Capitalised during the year/ period		1,858.24		-
Balance as at the end of the year/period		20,091.18		3,184.61

Note 5 : Intangible Assets

	Computer Software	(₹ In Lakhs) Total
As at March 31, 2016		
Gross carrying amount		
Balance as at the beginning of the period	-	-
Additions during the period	5.18	5.18
Disposals	-	-
Closing gross carrying amount	<u>5.18</u>	<u>5.18</u>
<i>Accumulated amortisation</i>		
Balance as at the beginning of the period	-	-
Amortisation charge during the period	0.22	0.22
Disposals	-	-
Closing accumulated amortisation	<u>0.22</u>	<u>0.22</u>
Net carrying amount	<u>4.96</u>	<u>4.96</u>
As at 31 March 2017		
Gross carrying amount		
Opening gross carrying amount	5.18	5.18
Additions	11.01	11.01
Disposals	-	-
Closing gross carrying amount	<u>16.19</u>	<u>16.19</u>
<i>Accumulated amortisation</i>		
Balance as at the beginning of the year	0.22	0.22
Amortisation charge during the year	2.21	2.21
Disposals	-	-
Closing accumulated depreciation	<u>2.43</u>	<u>2.43</u>
Net carrying amount	<u>13.76</u>	<u>13.76</u>

Note 6 : Intangible assets under development

	<u>March 31, 2017</u>	<u>March 31, 2016</u>
Technical Know-how	3,483.22	1,651.83
Total	<u>3,483.22</u>	<u>1,651.83</u>

Note 7 : Other financial assets

	March 31, 2017		(₹ In Lakhs) March 31, 2016	
	Current	Non-current	Current	Non-current
Security deposits	0.44	61.46	0.44	35.59
Total	0.44	61.46	0.44	35.59

Note 8 : Current Investments

	March 31, 2017	March 31, 2016
Investment in mutual funds		
Unquoted		
104.518 units (Previous period : Nil) in SBI premier liquid fund	1.05	-
Total	1.05	-
Aggregate amount of unquoted investment	1.05	-

Note 9 : Cash and cash equivalents

	March 31, 2017	March 31, 2016
Balances with banks		
- in current accounts	1.69	81.70
Deposits with original maturity of less than three months	-	140.20
Cash on hand	-	0.01
Total	1.69	221.91

Note 10 : Other Bank Balances

	March 31, 2017	March 31, 2016
Term Deposits having maturity over 3 months and less than 12 months (including interest accrued Rs. 98.12 Lakh) under lien for bank guarantee	2,598.12	-
Total	2,598.12	-

Note 11 : Current tax assets (net)

	March 31, 2017	(₹ In Lakhs) March 31, 2016
Current income tax assets	13.35	-
Total	13.35	-

Note 12 : Other non-current assets

Capital advances	5,308.18	109.96
Prepaid Expenses	645.04	467.55
Total	5,953.22	577.51

Note 13 : Other current assets

Advance to vendors	13.27	-
Other recoverable	0.06	0.00
Prepaid Expenses	126.26	3.73
Total	139.59	3.73

Note 14 : Equity share capital

	Number of shares	Amount
Authorised equity share capital		
As at 17th February 2015	1000,00,000	10,000,00
Increase during the period	14000,00,000	1,40,000,00
As at 31 March 2016	15000,00,000	1,50,000,00
Increase during the year	-	-
As at 31 March 2017	15000,00,000	1,50,000,00

(i) Movements in equity share capital

(₹ In Lakhs)

	Number of shares	Equity share capital (par value)
Paid-up equity share capital		
As at 17 th February 2015	4,890,008	489.00
Increase during the period	26,000,000	2,600.00
As at 31 March 2016	30,890,008	3,089.00
Add: Shares Issued during the year	220,000,000	22,000.00
As at 31 March 2017	250,890,008	25,089.00

(ii) Terms and rights attached to equity shares

The Company has one class of equity shares having a par value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to 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.

(iii) Details of shareholders holding more than 5% shares in the company

	March 31, 2016	
	Number of shares	% holding
National Fertilizers Limited	15,440,002	49.98%
Engineers India Limited	15,440,002	49.98%
	March 31, 2017	
	Number of shares	% holding
National Fertilizers Limited	125,440,002	50.00%
Engineers India Limited	125,440,002	50.00%

Other shareholders' shareholding is less than 0.01%.

The Shareholding of the company, on commencement of the commercial production of the project shall be in the following proportion:

National Fertilizers Limited (NFL) : 26%

Engineers India Limited (EIL) : 26%

The Fertilizer Corporation of India Limited (FCIL) : 11%

Others : 37% (untied as on 31st March,2017)

Shareholding of 11% by FCIL is in consideration of FCIL granting concession rights in the land, opportunity cost and value of usable assets and other items on the land at Ramagundam to the Company.

Company has entered into Concession Agreement with FCIL on 23rd March, 2016 towards award of right and concession to the Company in regard to Facility Area (land admeasuring approximately 1284 acre) for financing, designing, engineering, procurement, construction, development, operation and maintenance of the project.

FCIL shall be allocated shares on completion of compliance of the Conditions precedent of the Concession Agreement, which is in progress.

Note 15 : Reserves and surplus

	(₹ In Lakhs)	
	March 31, 2017	March 31, 2016
15.a Retained earnings		
Opening balance	(321.06)	-
Net profit / (loss) for the year / period	(48.46)	(319.36)
Share issue expenses	(23.58)	(1.70)
Items of other comprehensive income recognised directly in retained earnings	-	-
Closing balance	<u>(393.10)</u>	<u>(321.06)</u>
15.b Share application money pending allotment		
Opening balance	1,800.00	-
Add: Share application money received during the year / period	25,800.00	4,400.00
Less: Share allotted during the year / period	22,000.00	2,600.00
Closing balance	<u>5,600.00</u>	<u>1,800.00</u>

Note: Share application money upto 31-03-2016 excludes equity share capital subscribed at the time of incorporation amounting to Rs. 489 lakhs.

Note 16 : Financial liabilities

Other financial liabilities

Creditors for capital goods/services	3,573.00	947.07
Deposits /Retention money from contractors and others	76.81	50.50
Total	<u>3,649.81</u>	<u>997.57</u>

Based on the information available with the Company, there are no dues to micro, small and medium enterprises as defined in micro, small and medium enterprise development act, 2006 as on March 31, 2017. Further, there is no interest due/accrued/paid or payable to MSMED parties during the year.

Note 17 : Current Tax Liabilities

	March 31, 2017	(₹ In Lakhs) March 31, 2016
Opening balance	0.03	-
Add: Current tax payable for the year	-	10.28
Less: Taxes paid / Tax deducted at source	0.03	10.25
Total	-	0.03

Note 18 : Other current liabilities

Statutory dues payable	457.28	135.55
Total	457.28	135.55

Note 19 : Other income

Interest income	24.59	32.40
Dividend on mutual funds	6.39	-
Total	30.98	32.40

Note 20 : Depreciation and amortisation expense

Depreciation of property, plant and equipment	69.25	1.85
Amortisation of intangible assets	2.21	0.22
	71.46	2.07
Less: Capitalised as part of CWIP	(71.46)	(2.07)
Total	-	-

Note 21 : Other expenses

	March 31, 2017	(₹ In Lakhs) March 31, 2016
Rent	6.87	3.55
Rates and taxes	9.92	199.21
Insurance	0.05	0.20
<i>Auditors' remuneration:</i>		
- Audit Fee	1.73	0.46
- Other Fee	0.30	-
Printing and Stationery	0.41	0.08
Advertisement	0.06	0.38
Telephone and Postage	0.42	0.12
Bank Charges	0.97	0.88
Professional / consultancy fees	27.90	11.29
Legal fees	6.13	-
Manpower charges (Outsourced)	19.05	6.32
Hire charges computers	0.51	1.57
Preliminary Expenses	-	114.46
Miscellaneous expenses	4.37	2.89
Electricity charges	0.75	0.07
Total	79.44	341.48

Note 22 : Income tax expense

Current tax		
Current tax during the year/ period	-	10.28
Adjustments for current tax of prior periods	-	-
Total	-	10.28

Note 22.a : Reconciliation of tax expense and the accounting profit (loss) multiplied by tax rate:

	(₹ In Lakhs)	
	For the year ended 31 st March 2017	For the period ended 31 st March 2016
Loss from continuing operations before income tax expense	(48.46)	(309.08)
Tax at the Indian tax rate of 30.9%	(14.97)	(95.51)
Tax effects of adjustments in calculating taxable income:		
Expenses debited to Statement of profit and loss as per requirement of IND-AS and transferred to reserve	-	70.42
Exempt income (Dividend)	(1.97)	-
Items for which no deferred tax recognised	16.94	35.37
Income tax expense	(0.00)	10.28

Note 22.b : Deferred tax assets

The balance comprises temporary differences attributable to:

Other items

Preliminary expenses	35.37	35.37
Loss as per Statement of profit and loss	16.94	-
Total deferred tax assets	52.31	35.37
Total deferred tax liabilities	-	-
Net deferred tax assets	52.31	35.37

The Company is expected to remain in construction stage till F.Y. 2018-19. Therefore, considering the uncertainty of realisation of deferred tax assets at this stage, deferred tax assets has not been recognised.

Note 23 : Earnings / (loss) per share

	Unit	March 31, 2017	(₹ In Lakhs) March 31, 2016
a. Basic earnings / (loss) per share			
Basic earnings per share attributable to the equity holders of the Company	Rs. Per share	(0.04)	(3.17)
b. Diluted earnings / (loss) per share			
Diluted earnings per share attributable to the equity holders of the Company	Rs. Per share	(0.04)	(3.17)
c. Reconciliations of earnings used in calculating earnings per share			
Basic earnings per share	Rs. Per share	(0.04)	(3.17)
Profit attributable to equity holders of the company used in calculating basis earnings per share	Rs. In lakhs	(48.46)	(319.36)
Diluted earnings per share	Rs. Per share	(0.04)	(3.17)
Profit attributable to equity holders of the company used in calculating diluted earnings per share	Rs. In lakhs	(48.46)	(319.36)
d. Weighted average number of equity shares used as the denominator in calculating basic earnings per share			
	No of shares	136,210,282	10,085,228
Adjustments for calculation of diluted Weighted average number of shares towards Share application Money*	No of shares	-	-
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share			
	No of shares	136,210,282	10,085,228

* Potential equity shares have not been included in the calculation of diluted earnings per share, as they are anti dilutive for the periods presented.

First time adoption of Ind AS

(₹ In Lakhs)

Note 24 : Reconciliation of equity as at date of transition (31st March 2016)

	Notes	As per GAAP	Adjustments	As per Ind As.
Assets				
Non-current assets				
Property, plant and equipment		20.51	-	20.51
Capital work-in-progress	(i)	3,963.00	(778.39)	3,184.61
Intangible Assets		4.96	-	4.96
Intangible assets under development		1,651.83	-	1,651.83
Financial assets				
-Other financial assets	(ii)	49.54	(13.95)	35.59
Other non-current assets	(iii)	109.96	467.55	577.51
Total	A	5,799.80	(324.79)	5,475.01
Current assets				
Financial assets				
Cash and cash equivalents		221.91	-	221.91
Other financial assets		0.44	-	0.44
Other current assets	(ii)	0.00	3.73	3.73
Total	B	222.35	3.73	226.08
Total	(A+B)	6,022.15	(321.06)	5,701.09
Liabilities				
Non-current liabilities				
Equity				
Equity share capital		3,089.00	-	3,089.00
Other equity		-	-	-
-Reserves and surplus	(iv), (v), (vi)	-	(321.06)	(321.06)
-Share Application money pending allotment		1,800.00	-	1,800.00
Total	A	4,889.00	(321.06)	4,567.94
Current liabilities				
Financial liabilities				
-Other financial liabilities		997.57	-	997.57
Current tax liabilities		0.03	-	0.03
Other current liabilities		135.55	-	135.55
Total	B	1,133.15	-	1,133.15
Total	(A+B)	6,022.15	(321.06)	5,701.09

(₹ In Lakhs)

Note 24.1: Reconciliation of total comprehensive income for the year ended (31st March 2016)

	Notes	As per GAAP	Adjustments	As per Ind As.
Income				
Other income	(iv)	-	32.40	32.40
Total income		-	32.40	32.40
Expenses				
Depreciation and amortisation expense	(i)	-	-	-
Other expenses	(v)	-	341.48	341.48
Total expense		-	341.48	341.48
Profit (Loss) before exceptional items and tax		-	(309.08)	(309.08)
Exceptional items		-	-	-
Profit / (Loss) before tax		-	(309.08)	(309.08)
Income tax expense	(iv)	-	10.28	10.28
Current tax		-	-	-
Deferred tax		-	-	-
Profit / (Loss) for the period		-	(319.36)	(319.36)
Other comprehensive income				
Items that will not be reclassified to profit or loss		-	-	-
Items that will be reclassified to profit or loss		-	-	-
Other comprehensive income for the period, net of tax		-	-	-
Total comprehensive income for the period		-	(319.36)	(319.36)

Note 24.2: Reconciliation of total equity as at (31st March 2016)

	Notes	(₹ In Lakhs) 31 st March, 2016
Total equity (Shareholder's fund) as per GAAP		4,889.00
Adjustments:		
Other income	(iv)	32.40
Depreciation and amortisation expense		-
Other expenses	(v)	(341.48)
Income tax expense	(iv)	(10.28)
Share issue expense	(vi)	(1.70)
Total adjustment		(321.06)
Total equity as per Ind AS		4,567.94

Note 24.3 : Reconciliation of total comprehensive income for the year ended (31st March 2016)

	Notes	(₹ In Lakhs) 31 st March, 2016
Profit after tax as per GAAP		-
Adjustments:		
Other income	(iv)	32.40
Depreciation and amortisation expense		-
Other expenses	(v)	(341.48)
Income tax expense	(iv)	(10.28)
Total adjustment		(319.36)
Total comprehensive income as per Ind AS		(319.36)

Note 24.4 : Impact of Ind AS adoption on the statement of cash flows for the year ended 31st March 2016

	Notes	As per GAAP	Adjustments	(₹ In Lakhs) As per Ind As.
Net cash flow from operating activities		1,052.84	(1,766.08)	(713.24)
Net cash flow from investing activities		(5,719.93)	1,767.78	(3,952.15)
Net cash flow from financing activities	(ii)	4,889.00	(1.70)	4,887.30
Net increase / (decrease) in cash & cash equivalents		221.91	-	221.91
Cash and cash equivalents at the beginning of the financial year		-	-	-
Cash and cash equivalents at end of the year		221.91	-	221.91

Notes : First time adoption of Ind AS

- i) Capital work in progress has been reduced by ₹ 778.39 lakhs on account of following:
 - a) Certain income and expenses amounting to ₹ 319.36 lakhs charged to Statement of profit and loss (Refer note (iv) and (v)).
 - b) Transaction cost relating to the borrowing amounting to ₹ 457.54 lakhs being classified as prepaid expenses (Refer note iii).
 - c) Transaction cost relating to equity recognised in equity: ₹ 1.70 lakhs (Refer Note vi).

- d) Increase in CWIP on account of directly attributable rent expense of ₹ 0.21 lakhs (Refer Note (ii)).
- ii) Under the previous GAAP, interest free security deposits (that are refundable in cash on maturity) are recorded at their transaction value. Difference between fair value and transaction value of the security deposit has been recognised as prepaid rent. Consequent to this change, the amount of security deposits decreased by Rs. ₹ 13.95 lakhs and the prepaid rent increased by ₹13.74 lakhs as at March 31, 2016, recognised as other current assets : ₹ 10.01 lakhs and other non current assets ₹ 3.73 lakhs. Directly attributable cost of CWIP increased by ₹ 0.21 lakhs on account of amortisation of prepaid rent which is partially offset by the notional income of ₹ 1.26 lakhs recognised on security deposits .
- iii) Ind AS-109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings. The Company has incurred transaction cost of ₹ 457.54 lakhs towards its sanctioned borrowings. However, pending utilisation of borrowings, the transaction cost has been included as part of prepaid expenses under non-current assets. These transaction cost were included as part of CWIP under the previous GAAP. Further, increase of ₹ 10.01 lakhs is on account of prepaid rent as referred in note (ii) above.
- iv) Interest Income earned on the fixed deposit not incidental to the project construction activity does not qualify to be reduced from the Capital work in progress in accordance with Ind AS-16. Accordingly, the interest income on such deposits (Gross ₹ 32.40 lakhs, related tax of ₹ 10.28 lakhs) has been recognised in the Statement of Profit and loss whereas the same was reduced from the cost of capital work in progress under previous GAAP.
- (v) Certain expenditure amounting to ₹ 341.48 lakhs capitalised under the previous GAAP are not qualified to be capitalised as part of the Capital work-in-progress in accordance with Ind AS-16. Accordingly, they have been charged to the Statement of Profit and Loss.
- vi) Ind AS-32 "Financial Instrument: Presentation" requires that the transaction cost of an equity transaction to be accounted for as a deduction from equity. Accordingly, Cost of issuing equity shares amounting to ₹ 1.70 lakhs has been deducted directly from the equity. These expenses were included in Capital work-in-Progress under previous GAAP.

Note 25 : Financial risk management

The Company's activities expose it to liquidity risk, market risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, Other bank balances and security deposits at amortised cost.	Aging analysis Credit ratings	Diversified in bank deposits, current account and security deposits provided for rental property and utility deposit
Liquidity risk	Retention money/deposits from contractors & others	Rolling cash flow forecasts	Availability of enough cash & cash equivalents
Market risk – foreign exchange	Purchase/acquisition of capital goods	Prevailing foreign exchange movements	Management monitor foreign exchange fluctuation to manage risk relating to foreign exchange variance.

(A) Credit risk

Credit risk refers to the risk of default on its obligations by the counter party resulting in financial loss. The exposure to the credit risk is primarily from Bank balances, cash and cash equivalents and security deposits. Credit risk is managed by ensuring appropriate approvals and monitoring the credit worthiness of the counter parties in normal course of business.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

(B) liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. The Company is in construction phase and does not expect any dynamic movements in fund requirements. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash requirements.

(i) Maturities of financial liabilities

The tables below analyse The Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances.

Contractual maturities of financial liabilities:

(₹ In Lakhs)

	Less than 3 months	3 months to 6 months	6 months to 1 year	Total
31 March 2017				
Non-derivatives				
Other financial liabilities	3,573.00	-	76.81	3,649.81
Total non-derivative liabilities	3,573.00	-	76.81	3,649.81
March 31, 2016				
Non-derivatives				
Other financial liabilities	947.07	-	50.50	997.57
Total non-derivative liabilities	947.07	-	50.50	997.57

Note 26 : Capital management

(a) Risk management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

Since the company is in construction phase and has not acquired any debt, the gearing ratio is nil.

Note 27 : Fair value measurements

Financial instruments by category

	March 31, 2017		March 31, 2016	
	FVTPL	Amortised cost	FVTPL	Amortised cost
(₹ In Lakhs)				
Financial assets				
Current investments - Mutual funds	1.05	-	-	-
Cash and cash equivalents	-	1.69	-	221.91
Other bank balances	-	2,598.12	-	-
Security deposits	-	61.90	-	36.03
Total	1.05	2,661.71	-	257.94
Financial liabilities				
Other payables	-	3,649.81	-	997.57
Total	-	3,649.81	-	997.57

(i) Fair value of financial assets and liabilities measured at amortised cost

	March 31, 2017		March 31, 2016	
	Carrying Amount	Fair value	Carrying Amount	Fair value
(₹ In Lakhs)				
Financial assets				
Cash & cash equivalents	1.69	1.69	221.91	221.91
Other bank balances	2,598.12	2,598.12	-	-
Security deposits	61.90	61.90	36.03	36.03
Total financial assets	2,661.71	2,661.71	257.94	257.94
Financial Liabilities				
Other payables	3,649.81	3,649.81	997.57	997.57
Total financial liabilities	3,649.81	3,649.81	997.57	997.57

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that is (a) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ In Lakhs)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

At 31 March 2017	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Cash & cash equivalents	9	-	-	1.69	1.69
Other bank balances	10	-	-	2,598.12	2,598.12
Security deposits	7	-	-	61.90	61.90
Total		-	-	2,661.71	2,661.71
Financial Liabilities					
Trade payable		-	-	-	-
Others	16	-	-	3,649.81	3,649.81
Total		-	-	3,649.81	3,649.81
At 31 March 2016					
Financial assets					
Cash & cash equivalents	9	-	-	221.91	221.91
Security deposits	7	-	-	36.03	36.03
Total		-	-	257.94	257.94
Financial Liabilities					
Others financial liabilities	16	-	-	997.57	997.57
Total		-	-	997.57	997.57
Financial Assets are measured at fair value - recurring fair value measurements -					
At 31 March 2017					
Financial assets					
Current investments - Mutual funds	8	-	1.05	-	1.05
Total		-	1.05	-	1.05
At 31 March 2016					
Financial assets					
Current investments - Mutual funds	8	-	-	-	-
Total		-	-	-	-

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year.

(iii) Valuation technique used to determine fair value

The carrying amounts of other financial assets / liabilities and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

The fair values for security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy since significant inputs required to fair value an instrument are unobservable.

Note 28: Related Party Transactions

A) Nature of Relationship

Promoters Venturers

Name of the Related Party

- 1 National Fertilizers Limited (NFL)
- 2 Engineers India Limited (EIL)
- 3 The Fertilizer Corporation of India Limited (FCIL)

B) Nature of Relationship

Key Management Personnel

Name of the Related Party

- 1 Sh. Manoj Mishra
Chairman from 20.07.2015 till 28.02.2017
- 2 Sh. Sanjay Gupta
Chairman w.e.f. 21.03.2017
- 3 Sh. Ram Singh
Director from 17.02.2015 till 21.03.2017
- 4 Sh. Sushil Pal
Director from 17.02.2015 till 17-08-2016
- 5 Sh. M. Sagar Mathews
Director from 17.02.2015 till 01-02-2017
- 6 Sh. Ajay Narayan Deshpande
Director w.e.f. 17.02.2015
- 7 Sh. Prabhas Kumar
Director from 17.08.2016 to 22.11.2016
- 8 Ms. Kavitha Gotru
Director w.e.f 22.11.2016
- 9 Sh. Devinder Singh Ahuja
Director w.e.f 01.02.2017
- 10 Sh. Rajiv Kumar Chandiook
Director w.e.f 28.02.2017
- 11 Sh. Rakesh Mohan Joshi
Director w.e.f 31.03.2017
- 12 Sh. Bharat Bhushan Goyal
Director w.e.f 31.03.2017
- 13 Sh. Vivek Malhotra
CEO w.e.f. 25.02.2015
- 14 Sh. Sunil Bhatia
CFO w.e.f. 25.02.2015
- 15 Sh. Navin K Mishra
Company Secretary w.e.f. 16.12.2015

(C) Transactions with Related Parties:

(₹ In Lakhs)

S. No.	Particulars	Promoters Venture					
		31-03-2017			31-03-2016		
		NFL	EIL	FCIL	NFL	EIL	FCIL
Promoters Venture							
1	Equity Share Capital	10,100.00	10,100.00	-	1,300.00	1,300.00	-
2	Share Application Money Pending Allotment	2,800.00	2,800.00	-	900.00	900.00	-
3	Fixed Assets acquired			151.14			
4	EPCM Fee		5,884.16			1,442.36	
5	Other Expenses	341.97	419.73	-	325.81	717.34	19.21
6	Amount outstanding		520.75	151.14	12.65	441.65	-

S. No.	Particulars	31-03-2017	31-03-2016
Key Management Personnel		Remuneration	
1	Sh. Vivek Kumar Malhotra - CEO	39.25	25.14
2	Sh. Sunil Bhatia - CFO	23.84	13.00
3	Sh. Navin K Mishra - CS	6.28	1.58

Note 29 : Assets taken on Operating lease

The Company's significant leasing arrangements are in respect of operating leases of premises for offices, transit accommodation & vehicles. These leasing arrangements are usually renewable on mutually agreed terms but are not non-cancellable. Lease payments in respect of premises for offices and transit accommodation Rs. 119.77 lakhs (Previous Period Rs. 50.15 lakhs) including impact of security deposit on rent Rs. 3.73 lakhs (previous year Rs. 1.47 lakhs) are shown in Rent. Lease payments in respect of Vehicle Rs. 7.11 lakhs (Previous Period Rs. 0.97 lakhs) are shown in Hire charges vehicles (grouped under Travelling & Conveyance).

Note 30 : Employee benefit expenses

Company is operating with officials posted on deputation/secondment from EIL and NFL and there was no regular manpower of the company during the year.

Note 31 : Contingent liabilities

Claims against the Company not acknowledged as debts: Rs. Nil (31 March, 2016 Rs. Nil)

Note 32 : Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	(₹ In Lakhs)	
	March 31, 2017	March 31, 2016
Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances).	272,853.00	44,548.37
Total	272,853.00	44,548.37

Note 33 : Standards Issued but not yet effective

In March, 2017, the Ministry of Corporate affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2017, notifying amendments to Ind AS 7 Statement of Cash Flows and Ind AS 102 Share Based Payment respectively. The amendments are applicable from April 1, 2017. However, these amendment does not have any impact on the current financial statements of the Company.

Note 34 :

The Company did not held any cash balance between the period November 8, 2016 to December 30, 2016. Also, no transaction in cash has been made by the Company during the aforesaid period.

Note 35 : Comparative period:

The Comparative figures are for the period February 17, 2015 to March 31, 2016 (i.e more than 12 month period) and accordingly are not comparable with the current year figures.

RAMAGUNDAM FERTILZERS AND CHEMICALS LIMITED

CIN: U24100DL2015PLC276753

Registered Office : Scope Complex, Core-III, 7, Institutional Area, Lodhi Road, New Delhi-110003

Corporate Office: 4th floor, Mohta Building, 4, Bhikaji Cama Place, New Delhi - 110066

Telephone: +91 11 26701400

NOTICE OF 2nd ANNUAL GENERAL MEETING

NOTICE is hereby given that the 2nd(Second) Annual General Meeting of the Members of Ramagundam Fertilizers and Chemicals Limited will be held on Monday the 18th day of September, 2017 at 11:00 a.m. at the Registered Office of the Company at SCOPE Complex, Core-III, 7 Institutional Area, Lodhi Road, New Delhi-110003 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the period from 01st April, 2016 to 31st March, 2017 and the Reports of Directors and Auditors thereon.
2. To appoint a director in place of Shri Ajay N. Deshpande (DIN: 03435179), who retires by rotation and being eligible, offers himself for re- appointment.
3. To fix remuneration of Auditors for the financial year 2017-18 and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to fix the remuneration, out of pocket, statutory taxes and other ancillary expenses of Auditors to be appointed by the Comptroller and Auditor General of India for the financial year 2017-18.”

SPECIAL BUSINESS:

4. To appoint **Shri Sanjay Gupta (DIN 05281731)** as Director (Chairman) of the Company 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 the provisions of Section 161(1) 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 Articles of Association of the Company, Shri Sanjay Gupta (DIN 05281731), who was appointed as an Additional Director and Chairman by the Board of Directors w.e.f. 21-03-2017 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 160 of the Companies Act, 2013, received a notice proposing his candidature for the office of director, be and is hereby appointed as Director and Chairman of the Company, liable to retire by rotation.”

5. To appoint **Shri Rajiv Kumar Chandiok (DIN 05146544)** as Director of the Company 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 the provisions of Section 161(1) 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 Articles of Association of the Company, Shri Rajiv Kumar Chandiook (DIN 05146544), who was appointed as an Additional Director by the Board of Directors w.e.f. 28-02-2017 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 160 of the Companies Act, 2013, received a notice proposing his candidature for the office of director, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

6. To appoint **Shri Devinder Singh Ahuja (DIN 07687173)** as Director of the Company 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 the provisions of Section 161(1) 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 Articles of Association of the Company, Shri Devinder Singh Ahuja (DIN 07687173), who was appointed as an Additional Director by the Board of Directors w.e.f. 01-02-2017 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 160 of the Companies Act, 2013, received a notice proposing his candidature for the office of director, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

7. To appoint **Dr. Kavitha Gotru (DIN 07639190)** as Director of the Company 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 the provisions of Section 161(1) 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 Articles of Association of the Company, Kavitha Gotru (DIN 07639190), who was appointed as an Additional Director by the Board of Directors w.e.f. 22-11-2017 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 160 of the Companies Act, 2013, received a notice proposing her candidature for the office of director, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

8. To appoint **Shri Rakesh Mohan Joshi (DIN 07204232)** as Non-official Part-time Independent Director of the Company 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 the provisions of Section 149, 161 and 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 Articles of Association of the Company, Shri Rakesh Mohan Joshi (DIN 07204232), who was appointed as an Additional Director (Non-official Part-time Independent) by the Board of Directors w.e.f. 31.03.2017 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 160 of the Companies Act, 2013, received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Non-official Part-time Independent Director of the Company till 30.09.2018.”

9. To appoint **Shri Bharat Bhushan Goyal (DIN 07254856)** as Non-official Part-time Independent Director of the Company 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 the provisions of Section 149, 161 and 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 Articles of Association of the Company, Shri Bharat Bhushan Goyal (DIN 07254856), who was appointed as an Additional Director (Non-official Part-time Independent) by the Board of Directors w.e.f. 31.03.2017 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 160 of the Companies Act, 2013, received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Non-official Part-time Independent Director of the Company till 30.09.2018.”

Place: New Delhi
Date: 29th August, 2017

By Order of the Board
Navin Kumar Mishra
Company Secretary

Copy, pursuant to Sub Section (3) of Section 101, to:-

1. All the Directors of Ramagundam Fertilizers and Chemicals Limited, and
2. Statutory and Secretarial Auditors

NOTES:-

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, ON THE POLL ONLY, INSTEAD OF HIMSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY.**
2. **Consent Form for Consent by the Shareholder(s) to hold Annual General Meeting at Shorter Notice is being sent in loose leaf. This Form may be signed and returned by the Shareholder/ Authorised Representative to the Company Secretary, Ramagundam Fertilizers and Chemicals Limited at its Corporate Office at 4th Floor, 4, Bhikaji Cama Place, New Delhi-110066, at least 1 day prior to the date of Annual General Meeting.**
1. Proxies in order to be effective must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
2. According to the provisions of Section 105 of the Companies Act, 2013 read with rule 19 of the Companies (Management and Administration), Rules, 2014, a person can act as proxy on behalf of Members: -
 - i. Not exceeding fifty (50) Members and holding in the aggregate not more than ten percent of the total share capital of the company.
 - ii. Not act as proxy for more than one Member, if that Member holds more than 10% of the total share capital of the Company.
3. Members/Proxies should bring the Attendance Slip duly completed and signed in accordance with the specimen signature registered with the Company for attending the Meeting. Attendance Slip and Proxy Form is annexed to this report.
4. Corporate Members intending to send their authorised representatives are requested to send RESOLUTION / AUTHORITY, authorizing their representatives to attend and vote at the ensuing Annual General Meeting.
5. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to Special Business to be transacted at the Annual General Meeting is annexed hereto and forms part of the Notice.
6. Route map is being sent separately (loose leaf).

EXPLANATORY STATEMENTS AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No.- 4 of the Notice calling Annual General Meeting

Shri Sanjay Gupta, aged around 60 years, is the Chairman & Managing Director of our Company. He is also holding the additional charge of Director (Finance). An Engineering graduate from IIT Roorkee, Shri Gupta has about 35 years of experience in the company ranging from Planning to Implementation of Mega Grassroots Projects in the Refineries and Petrochemical Sector. He is associated with some landmark initiatives for the company, wherein, he led the implementation of the first ever OBE Project in the Hydrocarbon Sector which opened up the avenues of several OBE and Cost + contracts in the industry with various clients. This mode of Implementation has become extremely popular as it provides a win-win solution for the Owner, wherein, it allows EPC benefits to accrue to the Owner at EPCM costs.

During the past several years, he has been instrumental in securing major overseas Projects for the company including the 25 MMTPA Grassroots Integrated Refinery cum Petrochemical Project for the Dangote Group in Nigeria, where EIL has been retained as EPCM contractor. This is the single largest EPCM contract signed by EIL hitherto. This Project is likely to play a significant role in serving the supplies from Indian shores additionally. Success from OMAN, where EIL is PMC for a mega Petrochemical Complex have also been secured during this period. As part of a Strategic initiatives, an engineering office has been opened up for Abu Dhabi on a mega scale for catering to the Middle East Market. Significant successes from this office have started pouring in.

He is leading several suo-motto studies for optimization, energy improvement, value addition and laying foot prints of mega grassroots Petrochemical Complexes to serve the domestic market. Significant amount of this work is in 'Sync' with the 'Make in India' campaign of the Government.

Shri Sanjay Gupta serves in the capacity of Non-executive, non-independent Director, drawing no remuneration or sitting fees from the Company. He does not hold any shares in the Company.

The Company has received a notice in writing from a member pursuant to provision of sec 160 of the Companies Act, 2013, signifying its intention to propose the appointment of Shri Sanjay Gupta as Director (Chairman) on the Board of the Company, and if appointed he shall be liable to retire by rotation.

Shri Sanjay Gupta is not disqualified from being appointed as Director in terms of Sec. 164 of the Companies act, 2013.

None of the Director or key managerial personnel of the Company or their relatives except Shri Sanjay Gupta is interested or concerned in the resolution.

The Board recommends the resolution for approval of the shareholders.

Item No.- 5 of the Notice calling Annual General Meeting

Shri Chandiook aged around 58 years is presently Director (Finance) of National Fertilizers Limited and overall in charge of Finance & Accounts functions of the organisation and is responsible for evolving and formulating related policies, their implementation, He is also responsible for financial planning, budgeting, costing, resource mobilisation from banks, Financial Institutions, capital

market and External Commercial borrowings, financial control, preparation of monthly, quarterly and annual financial statements and compliance with statutory and corporate norms. In addition to Finance he also looks after the Company Sectt. & Legal Deptt., Information Technology, Internal Audit and Management Services functions.

A Chartered Accountant by profession, Shri Chandiook embodies an extensive experience spanning over 23 years in the Fertilizers and Power Sector.

Prior to NFL, he was General Manager (Finance) in Power Finance Corporation Limited (PFC) and before PFC, he also worked with National Hydro Electric Power Corporation Limited (NHPC).

With an extensive professional experience in power & fertilizer industry, Shri Chandiook is well conversant with various issues related to the industry and under his leadership NFL has achieved highest ever Urea production, highest Profit Before tax during the last 10 years and other laurels too.

The expertise of Shri Chandiook in Project Appraisal Techniques is well recognized in the industry & management and professional organizations like PMI, ASCI, IIFT, CII, FICCI. He has attended various professional programmes in India and abroad particularly on Project Financing, Risk Analyses and Leadership.

Shri Chandiook serves in the capacity of Non-executive, non-independent Director, drawing no remuneration or sitting fees from the Company. He does not hold any shares in the Company.

The Company has received a notice in writing from a member pursuant to provision of sec 160 of the Companies Act, 2013, signifying its intention to propose the appointment of Shri Chandiook as Director on the Board of the Company, and if appointed he shall be liable to retire by rotation.

Shri Chandiook is not disqualified from being appointed as Director in terms of Sec. 164 of the Companies act, 2013.

None of the Director or key managerial personnel of the Company or their relatives except Shri Rajiv Kumar Chandiook is interested or concerned in the resolution.

The Board recommends the resolution for approval of the shareholders.

Item No.- 6 of the Notice calling Annual General Meeting

Aged about 57 years, Shri DS Ahuja is currently holding the post of Director (technical), National Fertilizers Limited (NFL). Shri Ahuja joined NFL as Jr. Executive (Trainee) in the year 1980 and rose to the level of Executive Director and headed Bathinda Unit of NFL before his appointment as Director (Technical).

Shri Ahuja is an engineering graduate with honours in chemical discipline from the department of chemical engineering and technology, Panjab University, Chandigarh and also holds PG Diploma in Project Management. He is Fellow member of Institute of Engineers (India).

Shri Ahuja has worked across entire spectrum of project cycle starting from concept development to front end engineering, asset construction, commissioning, operation etc. He has been associated with the fertilizer industry (Ammonia/Urea plants) in general and the NFL in particular for the past about 37 years with wide-ranging experience spanning across production, technical services and other departments of NFL. He has been responsible for commissioning of Ammonia plants in India and abroad (P.R. of China) and implementing various retrofits and energy saving schemes flawlessly.

Shri Ahuja is also a Member of Audit Committee, Stakeholder Relationship Committee and Committee on Corporate Social Responsibility & Sustainable Development of NFL.

Appointed on 01st February, 2017, Shri Ahuja serves in the capacity of Non-executive, non-independent Director of the Company, drawing no remuneration or sitting fees from the Company. He does not hold any shares in the Company.

The Company has received a notice in writing from a member pursuant to provision of sec 160 of the Companies Act, 2013, signifying its intention to propose the appointment of Shri Ahuja as Director on the Board of the Company, and if appointed he shall be liable to retire by rotation.

Shri Ahuja is not disqualified from being appointed as Director in terms of Sec. 164 of the Companies act, 2013.

None of the Director or key managerial personnel of the Company or their relatives except Shri Devinder Singh Ahuja is interested or concerned in the resolution.

The Board recommends the resolution for approval of the shareholders.

Item No.- 7 of the Notice calling Annual General Meeting

FCIL vide its letter no. FCIL/CO/Revival dated 18th November, 2016 nominated Dr. Kavitha Gotru (DIN- 07639190), as Director on the Board of Ramagundam Fertilizers and Chemicals Limited (RFCL) in place of Shri Prabhas Kumar in terms of Joint Venture Agreement between EIL, NFL and FCIL read with Articles of Association of the Company. Accordingly, Board appointed her w.e.f. 22nd November, 2016 as an Additional Director in the capacity of Non-executive, non-independent Director, drawing no remuneration or sitting fees from the Company. She does not hold any shares in the Company.

Dr. Gotru, aged around 45 years, is Director in the Department of Fertilizers, Ministry of Chemicals and Fertilizers & Director (Finance) in FCIL and several other companies as a Government nominee. Being a Central Government Officer, she has to her credit various significant and important assignments during her career.

The Company has received a notice in writing from a member pursuant to provision of sec 160 of the Companies Act, 2013, signifying its intention to propose the appointment of Dr. Kavitha Gotru as Director on the Board of the Company, and if appointed she shall be liable to retire by rotation.

Dr. Kavitha Gotru is not disqualified from being appointed as Director in terms of Sec. 164 of the Companies act, 2013.

None of the Director or key managerial personnel of the Company or their relatives except Dr. Kavitha Gotru is interested or concerned in the resolution.

The Board recommends the resolution for approval of the shareholders.

Item No.- 8 of the Notice calling Annual General Meeting

Shri Rakesh Mohan Joshi, aged around 56 years, is an author, scholar and management expert. Known for his scholarly aptitude and a flair for writing, Prof. Joshi has authored many books which are widely prescribed as core text books in several business schools across the world. His case studies have been awarded by London Business School, besides several approbations. His case studies are published by European Case Clearing House (ECCH), London Business School,

Administrator, the Journal of Lal Bahadur Shastri National Academy of Administration, Mussoorie, The Smart Manager etc.

At present he is the Professor and Chairperson, International Collaborations and Capacity Development at Indian Institute of Foreign Trade. He has been the Chief Resource Person for conducting capacity development programmes on International Trade as for participants based in several countries including Cambodia, Fiji, Philippines, Vietnam, Bangladesh, India, Islamic Republic of Iran, Nepal, Pakistan, Sri Lanka, Republic of China, Indonesia, Malaysia and Thailand. He also spearheaded India's efforts in building indigenous capacity in Africa in the area of International Trade and Business and is engaged in setting up a Pan-African India-Africa Institute of Foreign Trade in Kampala, Uganda. He has led the Indian team to conduct Capacity Building Programmes on International Business in several African countries including Ethiopia, Egypt, Botswana, Namibia, South Africa, Uganda, Rwanda, Burkina Faso, Sudan, Mauritius, and Seychelles.

Appointed by the Board w.e.f. 31st March, 2017, Shri Joshi serves in the capacity of Non-executive, Independent Director. He does not hold any shares in the Company. Being the non-executive Independent Director, Shri Joshi is entitled to receive the sitting fees for attending the meetings of the Board or Committees thereof.

The Company has received a notice in writing from a member pursuant to provision of sec 160 of the Companies Act, 2013, signifying its intention to propose the appointment of Shri Joshi as an Independent Director on the Board of the Company for a tenure of 18 months w.e.f. 31st March, 2017.

Shri Joshi is not disqualified from being appointed as Director in terms of Sec. 164 of the Companies act, 2013.

In view of the background and vast experience, it will be in the interest of the Company to appoint Shri Joshi as an Independent Director. In the opinion of the Board, he fulfils the criteria of independence as prescribed under the Companies Act, 2013 and has submitted necessary information, disclosures etc. as required under the said Act.

None of the Director or key managerial personnel of the Company or their relatives except Shri Joshi is interested or concerned in the resolution.

The Board recommends the resolution for approval of the shareholders.

Item No.- 9 of the Notice calling Annual General Meeting

Shri Bharat Bhushan Goyal is a former civil servant, who superannuated on June 30, 2015 as Addl. Chief Adviser (Cost), Ministry of Finance, Government of India and Head of the Indian Cost Accounts Service.

Born on 27th June, 1955 at Sangrur, he graduated in commerce and did Masters in Economics. He is Fellow Member of the Institute of Cost Accountants of India and Life Member of AIMA & DMA. He had specialized training from Strathclyde University, UK, International Law Institute, USA, and National Law School of India, Bangalore.

He has over 40 years of professional experience in the Government of India and in Corporate Sector. In the Government of India, he had worked in different capacities in several Ministries/Departments. Prior to joining Indian Cost Accounts Service in 1983, he had worked in HMT Limited; Punjab Housefed Limited; and Punjab Housing Development Board Limited.

He possesses professional expertise in varied areas as public policy, financial management, corporate valuation, disinvestment, cost-benefit analysis, business restructuring, effective regulatory landscape, cost management, product pricing, risk based audit, corporate social responsibility, etc.

He had been Chairman/Member of large number of high-level national & international bodies/committees; and Board member of large number of companies, institutions and autonomous organizations wherein he made valuable contributions.

Shri Goyal is also working as Chairman, Committee constituted by Government of Haryana to conduct Technical & Financial Audit of Cooperative Sugar Mills; Visiting Faculty at National Institute of Financial Management; Adviser, Management Accounting Research Foundation, & Member, Cost Audit & Assurance Standards Board, ICAI; and as CII-TCM approved Assessor for Total Cost Management. He is also a part time Director in Central Coalfields Limited.

He has presented large number of papers / talks at many national & international forums on wide variety of contemporary issues. He is closely associated as visiting faculty/expert with various leading B-schools, professional bodies, academic institutions, research organisations, and the corporate world.

Appointed on 31st March, 2017, Shri Goyal serves in the capacity of Non-executive, Independent Director on the Board of Directors of RFCL. He does not hold any shares in the Company.

Being the non-executive Independent Director, Shri Goyal is entitled to receive the sitting fees for attending the meetings of the Board or Committees thereof.

The Company has received a notice in writing from a member pursuant to provision of sec 160 of the Companies Act, 2013, signifying its intention to propose the appointment of Shri Goyal as an Independent Director on the Board of the Company for a tenure of 18 months w.e.f. 31st March, 2017.

Shri Goyal is not disqualified from being appointed as Director in terms of Sec. 164 of the Companies act, 2013.

In view of the background and vast experience, it will be in the interest of the Company to appoint Shri Goyal as an Independent Director. In the opinion of the Board, he fulfils the criteria of independence as prescribed under the Companies Act, 2013 and has submitted necessary information, disclosures etc. as required under the said Act.

None of the Director or key managerial personnel of the Company or their relatives except Shri Goyal is interested or concerned in the resolution.

The Board recommends the resolution for approval of the shareholders.

By Order of the Board

**Navin Kumar Mishra
Company Secretary**

Place: New Delhi

Date: 29th August, 2017

PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies Management and Administration Rules, 2014)

Name of the company : RAMAGNDAM FERTILZERSAND CHEMICALS LIMITED
 CIN : U24100DL2015PLC276753
 Registered Office : Scope Complex, Core-III, 7, Institutional Area, Lodhi Road, New Delhi – 110003

Name of the Shareholder :-
 Registered address :-
 E-mail Id :-
 Folio No. :-

I/We, being a Shareholder(s) of above named Company holding shares, hereby appoint the following as my/our Proxy to attend and vote (on a poll) on my/our behalf at the 02nd Annual General Meeting of the Company, to be held on Monday, the 18th September, 2017 at 11:00 A.M. at Scope Complex, Core-III, 7, Institutional Area, Lodhi Road, New Delhi – 110003 and at any adjournment thereof:

1. Name : _____ Address _____
 E-mail Id _____ Signature .. _____ or failing him
2. Name : _____ Address _____
 E-mail Id _____ Signature .. _____ or failing him
3. Name : _____ Address _____
 E-mail Id _____ Signature .. _____

**I/We direct my/our Proxy to vote on the Resolutions in the manner as indicated below :

Resolution No.	For	Against
1		
2		
3		
4		
5		
6		
7		
8		
9		

Signed this day of 2017.

Signature of shareholder _____

Affix
Revenue

Notes :

1. The Proxy Form, in order to be effective, should be duly completed and deposited at the Registered Office of the Company not less than 48 (forty eight) hours before the time fixed for the commencement of the Meeting.
2. A Proxy need not be a Shareholder of the Company.
3. This form of Proxy confers authority on the holder to demand or join in demanding a poll.
4. The submission by a Shareholder of this Proxy form will not preclude such Shareholder from attending in person and voting at the Meeting.
5. **This is optional. Please put a tick mark () in the appropriate column against the Resolution indicated in the box. If a Shareholder leaves the “For” or “Against” column blank against any or all Resolutions, the Proxy will be entitled to vote in the manner he thinks appropriate. If a Shareholder wishes to abstain from voting on a particular Resolution, he should write “abstain” across the boxes against that Resolution.
6. In case a Shareholder wishes his votes to be used differently, he should indicate the number of shares under the columns “For” and “Against”, as appropriate.

ATTENDANCE SLIP

RAMAGUNDAM FERTILZERS AND CHEMICALS LIMITED

CIN: U24100DL2015PLC276753

Registered Office : Scope Complex, Core-III, 7, Institutional Area, Lodhi Road,
New Delhi – 110003

Shareholders attending the Meeting in person or by Proxy or as Authorised Representatives are requested to complete this attendance slip and hand it over to the Company Secretary / official at the venue: -

I hereby record my presence at the **SECOND ANNUAL GENERAL MEETING of RAMAGUNDAM FERTILIZRS AND CHEMICALS LIMITED** at the Registered Office of the Company at SCOPE Complex, Core-III, 7, Institutional Area, Lodhi Road, New Delhi-110003, at 11:00 A.M. on Monday, 18th September, 2017:-

Full name of the Shareholder

Signature : _____

Folio No.:

**Full name of
Proxy/Authorised
Representative (IN CAPITAL LETTERS) :-**

Signature : _____





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Ramagundam Fertilizers and Chemicals Limited

4th Floor, Mohta Building, 4, Bhikaji Cama Place, New Delhi-110066