

ANNUAL REPORT 2017 - 2018



रामगुण्डम फर्टिलाइजर्स एण्ड केमिकल्स लिमिटेड

**Ramagundam Fertilizers
and Chemicals Limited**



Board of Directors and Senior Management



Shri Jagdish Chander Nakra
Chairman



Shri Rajiv Kumar Chandioke
Director



Shri Devinder Singh Ahuja
Director



Shri Lalit Kumar Vijh
Director



Shri Niranjan Lal
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



रामगुण्डम फर्टिलाइजर्स एण्ड केमिकल्स लिमिटेड

Senior Officials

CORPORATE CENTRE (CC)

Shri Vivek Kumar Malhotra
Chief Executive Officer

Shri Sunil Bhatia
Chief Financial Officer

Shri Hira Nand
GM (F&A)

Shri S. K. Jha
DGM (Prodn.) & HR (I/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 Telegana-505210

Regd. Office

Ramagundam Fertilizers
and Chemicals Limited

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

Secretarial Auditors

M/s. Pranav Kumar & Associates
Company Secretaries,

3 F CS-70, Third floor, Ansal Plaza,
Sector-1, Vaishali,
Ghaziabad - 201010 (U.P.)

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 is my privilege 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 2017-18.



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 2017-18 is estimated at ₹130.04 lakh crore with a growth rate of 6.6%. The expectations are high in the fiscal 2018-19 for maintaining the growth rate with the support of progressive Policies of the Government, commitment towards Policy Reforms, 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.

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 18 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 2017-18 was 24.02 million MT against 24.20 million MT during the previous year. India imported around 5.975 million MT of Urea during the Financial Year 2017-18, which is around 20% of the total Urea consumption in the country. The positive changes in Government policies including pooling of gas during the previous years have augured well for the industry and all the plants in the country were able to operate at optimum efficiency level.

Goods and Service 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 Engineers India Limited (EIL), National Fertilizers Limited (NFL) 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. Govt. of Telangana has taken Equity participation of 11% of Equity Capital in your Company.

During the third reported period upto 31st March,2018 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 85.4% as on 15th June'2018. All major contracts/orders have been placed and construction activities at site are in full swing. The Project is anticipated to be commissioned by 1st Quarter of FY 2019-20.

Your Company tied up Debt of Rs.3940.71 crore (75%) in March,2016 on receipt of final sanctions from consortium of six Banks led by SBI. Cumulative drawal of debt upto 30th June'2018 is Rs. 1550.13 crore. Your company has achieved financial closure of the Project with tie up of balance 26% Equity Capital on 18th August, 2018, with the signing of Shareholders Agreement amongst existing Shareholders and M/s GAIL & HTAS Consortium for Equity participation of 14.3% and 11.7% respectively of Equity Capital. GSPL India Transco Ltd. (GITL) is providing gas connectivity from its Mallavaram-Bhilwara pipeline. Based on current status of execution, gas pipeline likely to be commissioned by Dec'18.

Corporate Governance

Your Company remains committed to good corporate governance as per Government guidelines. It is the constant endeavor of your Company to maintain the highest standards of ethics and transparency in all spheres of business activities.

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 were no regular employees on the payroll during 2017-18.

In order to have own cadre, 54 MTs have joined RFCL through recruitment process and are undergoing training at NFL Unit. The recruitment of officers at various cadres in all the Departments is in process.

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.

(Jagdish Chander Nakra)

Chairman

DIN : 07676468

Date : -21st August, 2018



Signing of Shareholders' Agreement Between EIL, NFL, FCIL, Government of Telangana, GAIL, HTAS Consortium (HTRA, IFU, DAF) on 18th August 2018.



Primary Reformer

Content

S.NO.	PARTICULARS	PAGE
1.	Directors' Report	1
2.	Secretarial Audit Report	20
3.	C&AG Report	23
ANNUAL ACCOUNT		
4.	Independent Auditors Report	26
5.	Balance Sheet	35
6.	Statement of Profit and Loss	36
7.	Statement of Changes in Equity	37
8.	Cash Flow Statement	38
9.	Notes to Financial Statements	40
10.	Notice of Annual General Meeting	70
11.	Proxy Form	74
12.	Attendance Slip	75



DIRECTORS' REPORT

To

The Shareholders

Ramagundam Fertilizers and Chemicals Limited

Dear Members,

Your Directors have immense pleasure in presenting the 3rd Annual Report for the financial year ended March 31, 2018 along with Audited Statement of Accounts, the Auditors' Report and Comments of the Comptroller and Auditor General of India.

2017-18 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 in 1st Quarter of FY 2019-20.

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.

The financial statements for FY 2017-18 have been prepared in accordance with Indian Accounting Standards (Ind AS). 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 were reviewed / recompiled in accordance with compliance requirement as per said rules.

Comparative Financial Performance is given hereunder:

(Figures in ₹Lakhs)

SI No.	Particulars	Period from 1 st Apr', 2017 to 31 st Mar'2018 (As per Ind AS)	Period from 1 st Apr', 2016 to 31 st Mar'2017 (As per Ind AS)
Income			
1	Revenue from operations	-	-
2	Other Income	192.05	30.98
A	Total Income	192.05	30.98
Expenditure			
1	Cost of Services	195.61	79.44
2	Depreciation and Amortisations	-	-
B	Total Expenses	195.61	79.44



SI No.	Particulars	Period from 1 st Apr', 2017 to 31 st Mar'2018 (As per Ind AS)	Period from 1 st Apr', 2016 to 31 st Mar'2017 (As per Ind AS)
C	Profit/ (Loss) Before Tax (A-B)	(3.56)	(48.46)
D	Tax expenses	-	-
E	Profit (Loss) for the year	(3.56)	(48.46)
F	Reserves & Surplus	(440.87)	(393.10)
G	EPS	(0.00)	(0.04)

Share Capital

Paid up Share Capital of the Company increased from ₹250.89 crore as on 31st March 2017 to ₹602.11 crore as on 31st March 2018.

During the year, the Company issued and allotted 35,12,26,291 equity shares of ₹10 each to its Promoters viz. NFL, EIL & FCIL on rights basis in terms of the provisions of the Articles of Association and to the State Government of Telangana on preferential/private placement basis.

At the end of the year, the subscribed and paid-up capital of the Company was 60,21,16,299 equity shares of ₹10 each.

There is no Share subscription money pending allotment at the end of FY 2017-18.

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 MT 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. The Project is at advanced stage of execution with construction activities at its peak, construction of Civil works at near completion and Mechanical & Electrical works in full swing. Project activities are progressing well and the Project is anticipated to be commissioned in 1st Quarter of FY 2019-20.

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.

The Physical progress of the Project is 85.4% as on 15th June, 2018.

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%) was tied up with consortium of six Banks, led by State Bank of India. 1st drawal of debt was made on 4th July, 2017. Cumulative drawal of debt upto 30th June 2018 is ₹ 1550.13 crore.

Equity tie up – The Equity of 74% of Equity Capital has been tied up. The equity contribution by Sponsors i.e. EIL & NFL is 26% each, FCIL has been given Equity of 11% in lieu of right to use land and Govt. of Telangana has participated for 11% Equity in your Company.

During the year shares of the value of Rs. 93.25 crore each was issued to EIL & NFL, Rs. 92.51 crore to FCIL and Rs. 72.21 crore to Govt. of Telangana.

For tie up of balance equity of 26%, M/s SBI Capital Markets Limited has been appointed as consultant and discussions with prospective investors are at advance stage.

Gas Connectivity - 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 likely to be Commissioned by Dec'2018.

Gas Supply - Your Company has entered into long term Gas Supply Agreement (GSA) with GAIL for total requirement of Gas of 2.00 MMSCMD. The Contract is valid upto March 2028.

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.

Lease Deed with FCIL and Substitution Agreement among RFCL, FCIL and SBI as Lenders' representative were signed on 14th August, 2017.

Marketing of Urea - In line with the Joint Venture Agreement, 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 of your Company shall be marketed by NFL.

Future Prospects

Indian Economy is one of the fastest growing economy of the world. Real GDP for the year 2017-18 is estimated at ₹130.04 lakh crore with a growth rate of 6.6% (as per 2nd Advance Estimates by CSO).

Production of food grains as per 3rd Advance Estimates by CSO is 2795.10 LMT in 2017-18 as against 2751.10 LMT in 2016-17 registering 1.6% sequential growth.

As per India Meteorological Department, quantitatively, the monsoon seasonal rainfall is likely to be 97% of the Long Period Average (LPA) with a model error of $\pm 5\%$.

Urea is a nitrogenous fertilizer which is the major source of nitrogen for crops. Its demand is continuously growing in the Country. There is a wide gap between requirement of urea and its availability (including supplies from OMIFCO) in the country as evident from import of large quantity of urea in last few years.



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In 2017-18 the overall Urea production declined by 0.7% from 242.01 LMT in 2016-17 to 240.06 LMT in 2017-18. Urea sales increased to 2.4% from 296.07 LMT in 2016-17 to 303.11 LMT in 2017-18. During 2017-18 the demand supply gap of urea was 62.85 LMT.

Against the projected demand of 306.40 LMT of Urea, the indigenous supply by the year 2018-19, after taking into consideration the existing aggregate capacities and likely expansion by existing units on the anvil, is estimated to be around 257.94 LMT (including supply from OMIFCO). Import of Urea increased from 54.81 LMT in 2016-17 to 59.75 Lakh Metric Ton (LMT) in 2017-18. The demand-supply gap is likely to be 48.46 LMT by 2018-19. The gap is required to be bridged in coming years by commencement of production from new capacities created.

The demand for fertilizer in Andhra Pradesh / Telangana has increased to 28.11 LMT in 2017-18 against 17.46 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
7676468	Shri Jagdish Chander Nakra	Chairman	03-Nov-17 (As Additional Director) 01-Feb-18 (As Chairman)	Continuing
5146544	Shri Rajiv Kumar Chandiook	Director	28-Feb-17 (Regularised w.e.f 18-Sep-17)	Continuing
7687173	Shri Devinder Singh Ahuja	Director	01-Feb-17 (Regularised w.e.f 18-Sep-17)	Continuing
7204232	Shri Rakesh Mohan Joshi	Independent Director	31-Mar-17 (Regularised w.e.f 18-Sep-17)	Continuing
7254856	Shri Bharat Bhushan Goyal	Independent Director	31-Mar-17 (Regularised w.e.f 18-Sep-17)	Continuing
7639190	Dr. Kavitha Gotru	Director	22-Nov-16 (Regularised w.e.f 18-Sep-17)	Ceased w.e.f 13-Nov-17
5281731	Shri Sanjay Gupta	Chairman	21-Mar-17 (Regularised w.e.f 18-Sep-17)	Ceased w.e.f 1-Nov-2017

DIN	Name	Designation	Date of Appointment	Date of Cessation
7204232	Shri Ajay Narayan Deshpande	Chairman	17-Feb-15 (As First Directors) (Appointed as Chairman w.e.f 1-Nov-2017)	Ceased w.e.f 1-Feb-18
7965269	Shri Niranjan Lal	Additional Director	13-Nov-17 (As Additional Director)	Continuing
7261231	Shri Lalit Kumar Vijn	Additional Director	1-Feb-18 (As Additional Director)	Continuing

Board Meetings

During the period under review, 12 (Twelve) Board meetings were held for transacting the business of the Company with details as under:

Board Meeting Number	Date of Board Meeting	Presence of Directors
18	17-04-2017	All the Directors
19	04-05-2017	All the Directors
20	28-06-2017	All the Directors
21	03-07-2017	All the Directors except Shri Rajiv Kumar Chandiook & Shri Rakesh Mohan Joshi
22	14-08-2017	All the Directors
23	29-08-2017	All the Directors except Shri Rajiv Kumar Chandiook
24	06-10-2017	All the Directors except Shri Devinder Singh Ahuja Dr. Kavitha Gotru
25	13-11-2017	All the Directors except Shri Rakesh Mohan Joshi
26	24-11-2017	All the Directors except Shri Niranjan Lal
27	04-01-2018	All the Directors
28	10-01-2018	All the Directors except Shri Niranjan Lal & Shri Bharat Bhushan Goyal
29	25-01-2018	All the Directors except Shri Rajiv Kumar Chandiook

Maximum interval between any two Board meetings did not exceed 120 days.



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Composition of the Board as on March 31,2018 is as follows: -

DIN	Name	Designation
7676468	Shri Jagdish Chander Nakra	Non-executive and Non-independent Director (Chairman)
5146544	Shri Rajiv Kumar Chandiook	Non-executive and Non-independent Director
7687173	Shri Devinder Singh Ahuja	Non-executive and Non-independent Director
7261231	Shri Lalit Kumar Vijn	Non-executive and Non-independent Director
7965269	Shri Niranjana Lal	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

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 members of the Board of Directors of the Company are eminent persons of proven competence and integrity. Besides experience, strong financial acumen, strategic astuteness and leadership qualities, the Directors have a significant degree of commitment to the Company and devote adequate time for the meetings, preparation and attendance. Board members possess the education, expertise, skills and experience in various sectors and industries required to manage and guide the Company, thus bringing in diversity to Board perspectives. 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;
- 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 2018 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.

Statement on compliances of applicable Secretarial Standards

Your Company has complied with the applicable provisions of Secretarial Standards on meetings of the Board of Directors and of the Shareholders issued by the Institute of Company Secretaries of India.

Appointment of Independent Directors

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 for the FY 2017-18 from both the independent Directors under Section 149(7) of the Companies Act, 2013, that they meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

Board Committees

To enable better and more focused attention on the affairs of the Company, the Board delegates particular matters to committees of the directors set up for the purpose. These specialist committees prepare the groundwork for decision-making. The board is assisted by three committees viz. Audit Committee, HR Committee & Risk Management Committee. All the Committees are chaired by an Independent Director.

Details of the three Committees of the Board of Directors of the Company are as follows:

1) Audit Committee

Board in its 18th Meeting held on 17th April, 2017 constituted the Audit Committee.

Audit Committee comprises of Shri Bharat Bhushan Goyal as the Chairman & Shri Rakesh Mohan Joshi, Shri Rajiv Kumar Chandiok & Shri Lalit Kumar Vijh as other members of the Committee.

During FY 2017-18, three Meetings of the Audit Committees were held on 4th May, 2017, 14th August, 2017 & 13th November, 2017 respectively.

All the recommendations of Audit Committees were accepted by the Board.

2) Risk Management Committee

Risk Management Committee comprises of Shri Rakesh Mohan Joshi as the Chairman &, Shri Bharat Bhushan Goyal, Shri Rajiv Kumar Chandiok & Shri Lalit Kumar Vijh as the other members.

After its constitution by the Board in its 23rd Meeting held on 29th August, 2017, one meeting was held on 10th January, 2018 during FY 2017-18.



3) HR Committee

HR Committee was constituted by the Board in its 23rd Meeting held on 29th August, 2017. Committee comprises of Shri Bharat Bhushan Goyal as the Chairman and Shri Rajiv Kumar Chandio, Shri Devinder Singh Ahuja & Shri Lalit Kumar Vijn as the other members.

During FY 2017-18 one meeting of HR Committee was held on 4th January, 2018.

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.

RFCL is an unlisted Joint Venture Company; therefore, in terms of Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 the Company is exempt from constituting 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

A Firm of Chartered Accountants were appointed by the Board to carry out Internal Audit for FY 2017-18. During the period under review, 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 their reports are submitted to the Audit Committee.

Secretarial Auditor

Board in its 21st Meeting held on 3rd July, 2017 appointed M/s Pranav Kumar & Associates, Practicing Company Secretaries to conduct the Secretarial Audit of the Company as required under Section 204 of the Companies Act, 2013 and Rules thereunder for FY 2016-17 & 2017-18.

The Secretarial Audit Report for the financial year 2017-18 is enclosed as **Annexure-A** 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, 2017 to 31st March, 2018 is enclosed under 'Annual Account' section of the Annual Report.

Cost Audit

At present, your Company is not required to maintain cost records as prescribed by the Central Government under Section 148 (1) of the Companies Act, 2013.

Comments of C&AG

Comments of C&AG under section 143(6)(b) for the period ended 31st March, 2018 are enclosed under 'Annual Account' section of the Annual Report.

Cash Flow

A Cash Flow Statement for the period from 01st April, 2017 to 31st March, 2018 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-B**.

Conservation of Energy & Foreign Exchange Earnings and Outgo

Scheduled commissioning of Ramagundam Project is expected commissioned in 1st Quarter of FY 2019-20. 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 ₹ 246.43 crore (Previous year - ₹ 60.59 crore).

Risk Management

The Project is under implementation stage. To ensure effective progress on every stage of Project implementation the Board has constituted the Risk Management Committee.

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 enclosed as **Annexure-C**.

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 2017-18:-



सामान्यतः फर्टिलाइजर्स एण्ड केमिकल्स लिमिटेड

- 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 2017-18 :-

- a. Your Company has complied with the Provisions of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 relating to constitute Internal Complaints Committee. There were no cases reported under the said Act.
- 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 EIL, NFL, 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

(Jagdish Chander Nakra)

Chairman

DIN: 07676468

Place : New Delhi

Date : 21st August, 2018

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. (For the Financial Year 2017-18)

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 arms 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 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. FCIL -Other reimbursement.
c)	Duration of Contracts / Arrangements / Transactions	Since inception of Joint Venture Company i.e. 17th 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. 8209.89 Lakh EIL & NFL - Salary & wages (Reimbursement)- Rs. 431.74 Lakh & Rs. 560.33 Lakh respectively. Other Expenses (Reimbursement) FCIL - Rs. 0.56 Lakh
e)	Date of approval by the Board	Board approvals dt. 14th January, 2016 & 8th March, 2016; subsequently ratified by the Audit Committee on 13th November, 2017
f)	Amount paid as advances, if any	NIL

For and on behalf of the Board
(Jagdish Chander Nakra)
Chairman
DIN: 07676468

Place : New Delhi

Date : 21st August, 2018



FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN As on financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1	CIN	U24100DL2015PLC276753
2	Registration Date	2/17/2015
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 & contact details	Registered Office:- Scope Complex, Core-III, 7, Institutional Area, Lodhi Road, New Delhi -110003, India. Corporate Office:- 4th Floor, Mohta Building, 4, Bhikaji Cama Place, New Delhi – 110066, India Telephone : 011-26701400 Fax Number : 011-26180729 Email : info@rfcl.co.in
6	Whether listed company	No
7	Name, Address & contact details of the Registrar & 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 shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the 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 and State Government of Telangana through its Nominee. Their shareholding in the Company is shown under respective headings under Serial Number IV.

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF		4	4	0.00%		4	4	0.00%	0.00%
b) Central Govt			-	0.00%			-	0.00%	0.00%
c) State Govt(s)			-	0.00%			-	0.00%	0.00%
d) Bodies Corp.		250,890,004	250,890,004	100.00%		529,906,295	529,906,295	88.01%	111.21%
e) Banks / FI			-	0.00%			-	0.00%	0.00%
f) Any other			-	0.00%			-	0.00%	0.00%
Sub Total (A) (1)		250,890,008	250,890,008	100.00%		529,906,299	529,906,299	88.01%	111.21%
(2) Foreign									
a) NRI Individuals			-	0.00%			-	0.00%	0.00%
b) Other Individuals			-	0.00%			-	0.00%	0.00%
c) Bodies Corp.			-	0.00%			-	0.00%	0.00%
d) Any other			-	0.00%			-	0.00%	0.00%
Sub Total (A) (2)				0.00%				0.00%	0.00%
TOTAL (A)		250,890,008	250,890,008	100.00%		529,906,299	529,906,299	88.01%	111.21%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds			-	0.00%			-	0.00%	0.00%
b) Banks / FI			-	0.00%			-	0.00%	0.00%
c) Central Govt			-	0.00%			-	0.00%	0.00%
d) State Govt(s)			-	0.00%		72,210,000	72,210,000	11.99%	-
e) Venture Capital Funds			-	0.00%			-	0.00%	0.00%
f) Insurance Companies			-	0.00%			-	0.00%	0.00%



Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
g) FIs			-	0.00%			-	0.00%	0.00%
h) Foreign Venture Capital Funds			-	0.00%			-	0.00%	0.00%
i) Others (specify)			-	0.00%			-	0.00%	0.00%
Sub-total (B)(1):-	-	-	-	0.00%	-	72,210,000	72,210,000	11.99%	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian			-	0.00%			-	0.00%	0.00%
ii) Overseas			-	0.00%			-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh			-	0.00%			-	0.00%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh			-	0.00%			-	0.00%	0.00%
c) Others (specify)									
Non Resident Indians			-	0.00%			-	0.00%	0.00%
Overseas Corporate Bodies			-	0.00%			-	0.00%	0.00%
Foreign Nationals			-	0.00%			-	0.00%	0.00%
Clearing Members			-	0.00%			-	0.00%	0.00%
Trusts			-	0.00%			-	0.00%	0.00%
Foreign Bodies - D R			-	0.00%			-	0.00%	0.00%
Sub-total (B)(2):-	-	-	-	0.00%	-	-	-	0.00%	0.00%
Total Public (B)	-	-	-	0.00%	-	72,210,000	72,210,000	11.99%	-
C. Shares held by Custodian for GDRs & ADRs				0.00%				0.00%	0.00%
Grand Total (A+B+C)	-	250,890,008	250,890,008	100.00%	-	602,116,299	602,116,299	100.00%	139.99%

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	12,54,40,004	50.00%	0	21,86,90,002	36.32%	-	74.34%
2	Engineers India Limited	12,54,40,004	50.00%	0	21,86,90,002	36.32%	-	74.34%
3	Fertilizer Corporation of India Limited	10,000	0.00%	0	9,25,26,291	15.37%	-	925162.91%

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

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year			250,890,008	100.00%	250,890,008	41.67%
	Changes during the year	4/17/2017	Allot	66,000,000	26.31%	316,890,008	52.63%
		5/4/2017	Allot	51,500,000	20.53%	368,390,008	61.18%
		7/3/2017	Allot	69,000,000	27.50%	437,390,008	72.64%
		8/29/2017	Allot	92,516,291	36.88%	529,906,299	88.01%
		11/13/2017	Allot	72,210,000	28.78%	602,116,299	100.00%
	At the end of the year					602,116,299	100.00%

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name	Shri JayeshRanjan, IAS, Principal Secretary to Government & CIP & Mines, Industries & Commerce Department, Telangana State					
	At the beginning of the year	1-04-2017	0	-	0.00%	-	0.00%
	Changes during the year	13-11-2017	Allot	72,210,000	28.78%	72,210,000	11.99%
	At the end of the year				0.00%	72,210,000	11.99%
2	Name						
	At the beginning of the year	-	-	-	0.00%	-	0.00%
	Changes during the year	-	-	-	0.00%	-	0.00%
	At the end of the year	-	-	-	0.00%	-	0.00%

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name	Shri Sunil Bhatia, Chief Financial Officer					
	At the beginning of the year			1	0.00%	1	0.00%
	Changes during the year				0.00%	-	0.00%
	At the end of the year				0.00%	1	0.00%
2	Name	Shri J C Nakra, Chairman					
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year		Transfer		0.00%	1	0.00%
	At the end of the year				0.00%	1	0.00%

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
* Addition	110,451.92	-	-	110,451.92
* Reduction	-	-	-	-
Net Change	110,451.92	-	-	110,451.92
Indebtedness at the end of the financial year				
i) Principal Amount	110,451.92	-	-	110,451.92
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	110,451.92	-	-	110,451.92

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
	Name			(Rs/Lac)
	Designation			
1	Gross salary	-	-	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(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	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	-	-	-	-
	Ceiling as per the Act				

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		Shri Bharat Bhushan Goyal	Shri Rakesh Mohan Joshi		(Rs/Lac)
1	Independent Directors				
	Fee for attending board committee meetings	1.70	1.30		3.00
	Commission				-
	Others, please specify				-
	Total (1)	1.70	1.30	-	3.00
2	Other Non-Executive Directors				-
	Fee for attending board committee meetings				-
	Commission				-
	Others, please specify				-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	1.70	1.30	-	3.00
	Total Managerial Remuneration	1.70	1.30	-	3.00
	Overall Ceiling as per the Act				

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
	Name				(Rs/Lac)
	Designation	CEO	CFO	CS	
1	Gross salary	48.60	33.23	8.93	90.76
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-

	(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	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify				-
	Total	48.60	33.23	8.93	90.76

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		Nil	N A	N A	N A
Punishment		Nil	N A	N A	N A
Compounding		Nil	N A	N A	N A
B. DIRECTORS					
Penalty		Nil	N A	N A	N A
Punishment		Nil	N A	N A	N A
Compounding		Nil	N A	N A	N A
C. OTHER OFFICERS IN DEFAULT					
Penalty		Nil	N A	N A	N A
Punishment		Nil	N A	N A	N A
Compounding		Nil	N A	N A	N A



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Annexure

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[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,
New Delhi-It 0003

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, 2018. 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, 2018, 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 March 31, 2018 for the purpose required in it.
- (iii) All other specific laws applicable to the Company.

During the period under review, the Company has generally 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 Non-executive Directors & Independent Directors except for the vacancy of the 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/Committee Meetings; agenda and detailed notes on agenda were sent 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/Committee Meetings were carried out by requisite majority as recorded in the minutes of the Meetings of the Board of Directors/ Committee.

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

Arpita Saxena

(Partner)

M. No.: A23822

CP No.: 11962

Place: Vaishali, Ghaziabad (U.P.)

Date: 13/07/2018



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Annexure-A

SECRETARIAL AUDIT OBSERVATION FOR F.Y. 2017-18

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

To,

The Members,

Ramagundam Fertilizers and Chemicals Limited

(CIN NO:- U24100DL2015PLC276753) Scope Complex,
Core- III, 7 Institutional area Lodhi Road, New Delhi-110003

Our report of even date is to be read along with this Annexure.

Dr. Kavitha Gotru- Woman director on the Board of RFCL ceased to be Director w.e.f. 13/11/2017 and as per the provisions of the Companies Act, 2013 the intermittent vacancy of a woman director was required to be filled up by the Board not later than immediate next Board meeting or three months from the date of such vacancy whichever was later. As represented by the management, the Company being a Joint Venture Company, Directors are nominated by Promoters. No nomination of Woman Director has been received from any Promoter as there is no Woman Functional Director in their Board.

For Pranav Kumar & Associates,

Company Secretaries

Arpita Saxena

(Partner)

M. No.: A23822

CP No.: 11962

Place: Vaishali, Ghaziabad (U.P.)

Date: 13/07/2018

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 Chemicals Limited for the year ended 31 March 2018.

The preparation of financial statements of Ramagundam Fertilizers and Chemicals Limited for the year ended 31 March 2018 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 28 April, 2018.

I on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Ramagundam Fertilizers and Chemicals Limited for the year ended 31 March, 2018. This supplementary audit has been carried out independently without access to the working papers of the Statutory auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of the some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

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

Place: New Delhi

Date: 02/07/2018







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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** which comprise the Balance Sheet as at **31 March 2018**, 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 there under.

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, 2018;
- 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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"**.



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- 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.

For A. N. GARG & COMPANY

Chartered Accountants

FRN- 004616N

A. N. GARG

(FCA, Partner)

M.No.-083687

Place: DELHI

Date: 28.04.2018

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 1st April’ 2017 to 31st March’2018.

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) As per information & explanation given by the management title deed of immovable properties (leasehold land) are held in the name of the Company.
- 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 where ever 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 statutory dues as on 31st of March, 2018 for a period of more than six months from the date they became payable.
 - (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 per information & explanation given by the management there is no default in repayment of borrowings.



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- ix. The company has not raised money by way of initial public offer or further public offer and term loan applied for the purpose for which raised.
- 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:28.04.2018

Annexure“B”

COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of **Ramagundam Fertilizers and Chemicals Limited** for the period 1st April' 2017 to 31st March'2018 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/sub-directions issued to us.

For A. N. GARG & COMPANY

Chartered Accountants

FRN- 004616N

A. N. GARG

(FCA, Partner)

M.No.-083687

Place: DELHI

Date: 28.04.2018

Enclosed: Directions and Sub-Direction u/s 143(5) are attached.



रामगुण्डम फर्टिलाइजर्स एण्ड केमिकल्स लिमिटेड

AUDIT REPORT OF RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED FOR THE PERIOD 01/04/2017 TO 31/03/2018 PURSUANT TO DIRECTIONS/SUB-DIRECTIONS UNDER SECTION 143(5) OF THE COMPANIES ACT 2013

Directions for the year 2017-18

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.

Upon compliance of conditions precedent during Financial Year 2017-18, Lease deed in respect of leasehold land executed on August 14, 2017 and company has clear title for leasehold land admeasuring 1284 acres at Ramagundam.

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.

For A. N. GARG & COMPANY

Chartered Accountants

FRN- 004616N

A. N. GARG

(FCA, Partner)

M.No.-083687

Place: DELHI

Date: 28.04.2018

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 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, 2018 in conjunction with our audit of the standalone financial statements of the company for the year ended 31st March’2018.

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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



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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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, 2018, 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: 28-04-2018

RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Balance Sheet as at 31st March 2018

(Rupees in lakhs)

Assets	Notes	As at 31st March 2018	As at 31st March 2017
Non-current assets			
Property, plant and equipment	3	15,627.90	2,045.91
Capital work-in-progress	4	1,34,182.94	23,574.40
Intangible Assets	5	10.36	13.76
Financial assets			
-Loans	6	48.35	61.46
-Other financial assets	7	622.38	-
Other non-current assets	12	41,423.49	5,953.22
Total non-current assets		1,91,915.42	31,648.75
Current assets			
Financial assets			
-Investments	8	0.10	1.05
-Cash and cash equivalent	9	277.09	1.69
-Other bank balances	10	986.81	2,598.12
-Loans	6	20.97	0.44
-Other financial assets	7	4.20	-
Current tax assets(net)	11	39.14	13.35
Other current assets	13	252.70	139.59
Total current assets		1,581.01	2,754.24
Total Assets		1,93,496.43	34,402.99
Equity and liabilities			
Equity			
Equity share capital	14	60,211.63	25,089.00
Other equity			
-Reserves and surplus	15.a	(440.87)	(393.10)
-Share Application money pending allotment	15.b	-	5,600.00
Total equity		59,770.76	30,295.90
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	110,451.92	-
Deferred government grant	17	593.64	-
Total non-current liabilities		1,11,045.56	-
Current liabilities			
Financial liabilities			
-Other financial liabilities	18	22,203.69	3,649.81
Current tax liabilities	19	-	-
Other current liabilities	20	476.42	457.28
Total current liabilities		22,680.11	4,107.09
Total liabilities		1,33,725.67	4,107.09
Total equity and liabilities		1,93,496.43	34,402.99
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	Sunil Bhatia	Vivek Kumar Malhotra	Rajiv Kumar Chandiook	Jagdish Chander Nakra
Company Secretary	CFO	CEO	Director	Chairman
PAN: AIQPM3388P	PAN : ADGPB2048E	PAN : AEUPM1391N	DIN: 5146544	DIN: 7676468

As per our report of even date attached

A N GARG

For A N Garg & CO

Partner

Chartered Accountants

Membership No. 083687

Firm Reg No. 004616N

Place: New Delhi

Date : 28 APR 2018



रामगुण्डम फर्टिलाइजर्स एण्ड केमिकल्स लिमिटेड

RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Statement of Profit and Loss for the year ended 31st March 2018

(Rupees in lakhs)

	Notes	Year ended 31st March 2018	Year ended 31st March 2017
Income			
Other income	21	192.05	30.98
Total income		192.05	30.98
Expenses			
Depreciation and amortisation expense	22	-	-
Other expenses	23	195.61	79.44
Finance costs	24		
Total expenses		195.61	79.44
Profit / (Loss) before tax		(3.56)	(48.46)
Income tax expense	25		
Current tax		-	-
Deferred tax		-	-
Profit / (Loss) for the year		(3.56)	(48.46)
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, net of tax		-	-
Total comprehensive income for the year		(3.56)	(48.46)
Earnings / (Loss) per equity share			
Basic earnings / (Loss) per share Rs. / Share	26	(0.00)	(0.04)
Diluted earnings / (Loss) per share Rs. / Share	26	(0.00)	(0.04)
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	Sunil Bhatia	Vivek Kumar Malhotra	Rajiv Kumar Chandiook	Jagdish Chander Nakra
Company Secretary	CFO	CEO	Director	Chairman
PAN: AIQPM3388P	PAN : ADGPB2048E	PAN : AEUPM1391N	DIN: 5146544	DIN: 7676468

As per our report of even date attached

For A N Garg & CO

Chartered Accountants

Firm Reg No. 004616N

Place: New Delhi

Date : 28 APR 2018

A N GARG

Partner

Membership No. 083687

RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Statement of changes in equity for the year ended 31st March 2018

(Rupees in lakhs)

a) Equity Share Capital			
Balance as at 1st April, 2017			25,089.00
Changes in equity share capital during the year- for cash			25,871.00
Changes in equity share capital during the year - for consideration other than cash			9,251.63
Balance as at 31st March 2018			60,211.63
b) Other equity			
	Share application money pending allotment	Reserves and surplus (Retained earnings)	Total (Other Equity)
Balance as at 1-Apr-2016	1,800.00	(321.06)	1,478.94
Profit / (Loss) for the year	-	(48.46)	(48.46)
Other comprehensive income	-	-	-
Total comprehensive income	1,800.00	(369.52)	1,430.48
Share issue expenses	-	(23.58)	(23.58)
Transaction with owners in their capacity of owners			
Add: Application money received	25,800.00	-	25,800.00
Less: Allotment of equity shares	22,000.00	-	22,000.00
Balance as at 31st March 2017	5,600.00	(393.10)	5,206.90
Profit / (Loss) for the year	-	(3.56)	(3.56)
Other comprehensive income	-	-	-
Total comprehensive income	-	(3.56)	(3.56)
Share issue Expenses	-	(44.21)	(44.21)
Transaction with owners in their capacity of owners			
Add: Share application money received	D 20,271.00	-	20,271.00
Less: Allotment of equity shares	E 25,871.00	-	25,871.00
Balance as at 31st March 2018 (A+B+C+D-E)	-	(440.87)	(440.87)
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	Sunil Bhatia	Vivek Kumar Malhotra	Rajiv Kumar Chandiok	Jagdish Chander Nakra
Company Secretary	CFO	CEO	Director	Chairman
PAN: AIQPM3388P	PAN : ADGPB2048E	PAN : AEUPM1391N	DIN: 5146544	DIN: 7676468

As per our report of even date attached

For A N Garg & CO

Chartered Accountants

Firm Reg No. 004616N

Place: New Delhi

Date : 28 APR 2018

A N GARG

Partner

Membership No. 083687



रामगुण्डम फर्टिलाइजर्स एण्ड केमिकल्स लिमिटेड

RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Statement of cash flows

(Rupees in lakhs)

	Year ended 31st March 2018	Year ended 31st March 2017
Cash flow from operating activities		
Profit / (loss) before income tax	(3.56)	(48.46)
Adjustments for :		
Interest income classified as investment cash flow	(126.63)	(24.59)
Dividend income classified as investment cash flow	(33.91)	(6.39)
Amortisation of government grant	(2.90)	-
Change in operating assets and liabilities		
(Increase)/Decrease in current other financial assets	(4.20)	-
(Increase)/Decrease in current loans	(20.53)	-
(Increase)/Decrease in non current loans	13.12	(25.87)
(Increase)/Decrease in other current assets	(113.12)	(135.85)
(Increase)/Decrease in other bank balances	1,611.31	(2,598.12)
(Increase)/Decrease in non current other financial assets	(25.84)	-
(Increase)/Decrease in other non-current assets	(9,904.35)	(177.48)
Increase/(Decrease) in other current liabilities	19.14	321.73
Cash generated from operations	(8,591.47)	(2,695.03)
Net cash inflow / (outflow) from operating activities	(8,591.47)	(2,695.03)
Cash flows from investing activities		
Capital expenditure on fixed assets, work in progress (Including capital advances)	(1,21,947.54)	(23,318.16)
Current investment	0.95	(1.05)
Dividend income	33.91	6.39
Income with short term deposits with banks (net of TDS of Rs. 25.79 lakhs (Py 13.35 lakhs)	100.84	11.21
Net cash inflow / (outflow) from investing activities	(1,21,811.84)	(23,301.61)
Cash flows from financing activities		
Proceeds from equity share capital - cash	25,871.00	22,000.00
Proceeds from share application money	(5,600.00)	3,800.00
Proceeds from long term borrowings	1,10,451.92	-
Share issue costs	(44.21)	(23.58)
Net cash inflow / (outflow) from financing activities	1,30,678.71	25,776.42
Net increase / (decrease) in cash and cash equivalents	275.40	(220.22)
Cash and cash equivalents at the beginning of the financial year	1.69	221.91
Cash and cash equivalents at end of the year	277.09	1.69

Statement of cash flows (Contd.)

(Rupees in lakhs)

	Year ended 31st March 2018	Year ended 31st March 2017
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)	277.09	1.69
Balances as per statement of cash flows	277.09	1.69
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	Jagdish Chander Nakra Chairman DIN: 7676468
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As per our report of even date attached
For A N Garg & CO
Chartered Accountants
Firm Reg No. 004616N
Place: New Delhi
Date : 28 APR 2018

A N GARG
Partner
Membership No. 083687



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to the financial statements for the year ended March 31, 2018

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 27-04-2018.

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.

(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.

(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 substantively 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 27 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 is 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) Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying assets incurred during the period of time that is required to complete and prepare the asset for its intended use or sale are capitalized. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.



Other borrowing cost are expensed in the period in which they are incurred.

(o) Borrowing

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction cost of the loan to the extent that it is probable that some or all of the facility will be drawn down.

(p) Government Grant

Government Grant are recognized at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with.

Government grants relating to income are deferred and recognized in the profit & loss over the period necessary to match them with the cost that they are intended to compensate and presented within other income.

Government grants relating to the assets are included in non-current liabilities as deferred income and are credited to profit and loss on a straight line basis over the expected lives of the related assets and presented within other income.

(q) 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.

RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED
Notes to Financial Statements for the year ended 31st March 2018
(Rupees in lakhs)

3. Property, plant and equipment

	Land - Leasehold	Building- on lease hold land	Plant and machinery	EDP Equipments	Furniture & Fixtures	Electrical Installations	Office Equipments	Total
As at 31st March 2017								
Gross carrying amount	-	-	-	17.11	1.85	-	3.40	22.36
Balance as at 1-Apr-2016	-	-	-	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 1-Apr-2016	-	-	-	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
As at 31st March 2018								
Gross carrying amount	-	698.96	277.72	73.06	33.11	856.00	178.16	2,117.01
Opening gross carrying amount	-	698.96	277.72	73.06	33.11	856.00	178.16	2,117.01
Adjustment to carrying cost (refer 2)	-	(3.63)	(1.07)	(0.06)	-	(72.76)	(0.74)	(78.26)
Additions (refer 1)	14,057.56	0.00	(0.00)	29.94	35.56	55.93	8.88	14,187.87
Disposals	-	-	-	-	-	-	-	-
Closing gross carrying amount	14,057.56	695.33	276.65	102.94	68.67	839.17	186.30	16,226.62
Accumulated depreciation								
Balance as at the beginning of the year	-	5.06	5.20	15.16	5.21	27.61	12.86	71.10
Depreciation / amortisation expenses during the year	342.18	15.01	18.45	21.49	10.24	83.16	37.09	527.62
Disposals	-	-	-	-	-	-	-	-
Closing accumulated depreciation	342.18	20.07	23.65	36.65	15.45	110.77	49.95	598.72
Net carrying amount	13,715.38	675.26	253.00	66.29	53.22	728.40	136.35	15,627.90



Notes to Financial Statements for the year ended 31st March 2018

(1) The Company entered into Concession Agreement with Fertilizer Corporation of India Limited (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 was excercisable from the effective date upon FCIL and company having complied with the Conditions Precedent including execution of Lease Deed as per the Concession Agreement. The company 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 leasehold land was not recognized in the previous year financial statements. Compliance of the conditions precedent by FCIL and execution of Lease Deed has been completed during current financial year.

During the year, the Company has received certain assets and leasehold land from the FCIL pursuant to signing of lease deed. In terms of the Concession Agreement, FCIL is to be issued equity shares equal to 11% of equity portion of the capital expenditure of the project at the time of commencement of commercial production of the project. The estimated equity portion towards project cost on the date of execution of lease deed was Rs. 1,31,357.00 lakhs. Therefore, the Company shall be issuing equity shares of amount to Rs. 14,449.27 lakhs (11% of RS. 1,31,357.00 lakhs) in a phased manner at par value as a consideration towards award of right and concession to the Company. For allocation of effective cost of Rs 14,449.27 lakhs in various assets, Company has adopted residual method, whereby usable assets have been valued from registered valuer, for arriving at cost of leasehold land. Leasehold land also includes cost of registration of Lease Deed.

The consideration of Rs. 14,449.27 lakhs in Property Plant and equipment shall be reworked on the date of commercial production based on actual project cost and the difference shall be adjusted in the Land leasehold value.

Lease deed in respect of leasehold land was executed on August 14, 2017, however, the effective date of lease is 25th September, 2015. Accordingly, the amortization expenses in respect of leasehold land for the period from 25th September 2015 to March 31, 2018 has been recognized in the current year.

(2) On closure of contracts in the current financial year, price reduction was applicable to the vendors in respect of work completed during previous financial year. Therefore gross block reduced mainly to the extent of price reduction as per respective contract, disclosed as adjustment.

RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2018

4. Capital work-in-progress

(Rupees in lakhs)

	31-Mar-18	31-Mar-17
(i) Basic design and engineering fees and Technical knowhow	6,649.72	5,999.43
(ii) Contracts	66,708.41	7,207.80
(iii) Procurements	31,607.27	286.96
(iv) Engineering, procurement contract management fees	14,373.22	7,326.52
(v) Material in transit / under inspection	7,636.67	-
(vi) Interest on Term loan & Finance Cost	3,199.61	-
(vii) Expenditure during Construction period pending allocation		
Opening balance	2,753.69	
		1,110.23
Add: Rent	101.82	109.17
Consultancy (Includes reimbursement of salary Rs.839.34 lakhs (Previous period Rs.748.44 lakhs))	899.33	801.91
Rates & taxes	55.39	157.13
Insurance	415.19	223.45
Advertisement	118.10	238.52
Electricity	160.78	43.00
Manpower charges (Outsourced)	191.14	52.26
Bank charges	48.12	19.06
Travelling & Conveyance	86.87	68.39
Repair and maintenance - Building	-	11.21
Others	90.60	45.64
Handling & Freight charges	196.05	-
Depreciation and amortisation	531.02	71.46
Less: Other capital receipts		
Forfeiture of EMD	47.22	48.00
Interest on FDR against margin money	115.12	109.02
Interest on mobilisation advances	121.76	19.62
Sale of cut tree wood - site	-	17.47
Other misc. income	2.87	0.29
Unwinding of Interest accrued on security deposit	3.67	3.34
	5,357.46	2,753.69
Sub Total (i + ii + iii + iv + v + vi + vii)	1,35,532.36	23,574.40



Less: Transitional credit availed on GST implementation *

Total

Movement of Capital Work in Progress:

Balance as at the beginning of the year

Add: Additions during the year

Less: Capitalised during the year

Balance as at the end of the year

1,349.42	-
1,34,182.94	23,574.40
23,574.40	3,184.61
1,10,608.54	22,248.03
-	1,858.24
1,34,182.94	23,574.40

* Company availed Cenvat credit / Input tax credit in the current financial year for the eligible taxes paid in the previous financial year. Pursuant to introduction of GST from 01st July' 2017 Input Tax Credit of Rs. 10102.78 lakhs, which includes transitional credit of Rs. 1349.42 lakhs has been claimed by the company on capital expenditure incurred in previous year.

Expenditure for current financial year is exclusive of eligible taxes for which input tax credit is availed.

RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2018

5. Intangible Assets

(Rupees in lakhs)

	Computer Software	Total
As at 31st March 2017		
Gross carrying amount		
Balance as at the beginning of the year	5.18	5.18
Additions	11.01	11.01
Disposals	-	-
Closing gross carrying amount	16.19	16.19
Accumulated amortisation		
Balance as at the beginning of the year	0.22	0.22
Amortisation charge	2.21	2.21
Disposals	-	-
Closing accumulated amortisation	2.43	2.43
Net carrying amount	13.76	13.76
As at 31st March 2018		
Gross carrying amount		
Opening gross carrying amount	16.19	16.19
Additions	-	-
Disposals	-	-
Closing gross carrying amount	16.19	16.19

5. Intangible Assets Contd.

(Rupees in lakhs)

Accumulated amortisation		
Balance as at the beginning of the year	2.43	2.43
Amortisation charge	3.40	3.40
Disposals	-	-
Closing accumulated depreciation	5.83	5.83
Net carrying amount	10.36	10.36

6. Loans

	31-Mar-18		31-Mar-17	
	Current	Non-current	Current	Non-current
Security deposits	20.97	48.35	0.44	61.46
Total	20.97	48.35	0.44	61.46

7. Other financial assets

Government grant receivable#	-	622.38	-	-
Insurance claim recoverable	4.20	-	-	-
Total	4.20	622.38	-	-

The Company has paid stamp duty of Rs. 745.29 lakhs on registration of Leasehold land. As a part of incentive, the Government of Telangana vide letter No 1158/1E Sugar & IFR/2015-01, dated 11th February, 2016 has extended fiscal incentives and company is eligible to claim 100% reimbursement of Stamp duty for registration of leasehold land after commencement of commercial production. Accordingly, the present value as on 31st March'2018 of the amount recoverable from the state government has been recognised as a government grant receivable.

8. Current Investments

(Rupees in lakhs)

	31-Mar-18	31-Mar-17
Investment in mutual funds (Mandatorily measured at FVTPL)		
Unquoted		
Nil units (Previous year : 104.518) in SBI premier liquid fund	-	1.05
5.924 units (Previous year : Nil) in SBI magnum insta cash fund	0.10	-
Total	0.10	1.05
Aggregate amount of unquoted investment	0.10	1.05
Aggregate amount of impairment in the value of the investment	-	-



9. Cash and cash equivalents

(Rupees in lakhs)

	31-Mar-18	31-Mar-17
Balances with banks		
- in current accounts	277.09	1.69
Total	277.09	1.69

10. Other Bank Balances

Term Deposits having original maturity over 3 months and less than 12 months {including interest accrued Rs. 6.81 Lakh, (Previous year Rs. 98.12 lakh) } under lien for letter of credits.

Total

	986.81	2,598.12
Total	986.81	2,598.12

11. Current tax assets (net)

Opening balance
Add: Tax deducted during the year

Total

	13.35	-
	25.79	13.35
Total	39.14	13.35

12. Other non-current assets

Capital advances #
Prepaid Expenses *
Duties & Taxes (Input Credit)

Total

	30,874.10	5,308.18
	446.61	645.04
	10,102.78	-
Total	41,423.49	5,953.22

Against Bank Guarantees / Dispatch documents, as per terms of Contracts / Purchase orders.

* includes transitional credit of Rs 22.59 lakhs claimed as Input tax credit in the current financial year being eligible taxes paid in the previous financial year.

13. Other current assets

Advance to vendors**
Other recoverable
Prepaid Expenses

Total

	-	13.27
	-	0.06
	252.70	126.26
Total	252.70	139.59

** includes transitional credit of Rs 1.54 lakhs claimed as Input tax credit in the current financial year being eligible taxes paid in the previous financial year.

14. Equity share capital

(Rupees in lakhs)

**Authorised equity share capital
(Par value per share - Rs. 10)**

As at 1st April 2016

Increase during the year

	Number of shares	Amount
As at 1st April 2016	1,50,00,00,000	1,50,000.00
Increase during the year	-	-

14. Equity share capital Contd.

	(Rupees in lakhs)	
As at 31st March 2017	1,50,00,00,000	1,50,000.00
Increase during the year	-	-
As at 31st March 2018	1,50,00,00,000	1,50,000.00
(i) Movements in equity share capital	Number of shares	Equity share capital (par value)
Issued, Subscribed & Paid-up equity share capital (Par value per share - Rs. 10)		
As at 1st April 2016	3,08,90,008	3,089.00
Increase during the year	22,00,00,000	22,000.00
As at 31st March 2017	25,08,90,008	25,089.00
Add: Shares Issued during the year - For Cash	25,87,10,000	25,871.00
Add: Shares Issued during the year - For Consideration other than cash #	9,25,16,291	9,251.63
As at 31st March 2018	60,21,16,299	60,211.63

(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

	31-Mar-17	
	Number of shares	% holding
National Fertilizers Limited	12,54,40,002	50.00%
Engineers India Limited	12,54,40,002	50.00%
	31-Mar-18	
	Number of shares	% holding
National Fertilizers Limited	21,86,90,002	36.32%
Engineers India Limited	21,86,90,002	36.32%
State Government of Telangana	7,22,10,000	11.99%
The Fertilizer Corporation of India Limited	9,25,26,291	15.37%

(iv) Shares reserved for issue under contract

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



सामागुण्डम फर्टिलाइजर्स एण्ड केमिकल्स लिमिटेड

- National Fertilizers Limited (NFL) : 26%
- Engineers India Limited (EIL) : 26%
- The Fertilizer Corporation of India Limited (FCIL) : 11%
- State Government of Telangana : 11%
- Others : 26% (untied as on 31st March,2018)

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.

The Company entered into Concession Agreement with FCIL on 23rd March 2016 towards award of rights 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. Shareholding of 11% to FCIL is in consideration of FCIL granting concession rights in the land, opportunity cost and value of the useable assets at Ramagundam to the Company. However, pending compliance of conditions precedent of the Concession agreement, no shares were allotted to the FCIL in the previous year.

During the year, all the conditions precedent to the concession agreement has been completed. Pursuant to which, the Company has received rights in leasehold land and certain other assets from the Fertilizer Corporation of India. As per terms of the concession agreement, the Company shall be issuing equity shares equal to 11% of the total equity portion of the capital expenditure of the project at the time of commencement of commercial production (presently Rs. 14,449.27 lakhs) in a phased manner. The Company has allotted 9,25,16,291 share (Rs.9251.63 lakhs) against leasehold land and other assets received. Remaining shares shall be issued to FCIL in a phased manner, in proportion to contribution to be received from NFL and EIL in future.

(Rupees in lakhs)

Other Equity

15.a Reserves and surplus

Retained earnings

	31-Mar-18	31-Mar-17
Opening balance	(393.10)	(321.06)
Add: Net profit / (loss) for the year	(3.56)	(48.46)
Less: Share issue expenses	(44.21)	(23.58)
Closing balance	(440.87)	(393.10)

15.b Share application money pending allotment

	31-Mar-18	31-Mar-17
Opening balance	5,600.00	1,800.00
Add: Share application money received during the year	20,271.00	25,800.00
Less: Share allotted during the year	25,871.00	22,000.00
Closing balance	-	5,600.00

Financial liabilities

16. Non-current borrowings

(Rupees in lakhs)

Secured	31-Mar-18	31-Mar-17
Term Loan		
From Banks		
Rupree Loan	1,10,451.92	-
(Net of unamortised transaction cost of Rs. 163.27 lakhs)		
Total	1,10,451.92	-

Note:

- a. Rupee Term loan of Rs. 3,94,071 Lakhs has been sanctioned from Consortium of Banks with SBI as lead bank as detailed below :

Bank Name	Loan (Rs. In Lakh)	Interest Rate *
1. State Bank of India	1,70,000.00	MCLR+0.44%
2. Union Bank of India	1,50,000.00	MCLR+0.15%
3. Vijaya Bank	25,000.00	MCLR+0.20%
4. Bank of India	16,357.00	MCLR+0.30%
5. Dena Bank	16,357.00	MCLR+0.10%
6. Oriental Bank of Commerce	16,357.00	MCLR+0.10%
Total	3,94,071.00	

* Chargable interest rate is linked to yearly MCLR with reset on 1st April every year. During current financial year applicable weighted average rate of interest was 8.54% p.a.

Note:

- b. **Terms of repayment of Term loan**

Term loan is repayable in 42 quarterly instalments after a moratorium period of one year from the schedule commercial production date of 31st March' 2019. The details of repayment schedule is given below-

Financial Year	No of Quarter	Repayment %	Interest Rate *
31-Mar-21	4	8.00%	31,525.68
31-Mar-22	4	8.00%	31,525.68
31-Mar-23	4	8.50%	33,496.04
31-Mar-24	4	9.00%	35,466.39
31-Mar-25	4	9.25%	36,451.56
31-Mar-26	4	9.75%	38,421.92
31-Mar-27	4	10.25%	40,392.28
31-Mar-28	4	10.25%	40,392.28
31-Mar-29	4	10.50%	41,377.46



b. Terms of repayment of Term loan contd.

31-Mar-30	4	11.00%	43,347.81
31-Mar-31	2	5.50%	21,673.90
Total	42	100%	3,94,071.00

c. Security - Rupee term loan is secured by-

- (a) a first charge on all the Borrower's Fixed Assets (immovable and movable) except the land underlying the Project Site, both present and future (except current assets where the Working Capital Lenders will have the first charge);
- (b) a first pari passu charge on the land underlying the Project to the extent permitted under the Concession Agreement;
- (c) assignment of all Material Project Contracts to the extent assignable,;
- (d) a first pari passu charge on the Trust and Retention Account, (except on Debt Service Reserve Account);
- (e) a first pari passu charge on Debt Service Reserve Account; and
- (f) a second charge on current assets, intangibles, goodwill, uncalled capital of the Borrower, both present and future

The carrying amounts of financial and non financial assets pledged security are as disclosed in note (e) below

d. Net debt reconciliation -

(Rupees in lakhs)

	31-Mar-18	31-Mar-17
Cash and cash equivalents	277.09	-
Current investments	0.10	-
Non current borrowings	(1,10,451.92)	-
Net Debt	(1,10,174.73)	-

	Current Investment	Cash and bank	Non-Current borrowings	Total
Net debt as on 01st April 2017	1.05	1.69	-	2.74
Cash flows	(0.95)	275.40	1,10,451.92)	(1,10,177.47)
Interest expenses	-	-	(3,142.35)	(3,142.35)
Interest paid	-	-	3,142.35	3,142.35
Net debt as on 31st March 2018	0.10	277.09	(1,10,451.92)	(1,10,174.73)

e. Assets pledged as security -

(Rupees in lakhs)

	A	B	(A+B)	31-Mar-18	31-Mar-17
Current assets pledged as security	A			594.20	-
Non Current assets pledged as security		B		1,91,915.42	-
Total	(A+B)			1,92,509.62	-

Financial liabilities (Non current)

(Rupees in lakhs)

17. Deferred government grant

	31-Mar-18	31-Mar-17
Opening balance	-	-
Grant recognised during the year #	596.54	-
Less: Grant income recognised in profit & loss statement	2.90	-
Total	593.64	-

The Company has paid stamp duty of Rs. 745.29 lakhs on registration of Leasehold land. As a part of incentive, the Government of Telangana vide letter No 1158/1E Sugar & IFR/2015-01, dated 11th February, 2016 has extended fiscal incentives and company is eligible to claim 100% reimbursement of Stamp duty for registration of leasehold land after commencement of commercial production. Accordingly, the present value as on date of payment of stamp duty has been recognised as a deferred government grant.

18. Other financial liabilities

Creditors for capital goods/services	16,513.13	3,421.86
Payable to FCIL for land and buildings (Refer note 3 and 14)	5,197.64	151.14
Deposits /Retention money from contractors and others	490.92	76.81
Total	22,203.69	3,649.81

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 31st March, 2017 and 2018. Further, there is no interest due/accrued/paid or payable to MSME parties during the year or in the previous year.

19. Current tax liabilities

	31-Mar-18	31-Mar-17
Opening balance	-	0.03
Add: Current tax payable for the year	-	-
Less: Taxes paid / Tax deducted at source	-	0.03
Total	-	-

20. Other current liabilities

Statutory dues payable	476.40	457.28
Advance from customers	0.02	-
Total	476.42	457.28



(Rupees in lakhs)

21. Other income

	31-Mar-18	31-Mar-17
Interest income - on financial assets measured at amortised cost	126.63	24.59
Dividend on investment in mutual funds measured at FVTPL	33.91	6.39
Interest income on government grant measured at amortised cost	25.84	-
Amortisation of government grant (refer note 17)	2.90	-
Scrap sale	2.45	-
Other Income	0.32	-
Total	192.05	30.98

22. Depreciation and amortisation expense

	31-Mar-18	31-Mar-17
Depreciation / amortisation of property, plant and equipment	527.62	69.25
Amortisation of intangible assets	3.40	2.21
	531.02	71.46
Less: Capitalised as part of CWIP (refer note 4)	(531.02)	(71.46)
Total	-	-

23. Other expenses

	31-Mar-18	31-Mar-17
Rent	5.00	6.87
Rates and taxes	9.89	9.92
Insurance	0.47	0.05
Auditors' remuneration:		
- Audit Fee	1.95	1.73
- Other Fee	0.51	0.30
- Out of pocket expenses	0.11	-
Printing and Stationery	3.48	0.41
Advertisement	1.60	0.06
Telephone and Postage	1.81	0.42
Bank Charges	11.58	0.97
Professional / consultancy fees	54.38	27.90
Legal fees	0.63	6.13
Manpower charges (Outsourced)	33.97	19.05
Hire charges computers	0.43	0.51
Recruitment expenses	33.04	-
Repair and maintenance - others	17.89	-
Electricity charges	1.33	0.75
Exchange rate variation	1.08	-

(Rupees in lakhs)

	31-Mar-18	31-Mar-17
23. <u>Other expenses contd.</u>		
Directors sitting fees	3.52	-
Miscellaneous expenses	12.94	4.37
Total	195.61	79.44
24. <u>Finance Cost</u>		
Interest and finance charges on borrowings	3,142.35	-
Other finance cost	57.26	-
	3,199.61	-
Less: Capitalised as part of CWIP (refer note 4)	(3,199.61)	-
Total	-	-
25. <u>Income tax expense</u>		
Current tax		
Current tax during the year	-	-
Adjustments for current tax of prior periods	-	-
Total	-	-
25.a <u>Reconciliation of tax expense and the accounting profit (loss) multiplied by tax rate:</u>		
Loss from continuing operations before income tax expense	(3.56)	(48.46)
Tax at the Indian tax rate of 25.75 % (Previous year 30.9%)	(0.92)	(14.97)
Tax effects of adjustments in calculating taxable income:		
Exempt income (Dividend)	(8.73)	(1.97)
Items for which no deferred tax recognised	9.65	16.94
Total	-	-
25.b <u>Deferred tax assets</u>		
The balance comprises temporary differences attributable to:		
Preliminary expenses	29.47	35.37
Carry forward losses under income tax	23.77	16.94
Total deferred tax assets	53.24	52.31
Total deferred tax liabilities	-	-
Net deferred tax assets	53.24	52.31

- Notes- 1. 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.
2. For computation of deferred tax assets (DTA) on preliminary expenses of Rs. 114.46 lakhs, tax rate considered @25.75% (Previous year tax rate @30.9%).
3. For DTA on carry forward losses of Rs. 92.32 lakhs (including for previous year Rs. 54.85 lakhs) tax rate considered @25.75% (Previous year tax rate @30.9%).

26. Earnings / (loss) per share

(Rupees in lakhs)

	Unit	31-Mar-18	31-Mar-17
a. Basic earnings / (loss) per share			
Basic earnings per share attributable to the equity holders of the Company	Rs. Per share	(0.00)	(0.04)
b. Diluted earnings / (loss) per share			
Diluted earnings per share attributable to the equity holders of the Company	Rs. Per share	(0.00)	(0.04)
c. Reconciliations of earnings used in calculating earnings per share			
Basic earnings per share	Rs. Per share	(0.00)	(0.04)
Profit attributable to equity holders of the company used in calculating basic earnings per share	Rs. In lakhs	(3.56)	(48.46)
Diluted earnings per share	Rs. Per share	(0.00)	(0.04)
Profit attributable to equity holders of the company used in calculating diluted earnings per share	Rs. In lakhs	(3.56)	(48.46)
d. Weighted average number of equity shares used as the denominator in calculating basic earnings per share	No of shares	51,40,89,156	13,62,10,282
Adjustments for calculation of diluted earnings per share:			
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	51,40,89,156	13,62,10,282

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

27. 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.
Market risk – interest rate	Long-term borrowings at variable interest rates	Sensitivity analysis	Management regularly monitors the prevailing market conditions to address the risk relating to interest rate.

(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. 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.

Financing arrangement: The company has access to undrawn rupee term loan of Rs. 2,83,456 lakhs (Previous year - Nil)

(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:

(Rupees in lakhs)

	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 & 2 years	Between 2 & 5 years	After 5 years	Total
March 31, 2018							
Non-derivatives							
Other financial liabilities	21,408.86	-	303.91	-	-	-	21,712.77
Deposits /Retention money	-	-	490.92	-	-	-	490.92
Borrowings	-	-	-	-	96,547.40	14,067.80	1,10,615.19
Total non-derivative liabilities	21,408.86	-	794.83	-	96,547.40	14,067.80	1,32,818.89
March 31, 2017							
Non-derivatives							
Other financial liabilities	3,573.00	-	-	-	-	-	3,573.00
Deposits /Retention money	-	-	76.81	-	-	-	76.81
Borrowings	-	-	-	-	-	-	-
Total non-derivative liabilities	3,573.00	-	76.81	-	-	-	3,649.81

(C) Market Risks

i) Foreign Currency Risk

The Company imports certain plant and machineries and other project items which are denominated in US dollars which exposes it to foreign currency risk. The Company monitors the foreign currency rates in the prevailing market to manage the risk relating to foreign exchange. The Company also has a hedging policy duly approved by the Board of Directors of the Company to hedge against the currency risk. However, the Company has not hedged any foreign currency risk as at the reporting dates. The Company's exposure to foreign currency risks at the end of the reporting period expressed in INR as follows:

	(Rupees in lakhs)	
	31-Mar-18	31-Mar-17
Financial liabilities		
- Creditors for Capital Goods	428.02	-

Sensitivity Analysis

As the Company is in construction stage, change in exchange rates shall have an impact on the cost of the project. Any increase or decrease in Foreign currency rates would have increased or decreased the project cost as below:

	Impact on Project Cost for the year 2017-18 (in lakhs)
Exchange rate: Increase by 1%*	4.28
Exchange rate decrease by 1%*	(4.28)

*holding all other variable constant

ii) Interest Rate Risk

The Company's interest rate risk arises from long-term borrowings with variable interest rates which expose the Company to cash flow interest rate risk. The Company monitors the Interest rates in the market and accordingly decides on managing the interest rate risk. The exposure of the Company's borrowings to interest rates at the end of reporting period is as follows:

	31-Mar-18	31-Mar-17
Variable Rate borrowings	1,10,451.92	-

Sensitivity Analysis

As the Company is in construction stage, change in interest rates shall have an impact on the cost of the project. Any increase or decrease in interest rates would have increased or decreased the project cost as below:

	Impact on Project Cost for the year 2017-18 (in lakhs)
Interest rate: Increase by 10 basis points*	(82.96)
Interest rate: decrease by 10 basis points*	82.96

*holding all other variable constant, considered for 9 month as 1st drawdown of loan happened in July'17.

28. 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 optimal capital structure.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt as per guidelines of Government of India.

The company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) (refer note 16(d))

divided by

Total 'equity' (as shown in the balance sheet).

The company's strategy is to maintain Debt Equity ratio within 3:1. The Debt Equity ratio is as follows:

(Rupees in lakhs)

	31-Mar-18	31-Mar-17
Net debt	(1,10,174.73)	-
Total Equity	59,770.76	30,295.90
Net debt to equity ratio (in times)	(1.84)	-

(b) Loan covenants

As per facility agreement, the Company is required to maintain following ratios (the "Financial Covenants") from the Financial year ended on 31st March,2021, and if there is adverse deviation by more than 20% from the level stipulated below in respect of any two of the following items default interest at the default rate shall be payable.

Total debt gearing of a maximum of 3:1,

Current ratio of 1.33:1,

Interest coverage ratio of 1.50,

DSCR of minimum of 1:25 and

Security margin of a minimum of 25%.

29. Fair value measurements

(Rupees in lakhs)

Financial instruments by category	31-Mar-18		31-Mar-17	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Current investments - Mutual funds	0.10	-	1.05	-
Cash and cash equivalents	-	277.09	-	1.69
Other bank balances	-	986.81	-	2,598.12
Security deposit	-	69.32	-	61.90
Government grant receivable	-	622.38	-	-
Other financial assets	-	4.20	-	-
Total	0.10	1,959.80	1.05	2,661.71
Financial liabilities				
Other payables	-	22,203.69	-	3,649.81
Borrowings	-	1,10,451.92	-	-
Total	-	1,32,655.61	-	3,649.81

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

Financial assets	31-Mar-18		31-Mar-17	
	Carrying amount	Fair value	Carrying amount	Fair value
Cash and cash equivalents	277.09	277.09	1.69	1.69
Other bank balances	986.81	986.81	2,598.12	2,598.12
Government grant recoverable	622.38	622.38	-	-
Security deposits	69.32	69.32	61.90	61.90
Other financial assets	4.20	4.20	-	-
Total financial assets	1,959.80	1,959.80	2,661.71	2,661.71
Financial Liabilities				
Other payables	22,203.69	22,203.69	3,649.81	3,649.81
Borrowings	1,10,451.92	1,10,451.92	-	-
Total financial liabilities	1,32,655.61	1,32,655.61	3,649.81	3,649.81

(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 table.

Assets and liabilities which are measured at amortised cost for which fair values are disclosed
(Rupees in lakhs)

31-Mar-18	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Cash and cash equivalents	9	-	-	277.09	277.09
Other bank balances	10	-	-	986.81	986.81
Security deposits	6	-	-	69.32	69.32
Government grant receivable	7	-	-	622.38	622.38
Other financial assets	7	-	-	4.20	4.20
Total		-	-	1,959.80	1,959.80
Financial Liabilities					
Borrowings	16	-	-	1,10,451.92	1,10,451.92
Others	18	-	-	22,203.69	22,203.69
Total		-	-	1,32,655.61	1,32,655.61
31-Mar-17					
	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Cash and cash equivalents	9	-	-	1.69	1.69
Other Bank Balances	10	-	-	2,598.12	2,598.12
Security deposits	6	-	-	61.90	61.90
Total		-	-	2,661.71	2,661.71
Financial Liabilities					
Others financial liabilities	18	-	-	3,649.81	3,649.81
Total		-	-	3,649.81	3,649.81

Financial Assets are measured at fair value - recurring fair value measurements-

31-Mar-18	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Current investments - Mutual funds	8	-	0.10	-	0.10
Total		-	0.10	-	0.10
31-Mar-17					
	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Current investments - Mutual funds	8	-	1.05	-	1.05
Total		-	1.05	-	1.05

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, bank balances and insurance claim receivables are considered to be the same as their fair values, due to their short-term nature.

The fair values for security deposits and government grant receivable has been 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.

30. Related party transactions

A) Nature of Relationship	Name of the Related Party
Promoter Venturers	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	1 Sh. Sanjay Gupta Chairman from 21.03.2017, ceased w.e.f. 01.11.2017
	2 Sh. Ajay Narayan Deshpande Director w.e.f. 17.02.2015 Chairman w.e.f. 01.11.2017, ceased w.e.f. 01.02.2018 as Director and Chairman
	3 Sh. Jagdish Chander Nakra Director w.e.f. 03.11.2017 Chairman w.e.f. 01.02.2018
	4 Sh. Lalit Kumar Vjrh Director w.e.f. 01.02.2018
	5 Ms. Kavitha Gotru Director from 22.11.2016, ceased w.e.f. 13.11.2017
	6 Sh. Niranjana Lal Sharma Director w.e.f. 13.11.2017
	7 Sh. Devinder Singh Ahuja Director w.e.f. 01.02.2017
	8 Sh. Rajiv Kumar Chandiook Director w.e.f. 28.02.2017



- 9 Sh. Rakesh Mohan Joshi
Director w.e.f 31.03.2017
- 10 Sh. Bharat Bhushan Goyal
Director w.e.f 31.03.2017
- 11 Sh. Vivek Malhotra
CEO w.e.f. 25.02.2015
- 12 Sh. Sunil Bhatia
CFO w.e.f. 25.02.2015
- 13 Sh. Navin K Mishra
Company Secretary w.e.f. 16.12.2015

C) Transactions with Related parties:

(Rupees in lakhs)

S. No	Particulars	Promoter Venturers					
		31-Mar-18			31-Mar-17		
		NFL	EIL	FCIL	NFL	EIL	FCIL
1	Promoters Venturers						
	Equity Share Capital	9,325.00	9,325.00	9,251.63	10,100.00	10,100.00	-
2	Share Application Money Pending Allotment	-	-	-	2,800.00	2,800.00	-
3	Fixed Assets acquired	-	-	14,298.13	-	-	151.14
4	EPCM Fee (Incl. Tax)	-	8,209.89	-	-	5,884.16	-
5	Other Expenses (Incl. Tax) including salary of CEO and CFO	560.33	431.74	0.56	341.97	419.73	-
6	Lease rent income*	-	-	0.00	-	-	-
7	Amount outstanding	47.66	736.72	5,197.80	-	520.75	151.14

*As per lease agreement with FCIL annual lease rent is Rs.1/- for office space provided to FCIL at Ramagundam, lease rent income for 2015-16, 2016-17 & 2017-18 is recognised during the year on signing of lease deed on 14th August' 2017 with effective date from 25th September' 2015.

S. No	Particulars	31-Mar-18	31-Mar-17
Key Management Personnel		Remuneration	
1	Sh. Vivek Kumar Malhotra - CEO	48.60	39.25
2	Sh. Sunil Bhatia - CFO	33.22	23.84
3	Sh. Navin K Mishra - CS	8.93	6.28

S. No	Particulars	31-Mar-18	31-Mar-17
Independent director's		Director sitting fees	
1	Sh. Rakesh Mohan Joshi	1.30	-
2	Sh. Bharat Bhushan Goyal	1.70	-

31. 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. 106.81 lakhs (Previous Period Rs. 119.77 lakhs) including impact of security deposit on rent Rs. 3.73 lakhs (previous year Rs. 3.73 lakhs) are shown in Rent. Lease payments in respect of Vehicle Rs. 10.16 lakhs (Previous Period Rs. 7.11 lakhs) are shown in Hire charges vehicles (grouped under Travelling & Conveyance).

32. Employee benefits expense

The 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.

33. Contingent liabilities

Claims against the Company not acknowledged as debts: Rs. Nil (31 March, 2017 Rs. Nil)

34. Capital commitments

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

	(Rupees in lakhs)	
	31-Mar-18	31-Mar-17
Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances).	2,12,332.00	2,72,853.00
Total	2,12,332.00	2,72,853.00

35. Standards Issued but not yet effective

In March, 2018, the Ministry of Corporate affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying following amendments:

- Ind AS 115 "Revenue from contracts with customers" and related amendment in other IND-AS.
- Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21, The Effects of Changes in Foreign Exchange Rates.
- Amendment to Ind AS 40, Investment Property clarifying when assets are transferred to, or from, investment properties.
- Amendments to Ind AS 12 Income Taxes.
- Amendments to Ind AS 28, Investments in Associates and Joint Ventures and Ind AS 112, Disclosure of Interests in Other Entities.

These amendments are applicable from April 1, 2018. However, these amendments does not have any impact on financial statements of the company.

Previous year figures have been regrouped / rearranged to make them comparative with current financial year.



रामगुण्डम फर्टिलाइजर्स एण्ड केमिकल्स लिमिटेड

RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

(CIN NO: - U24100DL2015PLC276753)

NOTICE OF 3rd ANNUAL GENERAL MEETING

NOTICE is hereby given that the 3rd (Third) Annual General Meeting of the Members of Ramagundam Fertilizers and Chemicals Limited will be held on Friday the 14th day of September, 2018 at 4:30 p.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, 2017 to 31st March, 2018 and the Reports of Directors and Auditors thereon.
2. To appoint a director in place of Shri Rajiv Kumar Chandiook (DIN: 5146544), who retires by rotation and being eligible, offers himself for re- appointment.
3. To appoint a director in place of Shri Devinder Singh Ahuja (DIN: 7687173), who retires by rotation and being eligible, offers himself for re- appointment.
4. To fix remuneration of Auditors for the financial year 2018-19 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 2018-19.”

SPECIAL BUSINESS:

5. To appoint Shri Jagdish Chander Nakra (DIN 7676468) 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 Jagdish Chander Nakra (DIN 7676468) who was appointed as an Additional Director w.e.f. 21-03-2017 and Chairman by the Board of Directors w.e.f. 1-02-2018 be and is hereby appointed as Director and Chairman of the Company, liable to retire by rotation.”

6. To appoint Shri Lalit Kumar Vijh (DIN 07261231) 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 Lalit Kumar Vijh (DIN 07261231) who was appointed as an Additional Director w.e.f. 1-02-2018 be and is hereby appointed as Director of the Company, liable to retire by rotation.”

7. To appoint Shri Niranjan Lal (DIN 07965269) 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 Niranjana Lal (DIN 07965269) who was appointed as an Additional Director w.e.f. 23-11-2017 be and is hereby appointed as Director of the Company, liable to retire by rotation.”

By order of the Board

**(Navin Kumar Mishra)
Company Secretary**

Place : New Delhi

Date : 21st August, 2018

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

1. All the Directors of Ramagundam Fertilizers and Chemicals Limited, and
2. M/s A.N.Garg & Co. Independent Auditors,
3. M/s Pranav Kumar & Associates, 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. 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.
3. 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.
4. 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.
5. 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.
6. 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.
7. Route map is being sent separately (loose leaf).



सामान्यतः फर्टिलाइजर्स एण्ड केमिकल्स लिमिटेड

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

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

Shri Jagdish Chander Nakra, aged around 57 years, Chairman of the Company, serves in the capacity of Non-executive, non-independent Director.

Shri J.C. Nakra is also the Chairman & Managing Director of Engineers India Limited (EIL). He is also holding additional charge of the post of Director (Projects) & Director (Finance) in EIL.

In a career spanning over 36 years, Shri Nakra has worked in a wide array of domains including Projects, Construction & Marketing. He joined EIL in 1983 in Construction Division (Offshore). Subsequently, he served in various capacities in Marketing and Project Divisions. Sh. Nakra has steered the Marketing initiatives of EIL for business development in India and abroad and has also led Project teams for implementation of major projects.

A Mechanical Engineering Graduate from Punjab Engineering College, Chandigarh (1981 Batch), Shri Nakra also possesses a Post-Graduate Diploma in Management Studies from Jamnalal Bajaj Institute of Management Studies, Mumbai.

He is drawing no remuneration or sitting fees from the Company. He holds one share 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 his intention to propose the appointment of Shri Nakra as Director & Chairman on the Board of the Company, and if appointed he shall be liable to retire by rotation.

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

The Board recommends his appointment as Director for approval by the shareholders of the Company and also as the Chairman.

Since the appointment is recommended by the Board, Deposit of Rs. 1,00,000 is not required in terms of amended provisions of the Companies Act, 2013.

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

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

Shri Lalit Kumar Vijn, aged around 58 years, serves in the capacity of Non-executive, non-independent Director of the Company.

Shri Vijn is also the Director (Technical) of Engineers India Limited (EIL). In a career spanning over 36 years, Shri Vijn has a wide spectrum of experience in areas of process design, technology development and its commercialization, plant operation & process safety and other specialist design and engineering services across the entire hydrocarbon value chain. Having joined EIL in 1982 in Process Design Division, he has been associated with many green and brown field projects. Shri Vijn is a B. Tech. in Chemical Engineering from Punjab University, Chandigarh (1981 batch).

He is drawing no remuneration or sitting fees from the Company. He does not hold any share 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 his intention to propose the appointment of Shri Vijn as Director on the Board of the Company, and if appointed he shall be liable to retire by rotation.

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

The Board recommends his appointment as a Director for approval by the shareholders of the Company.

Since the appointment is recommended by the Board, Deposit of Rs. 1,00,000 is not required in terms of amended provisions of the Companies Act, 2013.

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

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

Shri Niranjn Lal aged 51 years, serves in the capacity of Non-executive, non-independent Director of the Company.

Shri Lal is a 1998 batch IOFS officer and has been serving as Director (PSU) in the Department of Fertilizers. He is also on the Board of several Companies as a Government Nominee.

FCIL vide letter no FCIL/CO/Revival dated 11th October, 2017 nominated Shri Niranjn Lal as the Director of Ramagundam Fertilizers and Chemicals Limited in terms of Joint Venture Agreement between EIL, NFL and FCIL read with Articles of Association of the Company. Accordingly, Board appointed him w.e.f 23rd November,2017 as an Additional Director 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.

Being a Central Government Officer, he has to his credit various significant and important assignments during his career.

He is drawing no remuneration or sitting fees from the Company. He does not hold any share 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 his intention to propose the appointment of Shri Lal as Director on the Board of the Company, and if appointed he shall be liable to retire by rotation.

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

The Board recommends his appointment as a Director for approval by the shareholders of the Company.

Since the appointment is recommended by the Board, Deposit of Rs. 1,00,000 is not required in terms of amended provisions of the Companies Act, 2013.

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

Place : New Delhi

Date : 21st August, 2018

**By order of the Board
(Navin Kumar Mishra)
Company Secretary**



रामगण्डम फर्टिलाइजर्स एण्ड केमिकल्स लिमिटेड

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 FERTILZERS AND 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 3rd Annual General Meeting of the Company, to be held on Friday the 14th September, 2018 at 4:30 P.M. at the Registered Office of the Company at Scope Complex, Core-III, 7, Institutional Area, Lodhi Road, New Delhi – 110003 and at any adjournment thereof:

- Name : _____ Address : _____
E-mail Id : _____ Signature : _____ or failing him
- Name : _____ Address : _____
E-mail Id : _____ Signature : _____ or failing him
- 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		

Signed this day of 2018.

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

RAMAGNDAM 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 an 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 **3rd ANNUAL GENERAL MEETING of RAMAGUNDAM FERTILIZRS AND CHEMICALS LIMITED** at Scope Complex, Core-III, 7, Institutional Area, Lodhi Road, New Delhi – 110003, at 4:30 P.M. on Friday, the 14th September, 2018:-

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