

ANNUAL REPORT 2021 - 2022



रामागुण्डम फर्टिलाइजर्स एण्ड केमिकल्स लिमिटेड

Ramagundam Fertilizers and Chemicals Limited



Board of Directors and Senior Management



Shri Nirlep Singh Rai
Chairman



Shri K.K. Chatiwal
Director



Shri Alok Verma
Director



Shri Jayesh Ranjan
Director



Shri Sanjeev Kumar Handa
Director



Shri Ashok Kumar Kalra
Director



Dr. Kanika Tandon Bhal
Independent Director



Shri Hira Nand
Director



Smt. Geeta Mishra
Director



Shri Atul Kumar Jain
CEO



Shri Inder Chawla
CFO

Shri Yash Paul Bhola
Director
Upto 31st December, 2021

Shri Niranjan Lal Sharma
Director
Upto 28th July, 2022



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Ramagundam Fertilizers and Chemicals Limited

CORPORATE INFORMATION

Management Team

Shri A. K. Jain
Chief Executive Officer

Shri Inder Chawla
Chief Financial Officer

Shri Lalit Mohan Pandey
IRSME Chief Vigilance Officer

Ms Jaya Dikshit
ED(HR)

Shri A.K. Maheshwari
CGM (Project)

Shri S.K. Jha
GM (Projects)
In charge RFCL-site

Ms Pratibha Aggarwal
Company Secretary

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

Corporate Office : 4th Floor, Wing-A, Kribhco Bhawan, Sector-1, Noida - 201301

Project office : Fertilizers City, RFCL Plant, Ramagundam, Peddapalli Telangana - 505210

Statutory Auditors (2021-22)

M/s Lunawat & Co.
Chartered Accountants
109, Magnum House-Karampura Complex
New Delhi-110015

Secretarial Auditors

M/s Parveen Rastogi & Co.
Practicing Company Secretary
CS-54, 55, 1st Floor
Ansal Plaza, Vaishali
Ghaziabad-201010

Internal Auditors (2021-22)

M/s Dhawan & Co.
Chartered Accountants
312, Wegman House, 21,
Veer Savarkar Block, Laxmi Nagar,
Delhi-110092

Registrar and Share Transfer Agent (RTA)

M/s NSDL Database Management Limited
4th Floor, Trade World, A Wing,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai-400013

Bankers

1. State Bank of India
2. Union Bank of India
3. Bank of India
4. Bank of Baroda
(on merger of Vijaya Bank and Dena Bank)
5. Punjab National Bank
(on merger of Oriental Bank of Commerce)
6. IndusInd Bank Ltd.



Chairman's Statement



Shri Nirlep Singh Rai
Chairman

Dear Shareholders,

I warmly welcome each one of you to the 7th Annual General Meeting of your Company. It gives me an immense pleasure to share with you the overall performance of your Company during the year 2021-22.

It is really appreciable that your Company is emerging stronger and healthier and is scaling new heights. I do have full faith in our team work and dedication. We are moving towards a bright and prosperous future.

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 during the year under review, post declaration of Commercial Operations on 22nd March, 2021, considerable improvement in RFCL plant operations were made and major technical issues were resolved. RFCL has achieved a major milestone of achieving 100% plant load of Ammonia and Urea on 25th April, 2022. With this Plant is poised to produce 12.70 Lakh MT urea annually. The achievement of this milestone is a great step towards Atma Nirbhar Bharat.

During the year total 389180.95 MT urea and 256500.253 MT of Ammonia was produced.

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 2021-22.

Economic Scenario and Fertilizer Industry

GDP at Constant Prices (2011-12) for 2021-22 was estimated at Rs. 147.36 lakh crore as against 1st revised estimate for the year 2020-21 at Rs. 135.58 lakh crore. The increase in GDP during 2021-22 is estimated at 8.7% compared to the negative growth of 6.6% in 2020-21.

As per the third advance estimates released by the Department of Agriculture and Farmers Welfare under Ministry of Agriculture and Farmers Welfare, food grain production during 2021-22 is estimated at 3145 LMT in 2021-22 as against 3107 LMT in 2020-21 registering a growth of 1.2%.

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 the requirement of urea and its availability in the Country as evident from import of large quantities of urea in the last few years.



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In 2021-22, the overall urea production increased by 1.9% from 246.03 LMT in 2020-21 to 250.76 LMT in 2021-22. However, urea consumption/ sales declined by 2.5% from 350.43 LMT in 2020-21 to 341.80 LMT in 2021-22. During 2021-22, the demand supply gap of urea was 91.04 LMT. The gap shall get bridged in coming years by commencement of production from new capacities being created.

The demand for urea in Andhra Pradesh / Telangana has increased to 31.94 LMT in 2021-22 against 17.52 LMT in 2004-05. Moreover, there are no mega capacity fertilizer plants in the Southern Region except urea plant of Nagarjuna Fertilizers and Chemicals Limited at Kakinada. Due to the large gap between demand and supply, major quantity of urea produced from RFCL plant at Telangana is being marketed and consumed within the Southern zone itself.

Corporate Governance

The philosophy of your Company on Corporate Governance is to ensure transparency, disclosures and reporting that conforms fully with the laws and regulations of the Country in order to promote ethical conduct & practices throughout the organization for enhancing stakeholder's value

Manpower

In 2021-22, regular personnel continued to join your Company. There were 290 no. of regular employees on the payroll of the Company as on 31st March 2022, besides expert manpower from NFL & EIL continue for stabilization of Plant operations and streamlining of processes of the Company.

Your Company takes pride in considering its Human Resource as its most important assets. Your Company is making sustained efforts for the development of its manpower and recruiting highly motivated and competent Human Resource that contribute their best towards success of the Company. Employees' participation in Management is an essential ingredient of industrial democracy.

Acknowledgement

On behalf of the Board of Directors, I extend sincere gratitude to our esteemed Shareholders for their unwavering support and to Department of Fertilizers, Ministry of Petroleum & Natural Gas and 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 in achieving commercial operations of the Company and to further improve capacity utilization.

Before I conclude, I sincerely thank and laud my colleagues on the Board of Directors for their valuable guidance and support in running the affairs of the Company.

With the trust and confidence shown by all of you, we are looking forward to continue our journey in a manner that develops trust and enhances the long term value for all stakeholders.

With best regards,

For and on behalf of the Board

**Sd/-
(Nirlep Singh Rai)
Chairman
DIN: 08725698**

Place : Noida

Date: 3rd August, 2022



Visit of
Ms. Neeraja Adidam,
Joint Secretary
Department of Fertilizers
at Ramagundam Plant

Visit of
Ms. Neeraja Adidam,
Joint Secretary
Department of Fertilizers
at Ramagundam Plant



Observance of
VAW-2021
at RFCL CO Noida

CEO, RFCL
conferred with title CEO
with HR orientation
by World HRD congress





रामगुण्डम फर्टिलाइजर्स एंड केमिकल्स लिमिटेड

C O N T E N T S

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BOARD'S REPORT

To The Shareholders Ramagundam Fertilizers and Chemicals Limited

Dear Members,

Your Directors have immense pleasure in presenting the 7th Annual Report for the financial year ended 31st March, 2022 along with Audited Statement of Accounts and the Auditors' Report.

Company Overview

Your Company has been incorporated as a Joint Venture Company promoted by National Fertilizers Limited (NFL), Engineers India Limited (EIL) and Fertilizer Corporation of India Limited (FCIL), for setting up State of the Art Gas based Ammonia-Urea Plant at Ramagundam, Peddapalli district in the State of Telangana, with capacity of 2200 MTPD Ammonia and 3850 MTPD Urea. Post declaration of Commercial Operations on 22nd March, 2021, during the year under review, considerable improvement in RFCL plant operations were made and major chronic issues were resolved. RFCL has achieved a major milestone of achieving 100% plant load of Ammonia and Urea on 25th April, 2022. With this Plant is poised to produce 12.70 Lakh MT urea annually. The achievement of this milestone is a great step towards Atma Nirbhar Bharat.

During the year total 389180.95 MT urea and 256500.253 MT of Ammonia was produced.

Financial Summary and Highlights

The financial statements for FY 2021-22 have been prepared in accordance with Indian Accounting Standards (IndAS) notified under Section 133 of the Companies Act, 2013.

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:-

(Figures in ₹ Lakhs)

| Sl No. | Particulars | Financial Year 2021-22 | Financial Year 2020-21 |
|--------------------|---------------------------|------------------------|------------------------|
| Income | | | |
| 1 | Revenue from operations | 152,763.03 | - |
| 2 | Other Income | 2,621.58 | 1,042.01 |
| A | Total Income | 155,384.60 | 1,042.01 |
| Expenditure | | | |
| 1 | Cost of material consumed | 110,475.32 | - |
| 2 | Change in inventories | (10,870.87) | - |
| 3 | Employee benefits expense | 3,076.85 | 135.59 |
| 4 | Power and Fuel | 76,245.82 | 630.60 |
| 5 | Freight and Handling | 4,143.06 | - |



| | | | |
|---|---|---------------------|-------------------|
| 6 | Repair and Maintenance | 874.08 | 0.81 |
| 7 | Depreciation and Amortisation | 28,767.12 | 695.90 |
| 8 | Other expenses | 10,114.03 | 4,745.13 |
| 9 | Finance Costs | 36,351.75 | 789.90 |
| B | Total Expenses | 259,177.15 | 6,997.93 |
| C | Profit/ (Loss) Before Tax (A-B) | (103,792.55) | (5,955.92) |
| D | Income Tax expense: Deferred tax | (27,815.74) | (1,257.93) |
| E | Profit (Loss) for the year | (75,976.81) | (4,697.99) |
| F | Other Comprehensive Income for the year, net of Tax | 40.30 | (0.16) |
| G | Total Comprehensive Income for the year | (75,936.50) | (4,698.15) |
| H | Reserves & Surplus | (87,463.17) | (11,525.71) |
| I | Earnings/ (Loss) per equity share of ₹ 10 each | (4.16) | (0.29) |

Dividend

In view of loss incurred by the Company during Financial Year 2021-22, the Board of Directors has not recommended any dividend.

Reserve

During the year under review, your Company has not transferred any amount to reserve.

Economic Outlook

GDP at Constant Prices (2011-12) for 2021-22 was estimated at Rs. 147.36 lakh crore as against 1st revised estimate for the year 2020-21 at Rs. 135.58 lakh crore. The increase in GDP during 2021-22 is estimated at 8.7% compared to the negative growth of 6.6% in 2020-21.

As per the third advance estimates released by the Department of Agriculture and Farmers Welfare under Ministry of Agriculture and Farmers Welfare, food grain production during 2021-22 is estimated at 3145 LMT in 2021-22 as against 3107 LMT in 2020-21 registering a growth of 1.2%.

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 the requirement of urea and its availability in the Country as evident from import of large quantities of urea in the last few years.

In 2021-22, the overall urea production increased by 1.9% from 246.03 LMT in 2020-21 to 250.76 LMT in 2021-22. However, urea consumption/ sales declined by 2.5% from 350.43 LMT in 2020-21 to 341.80 LMT in 2021-22. During 2021-22, the demand supply gap of urea was 91.04 LMT. The gap shall get bridged in coming years by commencement of production from new capacities being created.



The demand for urea in Andhra Pradesh / Telangana has increased to 31.94 LMT in 2021-22 against 17.52 LMT in 2004-05. Moreover, there are no mega capacity fertilizer plants in the Southern Region except urea plant of Nagarjuna Fertilizers and Chemicals Limited at Kakinada. Due to the large gap between demand and supply, major quantity of urea produced from RFCL plant at Telangana will be marketed and consumed within the Southern zone itself.

Share Capital

Issued Share Capital of the Company as on 31st March 2022 was ₹ 1881.32 crore. Paid up Share Capital of the Company increased from ₹ 1676.30 crore as on 31st March 2021 to ₹ 1836.37 crore as on 31st March 2022. Details of Share Capital allotted during the financial year 2021-22 is given below:

| S. No. | Name of Shareholders | Category | Total number equity shares on 31 st March, 2021 | Allotments made during the F.Y. 2021-22 | | | Total number equity shares on 31 st March, 2022 | % of share-holding |
|--------|--|--------------|--|--|--|---|--|--------------------|
| | | | | Allotment on 13 th April, 2021 @ ₹ 10 per Share | Allotment on 30 th April, 2021 @ ₹ 10 per share | Allotment on 24 th December, 2021 @ ₹ 10 per share | | |
| 1 | National Fertilizers Limited | Promoter | 447,628,200 | NIL | 43,834,200 | NIL | 491,462,400 | 26.76 |
| 2 | Engineers India Limited Limited | | 447,628,200 | 43,834,200 | NIL | NIL | 491,462,400 | 26.76 |
| 3 | Fertilizer Corporation of India Limited * | | 189,392,700 | 18,543,700 | NIL | NIL | 207,936,400 | 11.32 |
| 4 | State Government of Telangana (SGOT) | Non-Promoter | 144,047,402 | NIL | NIL | 10,000,000 | 154,047,402 | 8.39 |
| 5 | GAIL (India) Limited | | 246,190,510 | 24,113,810 | NIL | NIL | 270,304,320 | 14.72 |
| 6 | HT Ramagundam A/S | | 67,139,230 | 6,580,130 | NIL | NIL | 73,719,360 | 4.01 |
| 7 | The Investment Fund For Developing Countries | | 67,139,230 | 6,580,130 | NIL | NIL | 73,719,360 | 4.01 |
| 8 | Danish Agribusiness Fund I K S | | 67,139,230 | 6,580,130 | NIL | NIL | 73,719,360 | 4.01 |
| | Total | | 1,676,304,702 | 106,232,100 | 43,834,200 | 10,000,000 | 1,836,371,002 | 100 |

*Shares were allotted on Rights basis, for consideration other than cash and thus the report of Registered valuer was not required.

There is no Share subscription money pending allotment at the end of FY 2021-22.



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The shareholding of the Company, as on 31st March, 2022 and as on date is as below:

| Sr. No. | Name of Shareholder | Shareholding as on 31 st March, 2022 (in ₹) |
|--------------|--|--|
| 1. | National Fertilizers Limited | 4,914,624,000 |
| 2. | Engineers India Limited | 4,914,624,000 |
| 3. | Fertilizer Corporation of India Limited | 2,079,364,000 |
| 4. | State Government of Telangana | 1,540,474,020 |
| 5. | GAIL (India) Limited | 2,703,043,200 |
| 6. | HT Ramagundam A/S | 737,193,600 |
| 7. | Investment Fund for developing Countries | 737,193,600 |
| 8. | Danish Agribusiness Fund I K/S | 737,193,600 |
| Total | | 18,363,710,020 |

The Issued and paid up Share Capital of the Company as on date remained same at ₹ 1881.32 crore and ₹ 1836.37 crore respectively. The entire Share Capital of the Company as on date is in dematerialized form.

Credit Rating

Indian Ratings and Research Pvt. Ltd., a Fitch Group Company has revised RFCL's Outlook to Negative from Stable while affirming the Long- Term Issuer rating at 'INDA+'.

Board of Directors

1. Composition of the Board as on 31st March, 2022 is as follows: -

| DIN | Name | Designation |
|----------|-----------------------------|---|
| 08725698 | Shri Nirlep Singh Rai | Non-executive and Non-independent Director (Chairman) |
| 07965269 | Shri Niranjan Lal Sharma | Non-executive and Non-independent Director |
| 07579789 | Shri Alok Verma | Non-executive and Non-independent Director |
| 08234672 | Shri Kamal Kishore Chatiwal | Non-executive and Non-independent Director |
| 00003692 | Shri Jayesh Ranjan | Non-executive and Non-independent Director |
| 07223761 | Shri Sanjeev Kumar Handa | Non-executive and Non-independent Director |
| 08698203 | Shri Ashok Kumar Kalra | Non-executive and Non-independent Director |
| 06944916 | Dr. Kanika Tandon Bhal | Non-executive and independent Director |
| 09476034 | Shri Hira Nand | Non-executive and Non-independent Director |



2. During and subsequent to 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 |
|----------|-----------------------------|-------------------------|--|---|
| 08725698 | Shri Nirlep Singh Rai | Chairman | 01 st April, 2020 Appointed as Chairman w.e.f 24 th September, 2021 | Continuing |
| 08259936 | Shri Sunil Bhatia | Director | 31 st October, 2018 | Ceased with effect from 30 th June, 2021 |
| 08777885 | Smt. Vartika Shukla | Additional Director | 7 th July, 2021 | Ceased with effect from 8 th September, 2021 |
| 07823778 | Shri Virendra Nath Datt | Director | 31 st October, 2018 | Ceased as Director and Chairman with effect from 21 st September, 2021 |
| 08698203 | Shri Ashok Kumar Kalra | Director | 13 th September, 2021 (Regularised with effect from 25 th November, 2021) | Continuing |
| 08551454 | Shi Yash Paul Bhola | Director | 24 th September, 2021 (Regularised with effect from 25 th November, 2021) | Ceased with effect from 31 st December, 2021 |
| 06944916 | Dr. Kanika Tandon Bhal | Independent Director | Appointed for a term of 18 months with effect from 13 th October, 2021 to 12 th April, 2023. (Regularised with effect from 25 th November, 2021) | Continuing |
| 09476034 | Shri Hira Nand | Additional Director | 24 th January, 2022 | Continuing |
| 07965269 | Shri Niranjan Lal Sharma | Director | 13 th November, 2017 (Regularised with effect from 25 th September, 2020) | Ceased with effect from 28 th July, 2022 |
| 09354822 | Smt. Geeta Mishra | Additional Director | 1 st August, 2022 | Continuing |



3. Retirement by rotation

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri Alok Verma and Shri Kamal Kishore Chatiwal, Directors would retire by rotation, at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment.

4. Induction and regularisation

Shri Hira Nand was appointed as an Additional Director on the Board of the Company with effect from 24th January, 2022, pursuant to nomination by NFL. Subsequently, Smt. Geeta Mishra was appointed as an Additional Director on the Board of the Company with effect from 1st August, 2022, pursuant to nomination by FCIL.

In accordance with the provisions of the Companies Act, 2013, Shri Hira Nand and Smt. Geeta Mishra shall vacate the office at the ensuing Annual General Meeting. Necessary notices have been received under section 160 of the Companies Act, 2013, proposing their candidature for appointment and the Board has recommended their appointment at the ensuing Annual General Meeting.

5. Independent Director

Dr. Kanika Tandon Bhal was appointed as an Additional Director (Non-Executive Independent) with effect from 13th October, 2021 for a period of 18 months based on the Educational Background, Professional Expertise, Directorship Experience etc. In the opinion of the Board, she fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder and that she is independent of the management. Dr. Bhal has submitted necessary information, disclosures etc. as required under the Companies Act, 2013.

Declaration by Independent Director under Section 149(6) of the Companies Act 2013:

Independent Director has given declaration that she meets the criteria of Independence as laid down in Section 149(6) of the Companies Act, 2013 and complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013.

Further, she has submitted the Certificate that she is a life time member of Indian Institute of Corporate Affairs (IICA) since 13th March, 2020. Further, she is exempt from the Online Proficiency Self-Assessment Test.

Re-appointment of Independent Director:

Subsequent to period under review, the Board of Directors at its 64th Meeting held on 2nd August, 2022, based on her performance evaluation has recommended the re-appointment of Dr. Kanika Tandon Bhal, Independent Director for a second term of three consecutive years commencing from 13th April, 2023 to 12th April, 2026, for approval of Shareholders by way of Special resolution, as per the provisions of the Companies Act, 2013.



Board Meetings

During the period under review, 8 (Eight) Board meetings were held for transacting the business of the Company with details as under:

| Board Meeting No. | Date of Board Meeting | Presence of Directors |
|-------------------|---------------------------------|--|
| 55 | 28 th May, 2021 | All the Directors were present |
| 56 | 27 th July, 2021 | All the Directors were present |
| 57 | 6 th September, 2021 | All the Directors were present except Smt. Vartika Shukla |
| 58 | 13 th October, 2021 | All the Directors were present |
| 59 | 29 th October, 2021 | All the Directors were present except Shi Jayesh Ranjan |
| 60 | 28 th December, 2021 | All the Directors were present except Shi Alok Verma |
| 61 | 1 st February, 2022 | All the Directors were present |
| 62 | 24 th March, 2022 | All the Directors were present except Shi Jayesh Ranjan and Shri Sanjeev Kumar Handa |

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

Key Managerial Personnel (KMP)

Details of KMP as on 31st March, 2022 are as given below:

1. Shri Atul Kumar Jain, Chief Executive Officer (CEO)
2. Shri Inder Chawla, Chief Financial Officer (CFO)
3. Ms. Pratibha Aggarwal, Company Secretary (CS)

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. Details of Committees as on 31st March, 2022 is as given below:

1) Corporate Social Responsibility Committee

As on 31st March, 2022, Corporate Social Responsibility (CSR) Committee comprised of Shri Sanjeev Kumar Handa as Chairman, Shri Jayesh Ranjan, Shri Niranjana Lal and Shri Hira Nand as members of the Committee.

During Financial Year 2021-22, one Meeting of the CSR Committee was held on 23rd June, 2021.

2) Audit, Account and Finance Committee

As on 31st March, 2022, Audit, Account and Finance Committee comprised of Shri Hira Nand as Chairman and Shri Niranjana Lal and Shri Sanjeev Kumar Handa as members of the Committee.

During Financial Year 2021-22, three meetings of the Audit, Account and Finance Committee were held on 28th May, 2021, 27th July, 2021 and 28th December, 2021.

Subsequent to period under review, the Committee was reconstituted by the Board and presently comprised of Shri Hira Nand as Chairman and Shri Sanjeev Kumar Handa and Smt. Geeta Mishra as members of the Committee.



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3) Risk Management Committee

As on 31st March, 2022, Risk Management Committee comprised of Shri Nirlep Singh Rai as Chairman and Shri Niranjan Lal, Shri Alok Verma and Shri Sanjeev Kumar Handa as members of the Committee.

During Financial Year 2021-22, one Meeting of the Risk Management Committee was held on 28th May, 2021.

4) HR Committee

As on 31st March, 2022, HR Committee comprised of Shri Ashok Kumar Kalra as Chairman and Shri Alok Verma, Shri Kamal Kishore Chatiwal, and Shri Hira Nand as members of the Committee.

During Financial Year 2021-22, three meetings of HR Committee were held on 6th September, 2021, 14th December, 2021 and 27th December, 2021.

Company's Policy on Directors' appointment and remuneration

RFCL is an unlisted Joint Venture Company; therefore, in terms of Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014, is not covered under sub-section (1) of Section 178 of the Companies Act, 2013. Further, in terms of Joint Venture Agreement dated 14th January, 2015 (JVA) with Promoters and Share Subscription Cum Shareholders Agreement on 18th August, 2018 amongst Company, its Promoters and Investors (SSSHA) and Articles of Association of the Company, Directors of the Company are nominated by Promoters/ Investors and all the Directors are Non- Executive part time. During FY 2021-22, no payment was made to any Director, except by way of sitting fees to the Independent Director, as approved by the Board of Directors.

Board Evaluation

RFCL being a joint venture Company is not covered under sub-section (1) of Section 178 of the Companies Act, 2013 read with Rule 6 of The Companies (Meeting of Board and its Powers) Rules, 2014 and Rule 4 of The Companies (Appointment and Qualification of Directors) Rules, 2014 and thus not required to constitute Nomination and Remuneration Committee (NRC).

In terms of JVA, SSSHA and Articles of Association of the Company, Directors of the Company are nominated by Promoters/ Investors and all the Directors are Non- Executive part time. Promoters and Investors of the Company (majorly comprise of PSU and State Government) and Directors nominated on the Board of the Company are being evaluated under well laid down procedure in their respective Companies. With respect to Directors of PSUs, they are evaluated by respective Ministries or Department of Central Government administratively in charge of those companies as per their evaluation methodology. Therefore, no performance evaluation of the Non-executive and Non-Independent Directors and Board/ Committees was carried out.

Pursuant to MCA notification no. G.S.R. 463(E) dated 5th June, 2015, "Chapter IX, clause (p) of sub-section (3) of section 134 shall not apply in case the Directors are evaluated by the Ministry or Department of the Central Government which is administratively in charge of the Company, or, as the case may be, the State Government as per its own evaluation methodology".

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.

Particulars of Employees

There were 290 no. of regular employees on the payroll as on 31st March 2022, besides expert manpower from NFL & EIL continue for stabilization of Plant operations and streamlining of processes of the Company.

During the year under review, none of the employees was in receipt of remuneration in excess of the limits as stipulated in the Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. In terms of provisions of section 197(12) of the Companies Act, 2013 read with the Rule 5 of the aforesaid Rules, the details of the top ten employees in terms of remuneration drawn are placed at **Annexure-A** to this Report.

Directors' Responsibility Statement

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

- a. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with the proper explanation relating to material departures, if any;
- b. that such accounting policies as mentioned in Note-1 to the Financial Statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2022 and of the 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.

Adequacy of Internal Financial Controls with reference to the Financial Statements

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

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 are disclosed in Form No. AOC-2 enclosed as **Annexure-B**. The details of related party transactions have also been disclosed in the standalone financial statements as required by the applicable accounting standards.

Corporate Social Responsibility

A Corporate Social Responsibility Committee constituted in terms of the provisions of Section 135 of the Companies Act, 2013 (Act) comprised of Shri Sanjeev Kumar Handa as Chairman, Shri Niranjana Lal Sharma, Shri Jayesh Ranjan and Shri Hira Nand as members of the Committee as on 31st March, 2022, with such role, duties and responsibilities as may be prescribed under the Act.



The vision and objective of the CSR Policy of the Company is to enhance value creation in the society and in the community in which Company operates, through its products, services, conduct & initiatives, so as to promote sustained growth for the society and community, in fulfilment of its role as a Socially Responsible Corporate, with concern for ecology. The CSR Policy of Company and Composition of CSR committee is available on the website of the Company at <https://rfcl.co.in/csr.php>

In view of loss incurred by the Company during last three Financial Years 2018-19, 2019-20 and 2020-21, the obligation of making CSR expenditure pursuant to aforesaid Section did not arise on the Company for the Financial Year 2021-22. Annual Report on Corporate Social Responsibility enclosed as **Annexure-C**.

Conservation of Energy & Foreign Exchange Earnings and Outgo

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 as follows:

| S. No. | Details | Applicable/ Not Applicable |
|--|--|---|
| (A) Conservation of Energy- | | |
| I. | The steps taken or impact on conservation of energy. | Not Applicable. |
| II. | The steps taken by the company for utilizing alternate sources of energy. | 170 Solar Street lights were installed under " Refurbishment of Township for Revival of Ramagundam Fertilizers Complex" |
| III. | The capital investment on energy conservation equipment. | ₹ 99,45,200.00 |
| (B) Technology Absorption- | | |
| I. | The efforts made towards technology absorption. | Not Applicable |
| II. | The benefits derived like product improvement, cost reduction, product development or import substitution. | Not Applicable |
| III. | In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- | Not Applicable |
| | a) The details of technology imported. | - |
| | b) The year of import. | - |
| | c) Whether the technology been fully absorbed. | - |
| | d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and | - |
| | e) The expenditure incurred on Research and Development. | - |
| (C) Foreign exchange earnings and Outgo- | | |
| During the period under review, foreign exchange earning in terms of actual inflow was ₹ 19.74 crore towards equity contribution from foreign investors (Previous year ₹47.73 crores). Foreign exchange outgo in terms of actual outflow was ₹ 35.27 crore (Previous year ₹27.85 crore). | | |



Environment Health and Safety Policy

The Company has in place the Environment Health and Safety Policy. The Company is totally committed to conduct all its activities in harmony with society and environment without compromising on the health and safety of employees as well as the people living around the complex. A full-fledged Safety, Health & Environment protection department has been set up in the RFCL Unit to achieve fulfillment of its statutory obligations concerning prevention of personal injuries, maintaining safe working conditions and protection of environment.

Risk Management

Board of Directors of the Company at its 54th Meeting held on 10th March, 2021 has approved Risk Management Policy of the Company and the same is being implemented/ monitored through Risk Management Matrix and Parameters, duly approved by the Board of Directors of the Company at its 57th Board Meeting held on 6th September, 2021. The Risk Management Policy is available on the website of the Company at <https://www.rfcl.co.in/Risk%20Management%20Policy.pdf>

Vigil Mechanism/Whistle Blower Policy

The Company has formed the Whistle Blower Policy/Vigil Mechanism and no personnel have been denied access under the Mechanism. The Policy is available on the website of the Company at <https://rfcl.co.in/WBP.pdf>

Vigilance & Integrity Pact

Vigilance Department is headed by Chief Vigilance Officer and RFCL is committed to higher ethical standards in contracts and procurement as well as transparency in all its business dealings. An Integrity Pact (IP) Program was adopted to ensure that all activities and transactions between the Company (RFCL) and its Counterparties (Bidders, Contractors, Vendors, Suppliers, Service Providers/Consultants etc.) are handled in a fair and transparent manner, completely free of corruption.

Internal Auditors

M/s Dhawan & Co., Chartered Accountants were appointed as Internal Auditors of the Company for the financial year 2021-22 to carry out internal audit, by the Board of Directors at its 60th Meeting held on 28th December, 2021.

Secretarial Auditors

Board of Directors at its 52nd Meeting held on 9th November, 2020 appointed Parveen Rastogi & Co., Practicing Company Secretary as the Secretarial Auditor to conduct the Secretarial Audit of the Company as required under Section 204 of the Companies Act, 2013 and Rules there under for the financial years 2020-21 & 2021-22.

The Secretarial Audit Report for the financial year 2021-22 is enclosed as Annexure-D to this Report. There are no qualifications, reservations or adverse remarks made by the Secretarial Auditors.

Statement on compliances of applicable Secretarial Standards

Your Company has complied with the applicable provisions of the Secretarial Standards, issued by the Institute of Company Secretaries of India.



Statutory Auditors & Statutory Auditors' Report

The Statutory Audit of your Company was conducted by Chartered Accountants firm M/s Lunawat & Co., Chartered Accountants appointed by Comptroller & Auditor General (C&AG). Independent Auditors' Report on the Financial Statement of the Company for the period from 01st April, 2021 to 31st March, 2022 is enclosed under 'Annual Account' section of the Annual Report. There are no qualifications, reservations or adverse remarks made by the Statutory Auditors.

Cost Audit

During financial year 2021-22, your Company was not required to maintain cost records specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, as the Company has not crossed the prescribed turnover limit in the immediately preceding financial year.

Comments of Comptroller and Auditor General of India (C&AG)

Nil Comments of C&AG under section 143(6)(b) of the Companies Act, 2013 on the financial statements for the year period ended 31st March, 2022 are enclosed under 'Annual Account' section of the Annual Report.

Cash Flow

A Cash Flow Statement for the period from 01st April, 2021 to 31st March, 2022 is attached to and forms part of the Financial Statements.

Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31st March, 2022 is available on the Company's website on <https://www.rfcl.co.in/agm.php>

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 2021-22:-

- 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. Company has not issued any employees stock option.
- 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. Details of transfer to Investor Education and protection Fund

**Further, during the financial year 2021-22:-**

- a. Your Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013]. 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.
- c. There have been no changes in the nature of business.
- d. No fraud is reported by the Auditor of the Company and
- e. No application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.

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 continued guidance and support extended by C&AG, Statutory Auditors, Secretarial and Internal Auditors, Promoters viz. NFL, EIL FCIL, Investors, 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 employees of the Company.

For and on behalf of the Board

**Sd/-
(Nirlep Singh Rai)
Chairman
DIN: 08725698**

Place : Noida
Date: 3rd August, 2022



रामगुन्दम फर्टिलाइजर्स एंड केमिकल्स लिमिटेड

Ramagundam Fertilizers and Chemicals Limited

Annexure A

RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

(CIN: U24100DL2015PLC276753)

Information under Rule 5(2) of Chapter XII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, of top ten employees in terms of remuneration drawn during the Financial Year 2021-22 are as follows:

| S. No. | Employee Name | Designation | Qualifications | Nature of Employment | Remuneration (Rs.) | Experience (Years) | Date of Joining | Age (DOB) | Last Employment Held | Number & % of shares held in the Company as at March 31 st , 2022 | Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager |
|--------|------------------------|---------------|--|------------------------|--------------------|--------------------|-----------------|--------------------|----------------------|--|---|
| 1 | Shri Anil K Maheshwari | CGM (Project) | BE (Hons.) CIVIL | On Deputation from EIL | 7,726,886 | 36 | 27-08-1992 | 58 (28-02-1964) | Simplex Concrete | Nil | No |
| 2 | Shri Sudharshan Kumar | CGM (Project) | Degree in Engg (Civil), PG Degree Engg (Building Engineering and Management) | On Deputation from EIL | 7,420,428 | 35 | 02-09-1993 | 58 (06-04-1964) | Nil | Nil | No |
| 3 | Shri Anuj Agrawal | GM (Project) | Degree in Engg (Electrical) | On Deputation from EIL | 7,009,839 | 36 | 24-09-1996 | 58 (08-03-1964) | Nil | Nil | No |
| 4 | Shri H.S. Kamath | GM (Const.) | Degree in Engg (Civil) | On Deputation from EIL | 7,002,586 | 32 | 20-09-1993 | 57 (02-06-1965) | Nil | Nil | No |
| 5 | Shri Inder Chawla | CFO, RFCL | A.C.A., ICWA | On Deputation from EIL | 6,978,870 | 30 | 19-06-1992 | 54 (10-01-1968) | Kohli Bansal & Co. | Nil | No |
| 6 | Shri Anuragi Ramesh Kr | DGM (Const.) | Degree in Engg (Civil), PG Degree in Engg (Civil) | On Deputation from EIL | 6,444,995 | 32 | 19-03-1993 | 59 (22-11-1962) | Nil | Nil | No |
| 7 | Shri A K Jain | CEO, RFCL | B.E. (Electronics, Instrumentation & Control) | On Secondment from NFL | 4,991,538 | 37 | 27-09-1985 | 58 (28-03-1964) | Nil | Nil | No |
| 8 | Ms Jaya Dikshit | CGM (HR) | MBA, LLB | On Secondment from NFL | 4,945,612 | 36 | 05-11-1984 | 59 (02-11-1962) | NIL | Nil | No |
| 9 | Shri. Rajeev Khulbe | DGM (TS) | B. Tech. (Chem. Engg.), Diploma in Mgt., MBA (HR) | On Secondment from NFL | 4,367,990 | 32 | 26-12-1988 | 56 (03-01-1966) | Nil | Nil | No |
| 10 | Shri Vijay Kr Bangar | CGM (Proj.) | B.E. (Mechanical) | On Secondment from NFL | 4,134,421 | 34 | 24-10-1988 | 57 (02-01-1965) | Nil | Nil | No |

For and on behalf of the Board
Sd/-

(Nirlep Singh Rai)
Chairman
DIN: 08725698

Place : Noida
Date : 3rd August, 2022



Annexure B

RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

CIN : U24100DL2015PLC276753

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 2021-22)

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

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

| Sl. No. | Particulars | Details |
|---------|--|--|
| a) | Name(s) of related party & nature of relationship | Engineers India Limited (EIL) - Promotor Company National Fertilizers Limited (NFL) - Promotor Company Fertilizer Corporation of India Limited (FCIL) - Promotor Company GAIL (India) Limited (GAIL) - Investor Company |
| b) | Nature of contracts/ arrangements/ transaction | EIL & NFL - Other expenses including security expenditure, rent expenses, Reimbursement of salary & wages of officials on deputation & secondment basis. NFL - Reimbursement of expenses as per Marketing Agreement, Ammonia Contract FCIL - As per lease agreement, annual lease rent of Rs. 1/- provided to FCIL, for office space at Ramagundam GAIL - Gas purchase and compressor charges (incl. tax) |
| c) | Duration of Contracts/ Arrangements / Transactions | Since inception of Joint Venture Company i.e. 17 th February 2015 till the duration/availing of respective services. |



| | | |
|----|--|--|
| d) | <p>Salient Terms of the Contracts or arrangements or transaction including value, if any:</p> <p>1. EIL & NFL- Other expenses including security & rent expenses and Salary & wages (Reimbursement)- ₹ 517.47 Lakh (EIL) & ₹1,452.98 Lakh (NFL)</p> <p>2. NFL- ₹ 3,083.32 Lakh (Marketing cost as per Marketing Agreement)</p> <p>3. NFL- ₹ 19,531.79 Lakh (Sale of Urea excluding tax)</p> <p>4. NFL- ₹ 71.27 Lakh (Purchase of Liquid Ammonia)</p> <p>5. NFL- ₹ 9,537.66 Lakh (Sale of Ammonia excluding tax)</p> <p>6. GAIL- ₹ 183,645.48 Lakh (gas purchase) & ₹ 3,715.97 Lakh (Compressor charges including tax)</p> | <p>e) Date of approval by the Board:</p> <p>1. Board approvals dated 14th January, 2016 & 8th March, 2016; subsequently ratified by the Audit Committee on 13th November, 2017. Board approval dated 28th May, 2021 for change of Registered Office at NFL premises.</p> <p>2&3. Audit Committee & Board approvals at their respective meetings held on 17th August, 2018 and shareholder approval at their EGM held on 18th August, 2018.</p> <p>4. Board approval dated 10th March, 2021.</p> <p>5. Board approvals dated 27th July, 2021 and 28th December, 2021 based on the recommendation of Audit, Account and Finance Committee at its meetings held 27th July, 2021 and 28th December, 2021 respectively.</p> <p>6. Board approval dated 13th November, 2017. Subsequent Board approval on 28th December, 2021 based on the recommendation of Audit, Account and Finance Committee at its meeting 28th December, 2021.</p> |
| f) | Amount paid as advances, if any | NIL |

3. Details of contracts or arrangements not in the ordinary course of business. NIL

For and on behalf of the Board

Sd/-
(Nirlep Singh Rai)
Chairman
DIN: 08725698

Place : Noida
Date: 3rd August, 2022



ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the Company's CSR policy:

The Company's CSR Policy lays out the vision and objectives to enhance value creation in the society and in the community in which Company operates, through its products, services, conduct & initiatives, so as to promote sustained growth for the society and community, in fulfilment of its role as a Socially Responsible Corporate, with concern for ecology. The projects shall be undertaken within the broad framework of Schedule VII to the Companies Act, 2013 read with the Rules made thereunder.

2. The composition of the CSR committee: As on March 31, 2022

| Sl. No. | Name of Director | Designation/Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|--------------------------|--|--|--|
| 1 | Shri Sanjeev Kumar Handa | Chairman Non-executive and Non-independent Director | 1 | N.A.* |
| 2 | Shri Niranjan Lal | Member Non-executive and Non-independent Director | 1 | 1 |
| 3 | Shri Jayesh Ranjan | Member Non-executive and Non-independent Director | 1 | N.A.* |
| 4 | Shri Hira Nand | Member Non-executive and Non-independent Director | 1 | N.A.* |

*Not applicable since inducted as Member of CSR Committee with effect from 1st February, 2022 i.e. subsequent to the date of the Meeting held on 23rd June, 2021.

- The web-link where Composition of CSRcommittee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:** <https://rfcl.co.in/csr.php>
- Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):** Not Applicable
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.** Not Applicable
- Average net profit of the Company as per section 135(5):** Nil



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Ramagundam Fertilizers and Chemicals Limited

7. (a) Two percent of average net profit of the company as per section 135(5) : Nil
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
(c) Amount required to be set off for the financial year, if any: Nil
(d) Total CSR obligation for the financial year (7a+7b-7c): Nil
8. (a) CSR amount spent or unspent for the financial year: Nil
(b) Details of CSR amount spent against ongoing projects for the financial year: Nil
(c) Details of CSR amount spent against other than ongoing projects for the financial year: Nil
(d) Amount spent in Administrative Overheads: Nil
(e) Amount spent on Impact Assessment, if applicable: Not Applicable
(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Nil
(g) Excess amount for set off, if any : Nil
9. (a) Details of Unspent CSR amount for the preceding three financial years: Nil
(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil
10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).**

Not Applicable
 - (a) Date of creation or acquisition of the capital asset(s).
 - (b) Amount of CSR spent for creation or acquisition of capital asset.
 - (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
 - (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
11. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). Not Applicable**

In view of loss incurred by the Company during last three Financial Years 2018-19, 2019-20 and 2020-21, the obligation of making CSR expenditure pursuant to aforesaid Section did not arise on the Company for the Financial Year 2021-22.

Sd/-
Atul Kumar Jain
Chief Executive Officer
PAN ABBPJ3312L

Sd/-
Sanjeev Kumar Handa
Chairman, Corporate Social
Responsibility Committee
DIN 07223761

Place : New Delhi
Date : 7th June, 2022



SECRETARIAL AUDIT REPORT

FORM MR-3

For the financial year ended 31st March 2022

{Pursuant to Section 204(1) of the companies Act, 2013 read with rule 9 of the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

To,
The Members
Ramagundam Fertilizers and Chemicals Limited
Scope Commplex 7, Institutional Area,
Lodhi Road, South Delhi,
New Delhi - 110 003

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). 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, minutes books, form and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit.

We hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March 2022 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, minutes' book, forms and return filed and other records maintained by Company for the financial year ended on 31st March, 2022 according to the provision of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the rules made thereunder; **NOT APPLICABLE.**
- (iii) The Depositories Act, 1996 and the regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing.
- (v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act 1992 ('**SEBI Act**'):- **NOT APPLICABLE**
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - (c) The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations, 2008



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Ramagundam Fertilizers and Chemicals Limited

- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, and dealing with Client;
- (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- (f) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations 2014
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
- (h) The Securities and Exchange Board of India (Buyback of securities) Regulations, 1998
- (vi) Compliances/processes/system under other specific applicable laws (as applicable to the industry) to the Company being submitted to the Board of Directors by the Company Secretary as required under Section 205 of the Act.

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

- (A) Secretarial Standards issued by The Institute of Company Secretaries of India. Generally complied with.
- (B) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; - **NOT APPLICABLE**

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards, etc. mentioned above.

We further report that

- The Board of Directors of the Company is constituted as per the provisions of the Companies Act, 2013. The change 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.
- Generally, adequate notice is given to all Directors to schedule the Board meeting, first set of agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All the decision made in the Board/ committee meeting(s) were carried out with unanimous consent of all the Director/Member present during the meeting and dissent, if any, have been duly incorporated in the Minutes.

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

We further report that during the audit period, no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above has occurred in the Company other than mentioned above.

**For Parveen Rastogi & Co.,
Company Secretaries,**

Place : New Delhi
Date : 08/06/2022
UDIN : F004764D000476158

Sd/-
Parveen Rastogi
COP No.: 2883
M.No. 4764



On-Site Mock Drill in plant on Ammonia leakage



On-Site Mock Drill in plant on Ammonia leakage

Awareness Programs



Onsite
Awareness Program

Classroom based
Awareness Program



Fire Safety Program
for Security Team



Fire Safety Program
for Security Team



Fire Service Week was observed from 14th April, 2022 to 20th April, 2022 at RFCL Ramagundam



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 2022

The preparation of financial statements of Ramagundam Fertilizers and Chemicals Limited for the year ended 31 March 2022 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 auditors appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 20th May 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Ramagundam Fertilizers and Chemicals Limited** for the year ended 31 March 2022 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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

Place : New Delhi
Date : 26.07.2022

**Sd/-
(Keerti Tewari)
Director General of Audit
(Agriculture, Food & Water Resources)**



INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF,
RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED**, which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, Statement of changes in equity and the Statement of Cash Flows for the year then ended, and a notes to the financial statement, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its Loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirement that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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, change in equity 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.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes



our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (5) of the Act, we 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, based on our audit 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, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standard 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 March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "C".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(b) The Management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(c) Nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- v. No dividend has been declared or paid by the company during the year.

For Lunawat & Co.

Chartered Accountants

F R No. 000629N

Sd/-

CA. Ramesh Kumar Bhatia

Partner

M. No. 080160

Place : New Delhi

Date : 20.05.2022

UDIN : 22080160AJIJGG7614



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 standalone financial statements of the company for the period 1st April 2021 to 31st March 2022.

We report that:-

- i. (a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
(B) The company has maintained proper records showing full particulars of intangible assets;
- (b) As explained to us, the Company has a regular program of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified in a phased manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its Property, Plant and Equipment. Accordingly, the physical verification of Property, Plant and Equipment has been carried out by the management during the year. We were informed that discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.ii. As explained to us, the physical verification of the inventory has been carried out by the management in accordance with the perpetual inventory programme, at regular intervals during the year. The discrepancies noticed have been properly dealt within the books of account.
- (c) As per information & explanation given by the management, the company does not own any immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), hence the clause 3(i)(c) is not applicable to the company.
- (d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) As per information & explanation given by the management, neither any proceedings have been initiated during the year under audit nor are there any pending proceedings against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. (a) As explained to us, the physical verification of the inventory has been carried out by the management in accordance with the perpetual inventory programme, at regular intervals during the year. In our opinion, the coverage and procedure of such verification was appropriate. The discrepancies noticed have been properly dealt within the books of account.
- (b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets and the quarterly returns or statements filed by the company with such banks are in agreement with the books of account of the company except for the quarter ended March 2022 where the company has reported a higher amount of Debtors & inventory as compared with the books of accounts (Refer Note no. 47 of Notes to Accounts for details).
- 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 made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, Consequently, the provisions of clauses iii (a), iii (b), iii (c), iii(d), iii(e) and iii(f) of the order are not applicable to the Company.



- iv. According to the information and explanations given to us and on the basis of our examination of the books of account, in our opinion, the company has not granted any loans, not made any investments, not given any guarantees, and security, during the year, hence the provision of section 185 & 186 of the Companies Act, 2013 are not applicable to the company.
- v. In our opinion and according to the information and explanation given to us, the company has not accepted any deposits or any amounts which are deemed to be deposits in contravention of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under, where applicable. No order has been passed by the Company Law Board or National Company Law Tribunal or RBI or any court or any other tribunal.
- vi. As per information & explanation given by the management, the Company is not required to maintain cost records specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 as the company has not crossed the prescribed turnover limit in the immediately preceding financial year.
- vii. (a) According to the records of the company, undisputed statutory dues including, Provident fund, Employees' State insurance, Income tax, Goods & Service tax, Custom Duty, 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, 2022 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the particulars of the disputed dues as at 31st March, 2022 which have not been deposited on account of matters pending before appropriate authorities are as under:

| Name of Statute | Nature of Dues | Amount Involved (Rs. in lakhs) | Period to which the amount relates |
|--|----------------|--------------------------------|------------------------------------|
| The Telangana Tax on Entry of Goods into Local Areas Act, 2001 | Entry Tax | 8.83 | F.Y. 2016-17 |
| The Telangana Tax on Entry of Goods into Local Areas Act, 2001 | Entry Tax | 89.41 | F.Y. 2017-18 |

- viii. As per information & explanation given by the management and on the basis of our examination of the books of account, no amount has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax, 1961 (43 of 1961) on account of any transactions which were not recorded in the books of accounts.
- ix. (a) In our opinion and according to the information & explanation given by the management, the Company has not defaulted in repayment of loans or borrowings or interest thereon to any lender.
- (b) According to the information & explanation given by the management, the company is not a declared wilful defaulter by any bank or financial institution or other lender;
- (c) As per information & explanation given by the management term loans were applied for the purpose for which the loans were obtained;



- (d) As per information & explanation given by the management no funds raised on short term basis have been utilised for long term purposes;
- (e) As per information & explanation given by the management, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) As per information & explanation given by the management, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. (a) As per information & explanation given by the management, during the year under audit, the company has not raised money by way of initial public offer or further public offer (including debt instruments) and hence reporting under clause (x)(a) of the Order is not applicable to the Company.
(b) During the year, the company has issued its shares through private placement, and in our opinion, the requirements of section 42 of the Companies Act 2013 have been complied with and the funds raised through this private placement have been used for the purposes for which the funds were raised. Further, the company has not made any preferential allotment or has not issued any convertible debentures during the year and hence reporting under clause (x)(b) of the Order is not applicable to that extent.
- xi. (a) According to information and explanations given to us by the management, no fraud by the company or no fraud on the company has been noticed or reported during the year.
(b) No report under sub-section (12) of section 143 of the Companies Act 2013 has been filed by the Auditor in Form ADT-4 as prescribed under rule 13 of Companies (Audit & Auditors) Rules 2014.
(c) As per information & explanation given by the management no whistle-blower complaints have been received by the company during the year.
- xii. The company is not a Nidhi Company, hence provision of clause xii (a), (b) and (c) of the order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.
- xiv. (a) In our opinion the company has an internal audit system commensurate with the size and nature of its business;
(b) Reports of the Internal Auditors for the period under audit were considered by us in forming our opinion on the financial statements;
- xv. In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) The Company is not required to register under section 45-IA of the Reserve Bank of India Act 1934.
(b) According to the information & explanation given by the management, the company has not conducted any Non-Banking Financial or Housing Finance activities;



रामगुण्डम फर्टिलाइजर्स एंड केमिकल्स लिमिटेड

Ramagundam Fertilizers and Chemicals Limited

- (c) According to the information & explanation given by the management the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) According to the information & explanation given by the management, the company is not part of any group, hence the provisions of clause (xvi) (d) are not applicable to the company.
- xvii. The Company has incurred cash losses of Rs.75001.43 Lakhs in the current financial year and Rs.5202.87 Lakhs in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year.
- xix. According to the information & explanation given by the management and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, the auditor is of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx. According to the information & explanation given by the management, since the company does not qualify for CSR as per the parameters mentioned in section 135 of the Companies Act 2013 and hence no obligation in respect of this section arises on the company for the year under audit. Consequently, the provisions of clauses xx (a) & (b) of the order are not applicable to the Company.
- xxi. Since this audit report is for standalone financials statements, hence, clause xxi of the order related to any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements, is not applicable.

For Lunawat & Co.
Chartered Accountants
F R No. 000629N

Sd/-
CA. Ramesh Kumar Bhatia
Partner
M. No. 080160

Place : New Delhi
Date : 20.05.2022



Annexure “B”

COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of **Ramagundam Fertilizers and Chemicals Limited** for the period 1st April 2021 to 31st March 2022 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 Lunawat & Co.
Chartered Accountants
F R No. 000629N

Sd/-
CA. Ramesh Kumar Bhatia
Partner
M. No. 080160

Place: New Delhi
Date : 20.05.2022

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



AUDIT REPORT OF RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED FOR THE PERIOD 01/04/2021 TO 31/03/2022 PURSUANT TO DIRECTIONS/SUB-DIRECTIONS UNDER SECTION 143(5) OF THE COMPANIES ACT 2013

Directions for the year 2021-22

1. **Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.**

As informed to us, all accounting transaction is processed through company owned IT System (Oracle accounting system).

2. **Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of Lender Company).**

There is no such case of restructuring of an existing loan or cases of waiver/write off of debts/ loans/ interest etc. by any lender to the company.

3. **Whether funds(grants/subsidy etc.) received/receivable for specific schemes from Central/State government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.**

There are no cases of fund received for specific schemes from central/state agencies.

For fund receivable from The State Government of Telangana, against reimbursement of Stamp Duty paid for registration of lease deed and indenture of mortgage, it has been recorded properly in books of accounts as per prevailing terms and conditions.

Sub - Directions for the year 2021-22

- (i) **State the area of land under encroachment, if any, and briefly explain the steps taken by the Company to remove the same.**

Reply:

The area under encroachment is still not known as demarcation of the land is still pending, the area under encroachment will be defined once the demarcation of land will be completed by The Revenue Department, Government of Telangana.

The Company has filed a complaint to District Revenue Department/ Police authorities regarding the encroachment found on company's Land.

The filed cases are Pending for investigation and adjudication at different levels.

- (ii) **Impact of change in accounting policy of depreciation in respect of change in useful life required under Ind AS may be examined and reported upon.**



Reply:

There has been no change in Useful life of any Property Plant & Equipment in the current year vis-à-vis the useful life estimated in previous year, hence there is no impact to be examined and reported upon.

(iii) Impact of deferment of fiscal incentive received/receivable from State Government of Telangana (SGOT) may be examined and reported upon along with monetary impact, if any.

Reply:

The Company has shown fiscal Incentive receivable from State Government of Telangana (SGOT) as Contingent Asset as on 31.03.2022 (Refer Not no. 48 of Financial Statements). Since the same has not been shown as Deferred Government Grant in current year, hence the clause is not applicable.

For Lunawat & Co.
Chartered Accountants
F R No. 000629N

Sd/-
CA. Ramesh Kumar Bhatia
Partner
M. No.080160

Place : New Delhi
Date : 20.05.2022



ANNEXURE “C” TO THE INDEPENDENT AUDITOR’S REPORT

Report on the Internal Financial Controls Over Financial Reporting under Clause (f) 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** as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company 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 respective 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls.

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.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

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.

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, to the best of our information and according to the explanations given to us, 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, 2022, 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 Lunawat & Co.

Chartered Accountants

F R No. 000629N

Sd/-

CA. Ramesh Kumar Bhatia

Partner

Place : New Delhi

Date : 20.05.2022



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Ramagundam Fertilizers and Chemicals Limited

RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Balance sheet as at 31st March 2022

(Rupees in lakhs)

| | Notes | As at 31 st March 2022 | As at 31 st March 2021 |
|---|-------|-----------------------------------|-----------------------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 522,926.63 | 533,942.04 |
| Capital work-in-progress | 4 | 211.79 | 17,972.08 |
| Right-of-use assets | 5 | 19,785.84 | 19,814.50 |
| Intangible assets | 6 | 13.06 | 19.44 |
| Intangible assets under development | 7 | 690.15 | 521.85 |
| Financial assets | | | |
| Other financial assets | 8 | 9,286.42 | 2,155.94 |
| Deferred tax assets | 36 | 29,073.67 | 1,257.93 |
| Other non-current assets | 9 | 6,771.45 | 2,764.59 |
| Total non-current assets | | 588,759.03 | 578,448.36 |
| Current assets | | | |
| Inventories | 10 | 17,221.02 | 3,966.64 |
| Financial assets | | | |
| Trade receivables | 11 | 71,623.92 | 89.43 |
| Cash and cash equivalents | 12 | 337.15 | 2,405.76 |
| Other bank balances | 13 | 520.36 | 146.76 |
| Other financial assets | 8 | 3,414.09 | 4,426.99 |
| Other current assets | 14 | 1,292.45 | 2,586.51 |
| Total current assets | | 94,408.99 | 13,622.08 |
| Total Assets | | 683,168.02 | 592,070.44 |
| Equity and liabilities | | | |
| Equity | | | |
| Equity share capital | 15 | 183,637.10 | 167,630.47 |
| Other equity | | | |
| Reserves and surplus | 16.a | (87,463.17) | (11,525.71) |
| Share application money pending allotment | 16.b | - | - |
| Total equity | | 96,173.93 | 156,104.76 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 17 | 411,618.32 | 379,235.49 |
| Lease liability | 22 | 131.18 | 18.02 |
| Provisions | 24 | 513.19 | 359.08 |
| Deferred government grant | 18 | 2,287.04 | 4,406.74 |
| Total non-current liabilities | | 414,549.73 | 384,019.33 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 19 | 101,888.54 | 15,544.73 |
| Trade Payables | 20 | | |
| Micro and Small Enterprises | | 425.40 | - |
| Other than Micro & Small Enterprises | | 42,092.12 | - |
| Other financial liabilities | 21 | 27,443.96 | 32,675.18 |
| Lease liability | 22 | 127.87 | 1,910.89 |
| Other current liabilities | 23 | 448.24 | 1,797.92 |
| Provisions | 24 | 18.24 | 17.63 |
| Current tax liabilities | 25 | - | - |
| Total current liabilities | | 172,444.36 | 51,946.35 |
| Total liabilities | | 586,994.09 | 435,965.68 |
| Total equity and liabilities | | 683,168.02 | 592,070.44 |
| Significant Accounting Policies | 1 | | |
| Critical estimates and judgements | 2 | | |

The accompanying note number 1 to 54 form an integral part of these financial statements.

| For and on behalf of the Board of Directors | | | | |
|---|---------------------|------------------|------------------|-------------------------|
| Sd/- | Sd/- | Sd/- | Sd/- | Sd/- |
| Pratibha Aggarwal | Inder Chawla | A K Jain | Hira Nand | Nirlep Singh Rai |
| Company Secretary | CFO | CEO | Director | Director |
| PAN: AEAPA8538D | PAN : AACPC1855H | PAN : ABBPJ3312L | DIN: 09476034 | DIN : 08725698 |

As per our report of even date attached
For Lunawat & Co.
Chartered Accountants
Firm Reg No. 000629N

Sd/-
Ramesh K. Bhatia
Partner
Membership No. 080160

Place: Noida
Date : 20.05.2022



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Statement of profit and loss for the period ended 31st March 2022

| | Notes | Year ended 31 st March 2022 | Year ended 31 st March 2021 |
|--|-------|---|---|
| (Rupees in lakhs) | | | |
| Income | | | |
| Revenue from operations | 26 | 152,763.03 | - |
| Other income | 27 | 2,621.58 | 1,042.01 |
| Total income (A) | | 155,384.60 | 1,042.01 |
| Expenses | | | |
| Cost of material consumed | 28 | 110,475.32 | - |
| Change in inventories | 29 | (10,870.87) | - |
| Employee benefits expense | 30 | 3,076.85 | 135.59 |
| Power & Fuel | 31 | 76,245.82 | 630.60 |
| Freight and Handling | | 4,143.06 | - |
| Repair and Maintenance | 32 | 874.08 | 0.81 |
| Depreciation and amortisation | 33 | 28,767.12 | 695.90 |
| Other expenses | 34 | 10,114.03 | 4,745.13 |
| Finance costs | 35 | 36,351.75 | 789.90 |
| Total expenses (B) | | 259,177.15 | 6,997.93 |
| Profit / (Loss) before tax C=(A-B) | | (103,792.55) | (5,955.92) |
| Income tax expense (D) | 36 | | |
| Current tax | | - | - |
| Deferred tax | | (27,815.74) | (1,257.93) |
| Profit / (Loss) for the year E=(C-D) | | (75,976.81) | (4,697.99) |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss (Net of Tax of Rs. Nil) | | 40.30 | (0.16) |
| Other comprehensive income for the year, net of tax (F) | | 40.30 | (0.16) |
| Total comprehensive income for the year G=(E+F) | | (75,936.50) | (4,698.15) |
| Earnings / (Loss) per equity share of Rs. 10 each | | | |
| Basic earnings / (Loss) per share Rs. / Share | 37 | (4.16) | (0.29) |
| Diluted earnings / (Loss) per share Rs. / Share | 37 | (4.16) | (0.29) |
| Significant Accounting Policies | 1 | | |
| Critical estimates and judgements | 2 | | |

The accompanying note number 1 to 54 form an integral part of these financial statements.

| For and on behalf of the Board of Directors | | | | |
|--|--|--|---|---|
| Sd/- Pratibha Aggarwal Company Secretary PAN: AEAPA8538D | Sd/- Inder Chawla CFO PAN : AACPC1855H | Sd/- A K Jain CEO PAN : ABBPJ3312L | Sd/- Hira Nand Director DIN: 09476034 | Sd/- Nirlep Singh Rai Director DIN : 08725698 |

As per our report of even date attached
For Lunawat & Co.
Chartered Accountants
Firm Reg No. 000629N

Sd/-
Ramesh K. Bhatia
Partner
Membership No. 080160

Place: Noida
Date : 20.05.2022



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Statement of cash flows

| | Year ended 31 st March 2022 | (Rupees in lakhs) Year ended 31 st March 2021 |
|---|---|--|
| Cash flow from operating activities | | |
| Profit / (loss) before income tax | (103,792.55) | (5,955.92) |
| Adjustment for : | | |
| Interest income classified as investment cash flow | (81.38) | (303.29) |
| Amortisation of deferred government grant | (2,424.03) | (344.32) |
| Interest income on government grant measured at FVTPL | (10.15) | (242.02) |
| Depreciation/amortisation | 28,767.12 | 695.90 |
| Finance costs under deferred payment & lease | 2,039.64 | 7.36 |
| Notional finance costs as per Ind AS | 355.11 | - |
| Interest expense to be presented as financing activity | 33,957.00 | - |
| Provision for employee benefits | 224.63 | 10.65 |
| Loss on account of sale of assets | 264.12 | (14.60) |
| Operating profit before working capital changes | (40,700.49) | (6,146.24) |
| Adjustment for: | | |
| (Increase)/Decrease in current other financial assets | 966.99 | 2,481.52 |
| (Increase)/Decrease in current loans | 45.91 | (17.40) |
| Increase/(Decrease) in Trade payables | 42,517.52 | - |
| (Increase)/Decrease in other current assets | 1,294.06 | (1,779.44) |
| (Increase)/Decrease in other bank balances | (373.60) | (7.15) |
| (Increase)/Decrease in trade receivables | (71,534.49) | (89.43) |
| (Increase)/Decrease in inventory | (13,254.37) | (3,966.64) |
| Increase/(Decrease) in provisions | (29.61) | 227.81 |
| Increase/(Decrease) in other financial liabilities | (5,586.33) | 13,963.54 |
| Increase/(Decrease) in other current liabilities | (1,349.69) | 1,362.85 |
| Increase/(Decrease) in deferred govt grant | 314.48 | - |
| Direct tax paid (net of tax refund) | - | (406.44) |
| Cash generated from operations | (87,689.62) | 5,622.98 |
| Net cash from / (used in) operating activities (A) | (87,689.62) | 5,622.98 |
| Cash flow from investing activities | | |
| Capital expenditure on fixed assets, work in progress (Including capital advances) | (11,550.16) | (69,112.53) |
| Interest income on short term deposits with banks | 81.38 | 210.58 |
| Net cash from / (used in) investing activities (B) | (11,468.78) | (68,901.95) |



Statement of cash flows (Contd...)

Cash flow from financing activities

| | | |
|---|-------------------|--------------------|
| Proceeds from equity share capital - cash | 14,152.26 | 33,228.01 |
| Proceeds from share application money | - | (8,500.01) |
| Proceeds from long term borrowings | 32,382.83 | 54,860.04 |
| Proceeds from short term borrowings | 86,343.80 | - |
| Principal portion of lease payment | (1,845.22) | (145.28) |
| Interest portion of lease payment | (9.92) | (12.83) |
| Finance cost | (33,957.00) | (28,291.23) |
| Share issue expenses | (0.96) | (40.56) |
| Net cash from / (used in) financing activities (C) | 97,065.81 | 51,098.14 |
| Effect of exchange differences on translation of foreign currency cash and cash equivalents (D) | 24.00 | 57.15 |
| Net increase / (decrease) in cash and cash equivalents (A + B + C + D) | (2,068.60) | (12,123.68) |
| Cash and cash equivalents (available for use) at the beginning of the year | 2,405.76 | 14,529.44 |
| Cash and cash equivalents (available for use) at the end of the year | 337.15 | 2,405.76 |
| Reconciliation of Cash and cash equivalents (available for use) balances with the Balance Sheet: | | |
| Cash and cash equivalents (available for use) as per above comprise of the following: | | |
| - In current accounts | 337.15 | 91.50 |
| - Term Deposits having original maturity less than 3 months | - | 2,314.26 |
| Total | 337.15 | 2,405.76 |
| Balances as per statement of cash flows | 337.15 | 2,405.76 |

| | |
|-----------------------------------|---|
| Significant Accounting Policies | 1 |
| Critical estimates and judgements | 2 |

The accompanying note number 1 to 54 form an integral part of these financial statements.

| For and on behalf of the Board of Directors | | | | |
|--|--|--|---|---|
| Sd/- Pratibha Aggarwal Company Secretary PAN: AEAPA8538D | Sd/- Inder Chawla CFO PAN : AACPC1855H | Sd/- A K Jain CEO PAN : ABBPJ3312L | Sd/- Hira Nand Director DIN: 09476034 | Sd/- Nirlep Singh Rai Director DIN : 08725698 |

As per our report of even date attached
For Lunawat & Co.
Chartered Accountants
Firm Reg No. 000629N

Place: Noida
Date : 20.05.2022

Sd/-
Ramesh K. Bhatia
Partner
Membership No. 080160



रामगुण्डम फर्टिलाइजर्स एंड केमिकल्स लिमिटेड

Ramagundam Fertilizers and Chemicals Limited

RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Statement of changes in equity for the period ended 31st March 2022

(Rupees in lakhs)

| | | | |
|---|--|---|-----------------------------|
| a) Equity Share Capital | | | |
| Balance as at 1st April 2020 | | | 129,912.46 |
| Changes in equity share capital during the year- for cash | | | 33,228.01 |
| Changes in equity share capital during the year - for consideration other than cash | | | 4,490.00 |
| Balance as at 31st March 2021 | | | 167,630.47 |
| Changes in equity share capital during the year- for cash | | | 14,152.26 |
| Changes in equity share capital during the year - for consideration other than cash | | | 1,854.37 |
| Balance as at 31st March 2022 | | | 183,637.10 |
| b) Other equity | | | |
| | Share application money pending allotment | Reserves and surplus (Retained earnings) | Total (Other Equity) |
| Balance as at 1st April 2020 | 8,500.01 | (6,787.00) | 1,713.01 |
| Profit / (Loss) for the year | - | (4,697.99) | (4,697.99) |
| Other comprehensive income / (expense) | - | (0.16) | (0.16) |
| Total comprehensive income | - | (4,698.15) | (4,698.15) |
| Share issue expenses | - | (40.56) | (40.56) |
| Transaction with owners in their capacity of owners | | | |
| Add: Share application money received | 24,728.00 | - | 24,728.00 |
| Less: Allotment of equity shares | 33,228.01 | - | 33,228.01 |
| Balance as at 31st March 2021 A | - | (11,525.71) | (11,525.71) |
| Profit / (Loss) for the year | - | (75,976.81) | (75,976.81) |
| Other comprehensive income / (expense) | - | 40.30 | 40.30 |
| Total comprehensive income B | - | (75,936.50) | (75,936.50) |
| Share issue expenses C | - | (0.96) | (0.96) |
| Transaction with owners in their capacity of owners | | | |
| Add: Share application money received D | 14,152.26 | - | 14,152.26 |
| Less: Allotment of equity shares E | 14,152.26 | - | 14,152.26 |
| Balance as at 31st March 2022 (A+B+C+D-E) | - | (87,463.17) | (87,463.17) |
| Significant Accounting Policies | 1 | | |
| Critical estimates and judgements | 2 | | |

The accompanying note number 1 to 54 form an integral part of these financial statements.

| | | | | |
|--|--|--|---|---|
| For and on behalf of the Board of Directors | | | | |
| Sd/- Pratibha Aggarwal Company Secretary PAN: AEAPA8538D | Sd/- Inder Chawla CFO PAN : AACPC1855H | Sd/- A K Jain CEO PAN : ABBPJ3312L | Sd/- Hira Nand Director DIN: 09476034 | Sd/- Nirlep Singh Rai Director DIN : 08725698 |

As per our report of even date attached
For Lunawat & Co.
Chartered Accountants
Firm Reg No. 000629N

Sd/-
Ramesh K. Bhatia
Partner
Membership No. 080160

Place: Noida
Date : 20.05.2022



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to the financial statements for the year ended 31st March 2022

Company overview and aignificant accounting policies

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 promoted by National Fertilizers Limited, Engineers India Limited and Fertilizers Corporation of India Limited and is formed for setting up new Ammonia-Urea complex at Ramagundam, Telangana, India. The company is engaged in the manufacturing and sale of ammonia and urea.

The financial statements were authorized for issue in accordance with a resolution of the Board of Directors on 19th May, 2022.

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 prepared on accrual basis, as going concern comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [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

Company neither engaged in nor operated in economic environment requiring evaluation of the nature and financial effect thereof on business activities. Company is operating in a single segment of urea and ammonia manufacturing hence, segment reporting is not applicable.

(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 statement of profit and 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

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land, vehicle and office premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.



The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives and estimated restoration costs of the underlying asset where applicable. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate of the Company. Lease liabilities are remeasured to reflect any re-assessment, lease modification, or revised in-substance fixed lease payments, with a corresponding adjustment to the related right of use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to statement of profit and 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.

Lease liabilities and ROU assets are separately presented in the Balance Sheet and lease payments are classified as financing cash flows.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

(f) Cash and cash equivalents

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 and, in the case of a financial asset not at fair value through profit or loss, at its fair value including 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.

Subsequent measurement of financial assets 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 financial assets:

- 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 income 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 ___ 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.

(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.

Cost adjustments, if any, are made to the asset's carrying amount on final closure of the respective contracts & inventory reconciliations with contractors.

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.

(i) Capital work in progress

- Expenditure incurred during the construction period and directly attributable to the construction activity are capitalized as capital work in progress and allocated to the fixed assets at the time of Capitalization of the project.
- Income pertaining to construction period such as interest earned on short term deposits attributable to the subordinate debt and advance provided to the project contractors and urea sale during trial run is adjusted against the Expenditure During Construction.
- Claims including price variations are accounted for on acceptance.
- Price reduction is accounted for on settlement of final bill and deducted from cost.
- Where final settlement of bills and applicability of price reduction with contractors is yet to be effected, capitalization/capital work in progress is done on provisional basis with price reduction on provisional basis subject to necessary adjustment in the year of final settlement.

(j) 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 except following categories of assets for which useful life is different from schedule II is adopted by the company:

| Asset Type | Useful Life in Years |
|--|----------------------|
| Mandatory Spares | 2 |
| Catalyst, White Chemicals | 5 |
| Refractory | 8 |
| Batteries, UPS, Illumination, Mandatory Spares | 10 |
| EOT Cranes, Hoists, Instrumentation, Reformers, Analysers, Railway Siding, DCS System, AAQMS, Control Valves | 15 |
| Exchangers, Pumps, Compressors | 20 |
| Columns, Vessels, Package Items, Tanks, Reactors etc | 25 |
| Electrical Equipment | 25 |

For significant part of Plant and Machinery, railway sidings, Computer and data processing units' residual value of five percent, rupee one in respect of other fixed assets except Nil for assets where company has no ownership rights.

Buildings constructed over leasehold land are depreciated at the estimated useful life, as specified under schedule II of the Companies Act, 2013 except for which useful life is different from schedule II is adopted by the company & tabulated below –

| Asset Type | Useful Life in Years |
|---------------------------|----------------------|
| Old Buildings | 10 |
| Old Refurbished Buildings | 15 |
| Other Plant Buildings | 30 |

The above said useful lives/residual values are supported by technical advice.

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

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset (calculated as the difference between the net disposal proceeds/nominal value and the carrying amount of the asset) is included in the Statement of profit and loss in the year the asset is derecognized.

**(k) Intangible assets and Intangible assets under development****(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.

(iii) Intangible assets under development - Expenditure incurred which are eligible for capitalizations under intangible assets are carried as intangible assets under development till ready for their intended use.

(l) 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.

(m) 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.

(n) 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 is calculated by dividing:

- the profit attributable to owners
- by the weighted average number of equity shares considered for deriving basic earnings per equity share and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.



(o) Provisions, contingent liabilities and contingent assets

Provisions (other than employee benefits) 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.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

(p) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset 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 costs are expensed in the statement of Profit and Loss Account in the period in which they are incurred.

(q) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) 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.

(r) Government Grants

Government Grants 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 by the company.



Government grants relating to income are deferred and recognized in the statement of 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 capital 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.

s) Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the financial reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as employee benefits payable (under other financial liability) in the balance sheet.

(b) Other long-term employee benefits obligations

The Company provides following long term benefits:

i) Leave Encashment (Earned Leave/Sick Leave/Half Pay Leave).

The liability for Leave encashment is measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the financial reporting period using the projected unit credit method as calculated by Actuary. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

(c) Post-employment obligations

The Company operates the following post-employment schemes:

(i) Defined benefit plans such as gratuity, and post retirement settlement benefits.

(ii) Defined contribution plan such as provident fund.

Defined Benefit Obligations

The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The liability recognized in the balance sheet in respect of defined benefit obligations) is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, if any.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.



Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized directly in other comprehensive income.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Defined contribution plan (Provident Fund)

The company pays provident fund contribution to Regional provident fund. The company has no further payment obligation once the contributions have been paid. The contribution are accounted for as defined contribution plan and is recognized as employee benefits expense on accrual basis.

(t) Claims

Pending settlement, claims made on underwriters / others as assessed by the Company are accounted for when there is probability of ultimate collection.

(u) Impairment of Non- Financial Assets

Non- Financial Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(v) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(w) Inventories - Raw materials and stores, work in progress, packaging material and finished goods

Raw materials, packaging materials and stores and spares are stated at the lower of weighted average cost and net realisable value. Cost of raw materials comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of first-in first-out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Finished and semi-finished goods are valued at lower of weighted average cost and net realizable value based on the applicable Concession/Sale Price.

**(x) Revenue Recognition****Sale of Goods**

Revenue is recognized net of returns, trade allowances, rebates etc. when performance obligation is satisfied by transferring control of goods or services (i.e. an asset) to a customer and it is probable to collect the consideration.

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.

Dividends

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.

(y) Subsidy

- Price subsidy for urea sold by RFCL is recognized based on New Investment Policy (NIP-2012) notified by the Government of India under which subsidy rates are determined based on annual pooled gas rate of delivered gas price of all fertilizers plant under pool mechanism. The subsidy recognition is subject to revision on finalisation of annual gas pool rate by Fertilizer Industry Coordination Committee (FICC), an office of Government of India which regulates such subsidy and changes are recognized in the year in which revised rates are notified by FICC.
- Freight Subsidy is measured based on distances covered and principle/ notifications and latest available road transport rates received from FICC and the bills will be raised for approved distances based on such notification. The freight subsidy rates are being revised and distances are being approved by the Government of India and any increase or decrease in freight subsidy receivable for previous years will be recognized in the year in which revised rates and distances are notified by Government of India.

(z) 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.



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to the financial statements for the year ended 31st March 2022

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)
- Post-Employment benefits Note 1(s)
- Realization of government grant from state government of Telangana Note 1(r).
- Lease term- Note 1 (e)

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 2022

3. Property, plant and equipment

| | Building-on lease hold land | Plant and machinery | Railway Siding | EDP Equipment | Furniture & Fixtures | Electrical Installations | Office Equipments | Other Equipments | Total |
|---|--------------------------------|------------------------|-------------------|------------------|-------------------------|-----------------------------|----------------------|---------------------|-------------------|
| (Rupees in lakhs) | | | | | | | | | |
| As at 31st March 2021 | | | | | | | | | |
| Gross carrying amount | | | | | | | | | |
| Opening gross carrying amount | 695.33 | 7,969.61 | - | 164.90 | 151.55 | 5,455.15 | 326.53 | 294.81 | 15,057.88 |
| Additions | 61,244.57 | 438,018.34 | 4,747.48 | 66.13 | 35.22 | 2,980.82 | 59.75 | 15,686.35 | 522,838.66 |
| Adjustments | - | - | - | (5.65) | (9.51) | (0.01) | (1.70) | (0.12) | (16.99) |
| Disposals/Retirement | - | - | - | (0.64) | - | - | - | - | (0.64) |
| Closing gross carrying amount | 61,939.90 | 445,987.95 | 4,747.48 | 224.74 | 177.26 | 8,435.96 | 384.58 | 15,981.04 | 537,878.91 |
| Accumulated depreciation | | | | | | | | | |
| Balance as at the beginning of the year | 50.10 | 467.79 | - | 96.96 | 50.35 | 726.31 | 154.81 | 73.94 | 1,620.26 |
| Adjustments | - | - | - | (0.18) | (9.51) | (0.01) | (1.68) | (0.02) | (11.40) |
| Depreciation during the year | 452.60 | 1,040.37 | 7.41 | 31.66 | 17.57 | 589.02 | 67.55 | 122.44 | 2,328.62 |
| Disposals/Retirement | - | - | - | (0.61) | - | - | - | - | (0.61) |
| Closing accumulated depreciation | 502.70 | 1,508.16 | 7.41 | 127.83 | 58.41 | 1,315.32 | 220.68 | 196.36 | 3,936.87 |
| Net carrying amount | 61,437.20 | 444,479.79 | 4,740.07 | 96.91 | 118.85 | 7,120.64 | 163.90 | 15,784.68 | 533,942.04 |
| As at 31st March 2022 | | | | | | | | | |
| Gross carrying amount | | | | | | | | | |
| Opening gross carrying amount * | 61,939.90 | 445,987.95 | 4,747.48 | 224.74 | 177.26 | 8,435.96 | 384.58 | 15,981.04 | 537,878.91 |
| Additions | 4,991.45 | 14,860.57 | 10.36 | 35.78 | 175.68 | 14.42 | 1.97 | 262.89 | 20,353.12 |
| Adjustments ** | 121.73 | (2,810.24) | - | (12.63) | (7.99) | (130.45) | (6.02) | 38.95 | (2,806.65) |
| Disposals/Retirement \$ | - | (274.60) | - | (0.50) | (4.02) | - | (4.54) | - | (283.67) |
| Closing gross carrying amount | 67,053.09 | 457,763.68 | 4,757.84 | 247.40 | 340.93 | 8,319.92 | 375.99 | 16,282.87 | 555,141.72 |
| Accumulated depreciation | | | | | | | | | |
| Balance as at the beginning of the year | 502.70 | 1,508.16 | 7.41 | 127.83 | 58.41 | 1,315.32 | 220.68 | 196.36 | 3,936.87 |
| Adjustments ** | - | - | - | (9.34) | (3.42) | (67.62) | (4.65) | (2.29) | (87.33) |
| Depreciation during the year | 3,098.38 | 20,988.34 | 301.11 | 43.83 | 38.28 | 667.79 | 56.25 | 3,187.82 | 28,381.79 |
| Disposals/Retirement | - | (11.03) | - | (0.31) | (2.22) | - | (2.69) | - | (16.25) |
| Closing accumulated depreciation | 3,601.08 | 22,485.46 | 308.52 | 162.01 | 91.04 | 1,915.49 | 269.60 | 3,381.89 | 32,215.09 |
| Net carrying amount | 63,452.01 | 435,278.22 | 4,449.32 | 85.39 | 249.89 | 6,404.43 | 106.39 | 12,900.98 | 522,926.63 |

* Company had requested to State Government of Telangana (SGOT) to provide water and power connectivity and to recover its cost from the fiscal incentives for which the Company shall be eligible post commercial production. The above facilities had been provided by the SGOT during FY 2019-20. These assets are lying outside the plant boundaries and the Company does not have ownership of these assets.

SGOT is yet to finalize and inform cost of these assets to RFCL, therefore cost of these assets have been internally estimated for Rs. 10,571.91 lakhs, pending intimation of actual cost.

** RFCL capitalized its plant in financial year 2020-21, pending finalization of contracts and inventory reconciliation with contractors. During financial year 2021-22, based on final inventory reconciliations and finalization of contracts, necessary adjustments are made in the gross block, along with reallocation of indirect construction expenses. The depreciation over it is recorded on balance useful life.

During financial year 2021-22, Company undertook physical verification and assets amounting to Rs. 165.91 lakh were found of consumables nature and based on technical advice charged to statement of profit and loss account at their Written Down Value (WDV) of Rs. 78.57 lakh.

Property, Plant and Equipment are under mortgage to Term Loan lenders. Refer note no. 19

\$ The Company has written off/discarded one heat exchanger costing Rs. 275 lakhs and booked a loss of Rs. 264 lakhs during the year as per written down value of the same in books of accounts. The part was out of warranty. Marine Insurance Policy covering total plant including breakdown till 100% capacity utilization was in force. The Company has not lodged an insurance claim.





RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED
Notes to Financial Statements for the year ended 31st March 2022

4. Capital work-in-progress

(Rupees in lakhs)

| | 31-Mar-22 | 31-Mar-21 |
|--|-----------|------------|
| (i) Basic design and engineering fees and Technical knowhow | - | 14,325.40 |
| (ii) Contracts | 211.79 | 184,277.67 |
| (iii) Procurements | - | 179,903.26 |
| (iv) Engineering, Procurement and Construction Management Fees | - | 22,401.20 |
| (v) Material in transit / under inspection | - | - |
| (vi) Commissioning / Trial run expenses | - | 40,324.60 |
| Less: Revenue from sale of finished product | - | 88.69 |
| (vii) Capital stores | - | - |
| (viii) Interest on Term loan & Finance Cost | | 75,522.41 |
| (ix) Expenditure during Construction pending allocation | | |
| Opening balance | - | 13,859.29 |
| Add: Rent | - | 89.23 |
| Professional consultancy fees | - | 270.55 |
| Rates & taxes | - | 11.66 |
| Advertisement | - | 20.05 |
| Electricity | - | 12.48 |
| Salary and wages | | |
| a) RFCL employees | - | 2,665.56 |
| b) Reimbursement to EIL/NFL for employees on deputation/secondment | - | 2,423.94 |
| c) Outsourced | - | 978.29 |
| Bank charges | - | 29.57 |
| Travelling & Conveyance | - | 105.72 |
| Handling & Freight charges | - | 161.56 |
| Depreciation and amortisation | - | 1,979.65 |
| Guest house expenses | - | 46.04 |
| Genset running expenses | - | 6.34 |
| Consumables for precommissioning | - | 685.40 |
| Others | - | 371.17 |



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

| | | |
|---|---------------|-------------------|
| Less: Other capital receipts | | |
| Income from short-term investments | - | 120.29 |
| Interest on other advances | - | 141.57 |
| Other misc. income | - | 0.64 |
| Unwinding of Interest accrued on security deposit | - | 4.16 |
| Less: Expenditure during Construction period capitalised | - | - |
| Sub Total (i + ii + iii + iv + v + vi + vii+viii+ix) | 211.79 | 540,115.69 |
| Less: Transitional credit availed on GST implementation | | |
| Provision for damage of material due to flood | - | - |
| Grand Total | 211.79 | 540,115.69 |
| Movement of Capital Work in Progress: | | |
| Balance as at the beginning of the year | 17,972.08 | 401,777.78 |
| Add: Addition during the year | 160.80 | 138,337.91 |
| Add: Adjustments during the year | - | - |
| Less: Capitalised during the year | (17,921.09) | 522,143.61 |
| Balance as at the end of the year | 211.79 | 17,972.08 |

CWIP Ageing Schedule

(Rupees in lakhs)

| CWIP | Amount in CWIP for a period of | | | | |
|----------------------|--------------------------------|--------------|--------------|----------------------|--------|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| Projects in Progress | 160.68 | 51.11 | 0 | 0 | 211.79 |

CWIP Completion Schedule

(Rupees in lakhs)

| CWIP | To be completed in | | | | |
|----------------------|---------------------|--------------|--------------|----------------------|--------|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| Projects in Progress | 261.93 | 0 | 0 | 0 | 261.93 |



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED
Notes to Financial Statements for the year ended 31st March 2022

5. Right-of-use assets

(Rupees in lakhs)

| | Leasehold Land - FCIL* | Office premises | Vehicle | Leasehold land-Railway | Total |
|--|---------------------------|--------------------|--------------|---------------------------|------------------|
| As at 31st March 2021 | | | | | |
| Gross carrying amount | | | | | |
| As at 1st April 2020 | | | | | |
| Impact of adoption of Ind AS 116 | 18,546.56 | 257.05 | - | 104.54 | 18,908.15 |
| Additions | 1,854.37 | 52.84 | 24.40 | - | 1,931.61 |
| Adjustment | 168.27 | (157.93) | - | - | 10.34 |
| Closing gross carrying amount | 20,569.20 | 151.96 | 24.40 | 104.54 | 20,850.10 |
| Accumulated Ammortization | | | | | |
| As at 1st April 2020 | | | | | |
| Impact of adoption of Ind AS 116 | 658.78 | 91.23 | - | 49.77 | 799.78 |
| Ammortization during the year | 194.75 | 121.78 | 2.39 | 20.88 | 339.80 |
| Adjustment | - | (103.98) | - | - | (103.98) |
| Closing accumulated ammortization | 853.53 | 109.03 | 2.39 | 70.65 | 1,035.60 |
| Net carrying amount | 19,715.67 | 42.93 | 22.01 | 33.89 | 19,814.50 |
| As at 31st March 2022 | | | | | |
| Gross carrying amount | | | | | |
| As at 1st April 2021 | 20,569.20 | 151.96 | 24.40 | 104.54 | 20,850.10 |
| Additions | - | 319.32 | 10.79 | 26.77 | 356.88 |
| Adjustment ** | - | (151.96) | - | - | (151.96) |
| Closing gross carrying amount | 20,569.20 | 319.32 | 35.19 | 131.30 | 21,055.01 |
| Accumulated Ammortization | | | | | |
| As at 1st April 2021 | 853.53 | 109.03 | 2.39 | 70.65 | 1,035.60 |
| Ammortization during the year | 210.54 | 79.54 | 8.19 | 44.33 | 342.59 |
| Adjustment | - | (109.03) | - | - | (109.03) |
| Closing accumulated ammortization | 1,064.06 | 79.54 | 10.58 | 114.99 | 1,269.17 |
| Net carrying amount | 19,505.14 | 239.78 | 24.62 | 16.32 | 19,785.84 |

* 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.



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

As per Concession Agreement, the concession period is of 99 years effective Date i.e. 25th September, 2015. Lease deed executed on 27th November, 2017 and supplementary lease deed signed on 09th May, 2018.

In terms of the Shareholders Agreement (SHA), FCIL is to be issued equity shares equal to 11% of equity portion of the capital expenditure of the project. For allocation of effective cost in various assets, Company has adopted residual method, whereby usable assets have been valued from registered valuer, for arriving at cost of leasehold land. Gross carrying amount of leasehold land also includes cost of registration of lease deed.

** In respect of office premisses, Company has adjusted the right of use assets based on closure of earlier "Delhi" offices during the financial year.



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

6. Intangible assets

(Rupees in lakhs)

| | <u>Computer Software</u> | <u>Website</u> | <u>Total</u> |
|---|--------------------------|----------------|--------------|
| As at 31st March 2021 | | | |
| Gross carrying amount | | | |
| Balance as at the beginning of the year | 25.63 | 3.37 | 29.00 |
| Additions | 12.80 | - | 12.80 |
| Disposals | - | - | - |
| Closing gross carrying amount | 38.43 | 3.37 | 41.80 |
| Accumulated amortisation | | | |
| Balance as at the beginning of the year | 14.28 | 0.94 | 15.22 |
| Amortisation | 6.47 | 0.67 | 7.14 |
| Disposals | - | - | - |
| Closing accumulated amortisation | 20.75 | 1.61 | 22.36 |
| Net carrying amount | 17.68 | 1.76 | 19.44 |
| As at 31st March 2022 | | | |
| Gross carrying amount | | | |
| Opening gross carrying amount | 38.43 | 3.37 | 41.80 |
| Additions | - | - | - |
| Disposals | (0.45) | - | (0.45) |
| Closing gross carrying amount | 37.98 | 3.37 | 41.35 |
| Accumulated amortisation | | | |
| Balance as at the beginning of the year | 20.75 | 1.61 | 22.36 |
| Amortisation | 5.43 | 0.67 | 6.11 |
| Disposals | (0.18) | - | (0.18) |
| Closing accumulated amortisation | 26.00 | 2.29 | 28.29 |
| Net carrying amount | 11.97 | 1.08 | 13.06 |



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

7. Intangible assets under development

(Rupees in lakhs)

| | <u>31-Mar-22</u> | <u>31-Mar-21</u> |
|----------------|------------------|------------------|
| Software (ERP) | 690.15 | 521.85 |
| Total | 690.15 | 521.85 |

(Rupees in lakhs)

| Intangible assets under development | Amount in Intangible assets under development for a period of | | | | |
|-------------------------------------|---|-----------|-----------|-------------------|---------------|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| Software (ERP) | 168.30 | 519.02 | 1.42 | 1.42 | 690.15 |

(Rupees in lakhs)

| Intangible assets under development | To be completed in | | | | |
|---|--------------------|-----------|-----------|-------------------|----------------|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| Software (ERP) - Overdue compared to Original Plans | 544.04 | 544.40 | 258.98 | 485.91 | 1833.33 |



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

8. Other financial assets

(Rupees in lakhs)

| | 31-Mar-22 | | 31-Mar-21 | |
|---|------------------|--------------------|------------------|--------------------|
| | Current | Non-current | Current | Non-current |
| A. Security deposits | 0.04 | 658.35 | 45.95 | 628.76 |
| Total (A) | 0.04 | 658.35 | 45.95 | 628.76 |
| Break up of security deposit details | 31-Mar-22 | | 31-Mar-21 | |
| | Current | Non-current | Current | Non-current |
| Loans considered good - Secured | - | - | - | - |
| Loans considered good - Unsecured | 0.04 | 658.35 | 45.95 | 628.76 |
| Loans which have significant increase in credit risk | - | - | - | - |
| Loans - credit impaired | - | - | - | - |
| Total | 0.04 | 658.35 | 45.95 | 628.76 |
| | 31-Mar-22 | | 31-Mar-21 | |
| | Current | Non-current | Current | Non-current |
| B. Bank deposits with more than 12 months maturity {including interest accrued Rs. 54.58 lakhs (P.Y. Rs 9.98 lakhs)} under lien for letter of credit (LC) & Bank Guarantee(BG). | - | 8,628.07 | - | 1,527.18 |
| Government grant receivable # | 3,414.04 | - | 3,109.71 | - |
| Insurance claim recoverable | - | - | 1,271.32 | - |
| Total (B) | 3,414.04 | 8,628.07 | 4,381.03 | 1,527.18 |
| Total (A + B) | 3,414.09 | 9,286.42 | 4,426.99 | 2,155.94 |

Company has paid stamp duty of Rs. 3,109.71 lakhs in financial year 2018-19. During the financial year 2021-22, the company has paid stamp duty of Rs. 304.33 lakhs for registration of Indenture of Mortgage created in favour of project lenders for additional rupee term loan. 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 paid for registration of leasehold land and mortgage after commencement of commercial production. Accordingly, the grant receivable has been recognised at amount receivable from State Government of Telangana.



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

9. Other non-current assets

(Rupees in lakhs)

| | 31-Mar-22 | 31-Mar-21 |
|--|------------------|------------------|
| A. <u>Capital advances</u> | | |
| i) Against Bank Guarantee/Dispatch documents | 1,015.92 | 464.77 |
| ii) Others capital advances | 1,252.35 | 1,135.24 |
| PPE/Material under inspection | 1,783.55 | - |
| Advances other than capital advances | | |
| Prepaid Expenses | 523.69 | 492.47 |
| Duties & Taxes (Input Credit) | 949.81 | - |
| Duties & Taxes (GST TDS Credit) | 518.87 | 68.27 |
| Total (A) | 6,044.20 | 2,160.75 |
| | 31-Mar-22 | 31-Mar-21 |
| B. <u>Current tax assets (net)</u> | | |
| Opening balance | 603.83 | 104.67 |
| Income tax refund received | - | (93.56) |
| Advance tax paid | - | 500.00 |
| Tax deducted/collected during the year | 123.42 | 92.72 |
| Total (B) | 727.25 | 603.83 |
| Total (A + B) | 6,771.45 | 2,764.59 |



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

10. Inventories

(Rupees in lakhs)

| | 31-Mar-22 | 31-Mar-21 |
|---------------------|------------------|-----------------|
| Raw material | - | 856.16 |
| Semi finished goods | 3,610.74 | 0.00 |
| Finished goods | 7,261.97 | 0.00 |
| Stores and spares ^ | 6,286.65 | 3,045.30 |
| Packing materials | 61.66 | 65.18 |
| Total | 17,221.02 | 3,966.64 |

^ Includes material under inspection

Also includes Stores and spares (having nature of general stores / bulk material) of Rs. 5,011.12 lakhs (Previous Year Rs 2,334.19 lakhs) received from EPCM consultant, being balance project goods.

11. Trade receivables

| | 31-Mar-22 | 31-Mar-21 |
|------------------------------------|------------------|--------------|
| Unsecured - Considered Good | | |
| Subsidy from Govt. | 66,586.33 | 73.88 |
| Others | 5,037.59 | 15.55 |
| Total | 71,623.92 | 89.43 |

Trade receivables ageing schedule

(Rupees in lakhs)

A. Bills Dues with due date of Payment

| Particulars | Billed Dues - Outstanding for following periods from the date of transaction with due date of payment | | | | | |
|---|---|------------------|-----------|-----------|-------------------|-------|
| | Less than 6 months | 6 months- 1 year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| (i) Undisputed Trade Receivables - considered good | 0 | 0 | 0 | 0 | 0 | 0 |
| (ii) Undisputed Trade Receivables - considered doubtful | 0 | 0 | 0 | 0 | 0 | 0 |
| (iii) Disputed Trade Receivables - considered good | 0 | 0 | 0 | 0 | 0 | 0 |
| (iv) Disputed Trade Receivables - considered doubtful | 0 | 0 | 0 | 0 | 0 | 0 |



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

(Rupees in lakhs)

B. Bills Dues but no due date of Payment

| Particulars | Billed Dues - Outstanding for following periods from the date of transaction and no due date of payment | | | | | |
|---|---|------------------|-----------|-----------|-------------------|-----------|
| | Less than 6 months | 6 months- 1 year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| (i) Undisputed Trade Receivables - considered good | 12,077.29 | 0 | 0 | 0 | 0 | 12,077.29 |
| (ii) Undisputed Trade Receivables - considered doubtful | 0 | 0 | 0 | 0 | 0 | 0 |
| (iii) Disputed Trade Receivables - considered good | 0 | 0 | 0 | 0 | 0 | 0 |
| (iv) Disputed Trade Receivables - considered doubtful | 0 | 0 | 0 | 0 | 0 | 0 |

(Rupees in lakhs)

C. Unbilled dues

| Particulars | Unbilled Dues - Outstanding for following periods from the date of transaction | | | | | |
|---|--|------------------|-----------|-----------|-------------------|-----------|
| | Less than 6 months | 6 months- 1 year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| (i) Undisputed Trade Receivables - considered good | 53,987.29 | 5,559.34 | 0 | 0 | 0 | 59,546.63 |
| (ii) Undisputed Trade Receivables - considered doubtful | 0 | 0 | 0 | 0 | 0 | 0 |
| (iii) Disputed Trade Receivables - considered good | 0 | 0 | 0 | 0 | 0 | 0 |
| (iv) Disputed Trade Receivables - considered doubtful | 0 | 0 | 0 | 0 | 0 | 0 |



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED
Notes to Financial Statements for the year ended 31st March 2022

12. Cash and cash equivalents

(Rupees in lakhs)

| | 31-Mar-22 | 31-Mar-21 |
|---|------------------|------------------|
| Balances with banks | | |
| - In current accounts | 337.15 | 91.50 |
| - Term Deposits having original maturity less than 3 months | - | 2,314.26 |
| Total | 337.15 | 2,405.76 |

13. Other bank balances

| | 31-Mar-22 | 31-Mar-21 |
|---|------------------|------------------|
| - Term Deposits having original maturity over 3 months and less than 12 months {including interest accrued Rs. 3.16 lakhs (P.Y. Rs. 2.17 lakh)} under lien for letter of credits (LC) & Bank Guarantee(BG). | 520.36 | 146.76 |
| Total | 520.36 | 146.76 |

14. Other current assets

| | 31-Mar-22 | 31-Mar-21 |
|---|------------------|------------------|
| Unsecured, considered good unless otherwise stated | | |
| Advances | | |
| Prepaid Expenses | 1,144.55 | 2,549.96 |
| Advance to Supplier (Misc.) | 14.35 | - |
| Advance to Employee | 0.30 | - |
| Advance to Contractors | 133.25 | 36.55 |
| Total | 1,292.45 | 2,586.51 |



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

| | | (Rupees in la khs) | |
|--|--|-------------------------|---------------|
| | | Number of shares | Amount |
| 15. Equity share capital | | | |
| Authorised equity share capital | | | |
| (Par value per share - Rs. 10) | | | |
| As at 31st March, 2020 | | 2,000,000,000 | 200,000.00 |
| Increase during the year | | - | - |
| As at 31st March 2021 | | 2,000,000,000 | 200,000.00 |
| Increase during the year | | - | - |
| As at 31st March 2022 | | 2,000,000,000 | 200,000.00 |
| (i) Movements in equity share capital | | Number of shares | Amount |
| a. Issued equity share capital | | | |
| (Par value per share - Rs. 10) | | | |
| As at 31st March, 2020 | | 1,717,150,134 | 171,715.01 |
| Add: Shares Issued during the year - For Cash | | 145,627,300 | 14,562.73 |
| Add: Shares Issued during the year - For Consideration other than cash | | 18,543,700 | 1,854.37 |
| As at 31st March 2021* | | 1,881,321,134 | 188,132.11 |
| Add: Shares Issued during the year - For Cash | | - | - |
| Add: Shares Issued during the year - For Consideration other than cash | | - | - |
| As at 31st March 2022 | | 1,881,321,134 | 188,132.11 |
| *Includes right issue of Rs 164,17,10,000 issued on 5th March, 2021. | | | |
| b. Subscribed equity share capital | | Number of shares | Amount |
| (Par value per share - Rs. 10) | | | |
| As at 31st March, 2020 | | 1,384,124,702 | 138,412.47 |
| Add: Shares subscribed during the year - For Cash | | 247,280,000 | 24,728.00 |
| Add: Shares subscribed during the year - For Consideration other than cash | | 44,900,000 | 4,490.00 |
| As at 31st March 2021 | | 1,676,304,702 | 167,630.47 |
| Add: Shares subscribed during the year - For Cash | | 141,522,600 | 14,152.26 |
| Add: Shares subscribed during the year - For Consideration other than cash | | 18,543,700 | 1,854.37 |
| As at 31st March 2022 | | 1,836,371,002 | 183,637.10 |
| c. Paid-up equity share capital | | Number of shares | Amount |
| (Par value per share - Rs. 10) | | | |
| As at 31st March, 2020 | | 1,299,124,605 | 129,912.46 |
| Add: Shares allotted during the year - For Cash | | 332,280,097 | 33,228.01 |
| Add: Shares allotted during the year - For Consideration other than cash | | 44,900,000 | 4,490.00 |
| As at 31st March 2021 | | 1,676,304,702 | 167,630 |
| Add: Shares allotted during the period - For Cash | | 141,522,600 | 14,152.26 |
| Add: Shares allotted during the period - For Consideration other than cash | | 18,543,700 | 1,854.37 |
| As at 31st March 2022 | | 1,836,371,002 | 183,637.10 |



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

| | (Rupees in lakhs) | |
|--|-------------------------|-------------------------|
| | 31-Mar-22 | 31-Mar-21 |
| (ii) Aggregate No of shares issued for consideration other than cash | Number of Shares | Number of Shares |
| Shares issued as consideration for concession rights in the land and value of the useable assets | 207,926,400 | 189,382,700 |
| | 207,926,400 | 189,382,700 |

(iii) **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 and entitle to dividends. 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 to creditors and all preferential amounts, in proportion to their shareholding.

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

| | 31-Mar-22 | |
|---|------------------|-----------|
| | Number of shares | % holding |
| National Fertilizers Limited | 491,462,400 | 26.76% |
| Engineers India Limited | 491,462,400 | 26.76% |
| The Fertilizer Corporation of India Limited | 207,936,400 | 11.32% |
| State Government of Telangana | 154,047,402 | 8.39% |
| GAIL (India) Limited | 270,304,320 | 14.72% |

| | 31-Mar-21 | |
|---|------------------|-----------|
| | Number of shares | % holding |
| National Fertilizers Limited | 447,628,200 | 26.70% |
| Engineers India Limited | 447,628,200 | 26.70% |
| The Fertilizer Corporation of India Limited | 189,392,700 | 11.30% |
| State Government of Telangana | 144,047,402 | 8.59% |
| GAIL (India) Limited | 246,190,510 | 14.69% |



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

Shareholding of promoters

| Shares held by promoters at the end of the year (2021-22) | | | | % change during the year |
|---|---|---------------|-------------------|--------------------------|
| S. No. | Promoter's Name | No. of Shares | % of total shares | |
| 1 | National Fertilizers Limited | 491,462,400 | 26.76% | 9.79% |
| 2 | Engineers India Limited | 491,462,400 | 26.76% | 9.79% |
| 3 | Fertilizer Corporation of India Limited | 207,936,400 | 11.32% | 9.79% |

| Shares held by promoters at the end of the year (2020-21) | | | | % change during the year |
|---|---|---------------|-------------------|--------------------------|
| S. No. | Promoter's Name | No. of Shares | % of total shares | |
| 1 | National Fertilizers Limited | 447,628,200 | 26.70% | 31.07% |
| 2 | Engineers India Limited | 447,628,200 | 26.70% | 31.07% |
| 3 | Fertilizer Corporation of India Limited | 189,392,700 | 11.30% | 31.07% |

(v) Shares reserved for issue under contract

The Shareholding of the company, on the finalisation of project cost and requirement of equity for funding the project cost shall be in the following proportion:

National Fertilizers Limited (NFL) : 26%

Engineers India Limited (EIL) : 26%

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

State Government of Telangana : 11%

GAIL (India) Limited : 14.30%

HT Ramagundam A/s : 3.90%

Danish Agribusiness Fund IK/S : 3.90%

Investment Fund For Developing Countries : 3.90%

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 (Lease hold land admeasuring approximately 1284 acre) for financing, designing, engineering, procurement, construction, development, operation and maintenance of the project.

In terms of the Shareholders Agreement (SHA), FCIL is to be issued equity shares equal to 11% of equity portion of the capital expenditure of the project. During the Financial year 2020-21 project cost estimate was revised to Rs. 633,816 lakhs to be funded through equity of Rs 189,025 Lakhs and accordingly total equity issuance to FCIL based on revised project cost is Rs. 20,793 lakhs.



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

Other equity

(Rupees in lakhs)

| | 31-Mar-22 | 31-Mar-21 |
|---|--------------------|--------------------|
| 16.a Reserves and surplus | | |
| Retained earnings | | |
| Opening balance | (11,525.71) | (6,787.00) |
| Profit / (loss) for the year | (75,976.81) | (4,697.99) |
| Other comprehensive income / (expense) | 40.30 | (0.16) |
| Share issue expenses | (0.96) | (40.56) |
| Closing balance | (87,463.17) | (11,525.71) |
| 16.b Share application money pending allotment | | |
| Opening balance | - | 8,500.01 |
| Add: Share application money received during the year | 14,152.26 | 24,728.00 |
| Less: Share allotted during the year | (14,152.26) | 33,228.01 |
| Closing balance | - | - |

Financial liabilities

(Rupees in lakhs)

| | 31-Mar-22 | 31-Mar-21 |
|--|-------------------|-------------------|
| 17. Borrowings | | |
| Secured | | |
| Term Loan (Refer -I) | | |
| From Banks | | |
| Rupee Loan | 414,755.63 | 386,237.66 |
| (Net of unamortised transaction cost of Rs. 2,315.94 lakhs P.Y. Rs 2,380.69 lakhs) | | |
| Unsecured | | |
| Long Term Loan from Banks (Refer - II) | 49,946.69 | - |
| (Net of unamortised transaction cost of Rs. 52.96 lakhs P.Y. Nil) | | |
| Deferred payment liabilities - Measured at amortised cost (Refer -III) | - | 8,542.56 |
| Total | 464,702.32 | 394,780.22 |
| Out of above : | | |
| Current maturity of long term borrowings | 53,084.00 | 15,544.73 |
| Non current borrowings | 411,618.32 | 379,235.49 |



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

I.

- a Rupee Term loan of Rs. 394,071 Lakhs has been tied up with Consortium of Banks with SBI as lead bank as detailed below:

| | Bank Name | Loan (Rs. In Lakhs) | Interest Rate * |
|---|--|---------------------|-----------------|
| 1 | State Bank of India (SBI) | 170,000.00 | MCLR+0.44% |
| 2 | Union Bank of India (UBI) | 150,000.00 | MCLR+0.15% |
| 3 | Bank of Baroda (BOB) - erstwhile Vijaya Bank | 25,000.00 | MCLR+0.20% |
| 4 | Bank of India (BOI) | 16,357.00 | MCLR+0.30% |
| 5 | Bank of Baroda (BOB) - erstwhile Dena Bank | 16,357.00 | MCLR+0.10% |
| 6 | Punjab National Bank (PNB) - erstwhile Oriental Bank of commerce | 16,357.00 | MCLR+0.10% |
| | Total | 394,071.00 | |

* Chargeable 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 7.43% p.a. as on 01.04.2021 P.Y. 8.10% p.a.

- b. Additional rupee Term loan of Rs. 50,720 Lakhs has been tied up with Consortium of Banks with SBI as lead bank as detailed below:

| | Bank Name | Loan (Rs. In Lakhs) | Interest Rate* |
|---|--|---------------------|----------------|
| 1 | State Bank of India (SBI) | 22,138.00 | SBI MCLR+0.70% |
| 2 | Union Bank of India (UBI) | 24,919.00 | SBI MCLR+0.70% |
| 3 | Punjab National Bank (PNB) - erstwhile Oriental Bank of commerce | 1,533.00 | SBI MCLR+0.70% |
| 4 | Bank of India (BOI) | 2,130.00 | SBI MCLR+0.70% |
| | Total | 50,720.00 | |

* Chargeable 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 7.70% p.a. as on 01.04.2021 PY Nil.

- c. On request of RFCL, existing lenders have agreed to reschedule the terms of repayment of Rupee term loan facility for existing term loan and additional rupee term loan as stated in subsequent para.

- d. **Terms of repayment of Term loan for Rupee term loan and Additional Rupee term loan**

Based on revised repayment schedule as agreed by lenders, Term loan is repayable in 42 quarterly instalments from 31st March' 2022, repayment schedule as given below based on rupee term loan tied up-



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

| Financial Year | No of Quarter | Repayment % | Repayment Amount (Rs. In Lakhs) |
|----------------|---------------|----------------|------------------------------------|
| 31-Mar-22 | 1 | 2.000% | 8,895.71 |
| 31-Mar-23 | 4 | 8.000% | 35,583.08 |
| 31-Mar-24 | 4 | 8.125% | 36,139.09 |
| 31-Mar-25 | 4 | 8.625% | 38,363.10 |
| 31-Mar-26 | 4 | 9.063% | 40,309.81 |
| 31-Mar-27 | 4 | 9.375% | 41,699.16 |
| 31-Mar-28 | 4 | 9.875% | 43,923.11 |
| 31-Mar-29 | 4 | 10.250% | 45,591.08 |
| 31-Mar-30 | 4 | 10.313% | 45,869.30 |
| 31-Mar-31 | 4 | 10.625% | 47,259.04 |
| 31-Mar-32 | 4 | 11.000% | 48,927.01 |
| 31-Mar-33 | 1 | 2.750% | 12,231.51 |
| Total | 42 | 100.00% | 444,791.00 |

e. Security - Rupee term loan is secured by -

- 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);
- a first pari passu charge on the land underlying the Project to the extent permitted under the Concession Agreement;
- assignment of all Material Project Contracts to the extent assignable,;
- a first pari passu charge on the Trust and Retention Account, (except on Debt Service Reserve Account);
- a first pari passu charge on Debt Service Reserve Account; and
- 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 as security are as disclosed in note (g) below



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

f. Net debt reconciliation -

(Rupees in lakhs)

| | | | 31-Mar-22 | 31-Mar-21 |
|--------------------------------------|---------------------------|----------------------|---------------------|---------------------|
| Cash and cash equivalents | | | 337.15 | 2,405.76 |
| Borrowings | | | (464,702.32) | (394,780.22) |
| Lease liabilities | | | (259.04) | (1,928.91) |
| Net Debt | | | (464,624.21) | (394,303.37) |
| | Current Investment | Cash and bank | Borrowings | Total |
| Balance as on 31st March 2020 | - | 14,529.44 | (344,608.93) | (330,079.49) |
| Cash flows | - | (12,123.68) | (50,171.29) | (62,294.98) |
| Lease liabilities | | | (1,928.91) | (1,928.91) |
| Interest expenses | - | - | 27,911.78 | 27,911.78 |
| Interest paid | - | - | (27,911.78) | (27,911.78) |
| Balance as on 31st March 2021 | - | 2,405.76 | (396,709.13) | (394,303.37) |
| Cash flows | - | (2,068.61) | (67,993.19) | (70,061.80) |
| Lease liabilities | | | (259.04) | (259.04) |
| Interest expenses | - | - | 31,091.23 | 31,091.23 |
| Interest paid | - | - | (31,091.23) | (31,091.23) |
| Balance as on 31st March 2022 | - | 337.15 | (464,961.36) | (464,624.21) |

g. Assets pledged as security -

(Rupees in lakhs)

| | | | 31-Mar-22 | 31-Mar-21 |
|---|--------------|--|-------------------|-------------------|
| Current assets pledged as security (excluding other bank balances) | A | | 93,888.63 | 13,475.32 |
| Non Current assets pledged as security | B | | 588,759.03 | 578,448.36 |
| Total | (A+B) | | 682,647.65 | 591,923.68 |



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

II.

a. For availing this unsecured loan of Rs. 50,000 lakhs from Punjab National Bank (PNB), Letter of Comfort supported by Board Resolution has been provided by Joint Venture Partners i.e. National Fertilizers Limited and Engineers India Limited.

b. Terms of repayment of Long Term Unsecured loan from Punjab National Bank (PNB)

| Financial Year | Repayment % | Repayment Amount (Rs. In Lakhs) | Interest Rate* |
|----------------|----------------|---------------------------------|------------------|
| 31-Mar-22 | - | - | |
| 31-Mar-23 | 35% | 17,500.00 | |
| 31-Mar-24 | 35% | 17,500.00 | PNB MCLR + 0.30% |
| 31-Mar-25 | 30% | 15,000.00 | |
| Total | 100.00% | 50,000.00 | |

* One year PNB MCLR is 7.30% + fixed spread of 0.30% i.e. 7.60% p.a. at monthly rests. The applicable interest rate for each tranche shall be subject to annual reset on September (month of first tranche) in next financial years. Spread shall remain fixed for the entire period of the facility. Further, the bank has a right to rest the spread if the credit rating goes down from A+ (ERR) & B1 (IRR) or deterioration in the asset quality, or any guidelines by RBI resulting in revisit of the spread.

III. Terms of repayment of deferred payment liabilities (Refer note -3)

Company has requested to State Government of Telangana (SGOT) to provide water and power connectivity at its battery limits and SGOT has estimated cost of Rs. 10,880 lakhs. SGOT agreed to initially incur the cost and to recover it from the fiscal incentives for which the Company shall be eligible post commercial production. The above facilities had been provided by the SGOT during financial year 2019-20 and are being used by the Company. These have been capitalized as part of the plant and machinery at internally estimated cost of Rs. 10,571.91 lakhs, as future economic benefits associated with the item will flow to the Company, although these assets are lying outside the plant boundaries and the Company does not have ownership of these assets.

As per original approval, the fiscal incentive were to be released by the SGOT over a period of 7 years from the start of commercial production. However, the Company had requested SGOT for changes in fiscal incentives which is under revision with the SGOT. Till the finalization of revision of fiscal incentive, company has assumed these liabilities as current liabilities and kept under Note No. 21 "Other Financial Liabilities" from this financial year.



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

(Rupees in lakhs)

18. Deferred government grant

| | 31-Mar-22 | 31-Mar-21 |
|---|-----------------|-----------------|
| Opening balance | 4,406.74 | 4,751.06 |
| Grant recognised on payment of stamp duty on indenture | 304.33 | - |
| Less: Deferred Grant recognised in statement of profit & loss | 2,424.03 | 344.32 |
| Total | 2,287.04 | 4,406.74 |

19. Borrowings

| | 31-Mar-22 | 31-Mar-21 |
|--|-------------------|------------------|
| <u>Secured #</u> | | |
| Cash credit from banks | 13,342.00 | - |
| Working Capital Demand Loan | 35,457.54 | - |
| Current maturities of long term borrowings | 53,084.00 | 15,544.73 |
| <u>Unsecured *</u> | | |
| Short Term Loan from Banks | 5.00 | - |
| Total | 101,888.54 | 15,544.73 |

As per restated facility agreement signed with State Bank of India and Union Bank of India, Company has sanctioned limit of Rs. 94,000 lakhs fund based facility and Rs. 40,000 lakhs non-fund based facility. The current outstanding balance is stated above. Further there is a sub limit amounting Rs. 5,000 lakhs from stated fund based to non-fund based facility.

Security - Cash credit from banks and Working Capital Demand Loan is secured by -

(a) a first ranking charge over the Current Assets of the Borrower, both present and future, where the Rupee Lenders will have a second charge;

(b) a second ranking charge on all the Borrower's Fixed Assets (immovable and movable), both present and future (except the land underlying the Project Site), where the Rupee Lenders will have a first charge;

(c) a first pari passu charge on the Trust and Retention Account (except on Debt Service Reserve Account), on pari passu basis with the Rupee Lenders.

* Company has received sanctions of short term loan facility of Rs. 1,000 lakhs at interest rate of 3 months MCLR of bank, from IndusInd Bank out of which Rs. 5 lakhs is availed during the year.

Company has taken DSRA BG facility for one year amounting Rs. 17,500 lakhs from IndusInd bank with forty percent cash margin to meet debt service obligation under Rupee Term Loan.

20. Trade payables

| | 31-Mar-22 | 31-Mar-21 |
|--|------------------|-----------|
| Micro and small enterprises | 425.40 | - |
| Other than Micro and small enterprises | 42,092.12 | - |
| Total | 42,517.52 | - |



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

Trade payable ageing schedule

(Rupees in lakhs)

A. Bills Dues with due date of Payment

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|-----------------------------|--|-----------|-----------|-------------------|-----------|
| | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years | |
| (i) MSME * | 155.35 | 0.26 | 0.01 | 0 | 155.62 |
| (ii) Others | 35,615.08 | 35.83 | 15.14 | 0 | 35,666.05 |
| (iii) Disputed Dues - MSME | 0 | 0 | 0 | 0 | 0 |
| (iv) Disputed Dues - Others | 0 | 0 | 0 | 0 | 0 |

(Rupees in lakhs)

B. Bills Dues but no due date of Payment

| Particulars | Outstanding for following periods with no due date of payment | | | | Total |
|-----------------------------|---|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years | |
| (i) MSME | 0 | 0 | 0 | 0 | 0 |
| (ii) Others | 0 | 0 | 0 | 0 | 0 |
| (iii) Disputed Dues - MSME | 0 | 0 | 0 | 0 | 0 |
| (iv) Disputed Dues - Others | 0 | 0 | 0 | 0 | 0 |

(Rupees in lakhs)

C. Unbilled Dues

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|-----------------------------|--|-----------|-----------|-------------------|----------|
| | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years | |
| (i) MSME | 269.78 | 0 | 0 | 0 | 269.78 |
| (ii) Others | 6,426.07 | 0 | 0 | 0 | 6,426.07 |
| (iii) Disputed Dues - MSME | 0 | 0 | 0 | 0 | 0 |
| (iv) Disputed Dues - Others | 0 | 0 | 0 | 0 | 0 |



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

(Rupees in lakhs)

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act 2006 is as under:

| Particulars | 31-Mar-22 | 31-Mar-21 |
|---|-----------|-----------|
| Principal amount remaining unpaid | 58.85 | - |
| Interest due thereon ** | 3.95 | - |
| Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year. | - | - |
| Interest due and payable for the period of delay making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006. | - | - |
| Interest accrued and remaining unpaid | 3.95 | - |
| Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |

* The amount withheld is due to non compliance of contractual obligations by supplier/contractor.

** The interest is provided as per statutory provisions. The delayed payment is due to non compliance of contractual obligations by supplier/contractor.

**RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED****Notes to Financial Statements for the year ended 31st March 2022**

| | (Rupees in lakhs) | |
|---|-------------------|------------------|
| | 31-Mar-22 | 31-Mar-21 |
| 21. Other financial liabilities | | |
| Creditors for capital goods/services | 25,576.11 | 31,347.71 |
| Employee | 14.96 | 14.19 |
| Deposits /Retention money from contractors and others | 1,852.89 | 1,313.28 |
| Total | 27,443.96 | 32,675.18 |
| 22. Lease liability | | |
| Lease liability for others right of use assets | 259.04 | 74.54 |
| Lease liability for Fertilizers Corporation of India (FCIL) | - | 1,854.37 |
| Total | 259.04 | 1,928.91 |
| Out of above : | | |
| Current | 127.87 | 1,910.89 |
| Non Current | 131.18 | 18.02 |
| Total | 259.04 | 1,928.91 |
| 23. Other current liabilities | | |
| Statutory dues payable | 406.86 | 1,791.39 |
| Others | 41.38 | 6.53 |
| Total | 448.24 | 1,797.92 |
| 24. Provisions | | |
| Provision for employee benefits | | |
| Gratuity | 189.08 | 124.98 |
| Earned Leave | 259.52 | 184.26 |
| Half Pay Leave | 80.82 | 66.05 |
| Post Retirement Settlement Benefits | 2.00 | 1.42 |
| Total | 531.43 | 376.71 |
| Out of above : | | |
| Current | 18.24 | 17.63 |
| Non Current | 513.19 | 359.08 |
| Total | 531.43 | 376.71 |
| 25. Current tax liabilities | | |
| Opening balance | - | - |
| Add: Current tax payable for the year | - | - |
| Less: Taxes paid / Tax deducted at source | - | - |
| Total | - | - |



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

| | (Rupees in lakhs) | |
|---|-------------------|------------------|
| 26. Revenue from operations | 31-Mar-22 | 31-Mar-21 |
| Sale of finished goods - Urea (Net of Credit Notes and Excluding GST) \$ | 19,524.13 | 14.81 |
| Sale of Ammonia (Excluding GST) # | 9,270.72 | - |
| Subsidy from Government of India (Urea): | | |
| Price subsidy* | 120,715.19 | 72.18 |
| Freight Subsidy** | 2,708.39 | 1.70 |
| Power Subsidy*** | 544.61 | - |
| | 152,763.03 | 88.69 |
| Capitalised as part of CWIP (refer note 4) | - | (88.69) |
| Total | 152,763.03 | - |

\$ Credit Note amounting to Rs. 14.79 lakhs (PY Nil) plus GST issued for short material received by NFL.

* The procedure for release of subsidy entails 100% payment of subsidy under DBT scheme on the basis of actual sale by the retailers to the beneficiaries on weekly basis through POS machines. Pursuant to above procedure, pending sale of urea through POS machines to beneficiaries, subsidy of Rs. 32,859.81 lakhs (P.Y. Rs. 72.18 Lakhs) has been accrued on sale to dealers and shall become due for payment upon sale through POS machines, has been recognized. An amount of Rs. 91.48 lakhs has not been recognised in respect of short material received by NFL.

Pending annual pool rate to be notified by FICC for the financial year 2021-22, the subsidy for the urea sold during the year is recognised based on monthly weighted average of delivered gas cost during the year, as per subsidy eligibility as per New Investment Policy (NIP-2012). The recognised subsidy for financial year 2021-22 is subject to finalization of annual pool rate of financial year 2021-22 by FICC.

** Pending distance notifications to claim freight subsidy, the amount is recognised based on latest freight reimbursement rates i.e. for financial year 2020-21 as declared by Ministry of Fertilizers. The Invoices for the financial year 2021-22 are yet to be raised. This amount is subject to revision on issuance of freight subsidy rates/distance notification.

*** As 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 Rs. 1 per unit for the units consumed for 5 years.

Excluding amount provided for profit sharing with Government of India on sale of ammonia for Rs. 266.94 lakhs (PY nil) as per policy relating to surplus ammonia from urea units issued in August, 2008 by Department of Fertilizers (DOF).



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

(Rupees in lakhs)

27. Other income

| | 31-Mar-22 | 31-Mar-21 |
|--|-----------------|-----------------|
| Interest income - on financial assets measured at amortised cost | 81.38 | 303.29 |
| Interest income on government grant measured at FVTPL | 10.15 | 242.02 |
| Amortisation of deferred government grant (refer note 20) | 2,424.03 | 344.32 |
| Recovery of rent* | 81.70 | 102.27 |
| Interest income on Income tax refund | (0.38) | 6.00 |
| Income from Scrap sale | 2.22 | 42.19 |
| Other Miscellaneous Income | 22.48 | 1.92 |
| Total | 2,621.58 | 1,042.01 |

* Net of compression cost of Rs. 2,895.63 lakhs P.Y. 73.60 lakhs (excluding GST) on accrual basis to M/s GSPL India Transco Limited (GITL) and the same amount is recoverable from M/s GAIL (India) Limited on actual reimbursement basis.

28. Cost of materials consumed *

| | 31-Mar-22 | 31-Mar-21 |
|--|-------------------|-----------|
| Natural Gas (A) | | |
| Inventory at the beginning of the year | - | - |
| Purchases # | 106,966.65 | - |
| | 106,966.65 | - |
| Less: Inventory at the end of the year | - | - |
| Cost of raw material consumed | 106,966.65 | - |
| Packing material (B) | 1,536.72 | - |
| Stores and spares (C) | 1,971.95 | - |
| Cost of material consumed (A+B+C) | 110,475.32 | - |

* Net of compression cost of Rs. 2,895.63 lakhs P.Y. 73.60 lakhs (excluding GST) on accrual basis to M/s GSPL India Transco Limited (GITL) and the same amount is recoverable from M/s GAIL (India) Limited on actual reimbursement basis.

Excluding cost of gas amounting to Rs. 710.28 lakhs (PY - Nil) consumed for environment protection expenses.



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

| | (Rupees in lakhs) | |
|---|--------------------|---------------|
| | 31-Mar-22 | 31-Mar-21 |
| 29. Change in inventories | | |
| Opening inventories | | |
| Work in Progress | - | - |
| Finished goods | - | - |
| | - | - |
| Closing inventories | | |
| Work in Progress | 3,608.90 | - |
| Finished goods | 7,261.97 | - |
| | 10,870.87 | - |
| Net (increase) / Decrease in inventories | (10,870.87) | - |
| 30. Employee benefits expense | | |
| Salaries and wages | 2,752.86 | 2,609.62 |
| Contribution to provident and other funds | 224.98 | 191.53 |
| Gratuity Expenses | 77.12 | - |
| Welfare Expenses* | 21.90 | - |
| | 3,076.85 | 2,801.15 |
| Capitalised as part of CWIP (refer note 4) | - | (2,665.56) |
| Total | 3,076.85 | 135.59 |
| * Payment made to legal heirs of deceased employees under RFCL's Social Security Scheme. | | |
| 31. Power & fuel | | |
| Purchased power | 4,613.38 | 206.45 |
| Natural Gas * | 71,632.43 | 424.15 |
| Total | 76,245.82 | 630.60 |
| * Excluding cost of gas amounting to Rs. 37.55 lakhs (PY - Nil) consumed for environment protection expenses. | | |
| 32. Repair and maintenance | | |
| Plant and Machinery | 802.53 | 0.54 |
| Buildings | 59.29 | - |
| Others | 12.26 | 0.27 |
| Total | 874.08 | 0.81 |
| 33. Depreciation and amortisation | | |
| Depreciation on property, plant and equipment | 28,382.18 | 2,328.61 |
| Depreciation on right of use assets | 378.83 | 339.80 |
| Amortisation of intangible assets | 6.11 | 7.14 |
| | 28,767.12 | 2,675.55 |
| Capitalised as part of CWIP (refer note 4) | - | (1,979.65) |
| Total | 28,767.12 | 695.90 |



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

| | (Rupees in lakhs) | |
|---|-------------------|-----------------|
| | 31-Mar-22 | 31-Mar-21 |
| 34. Other expenses* | | |
| Rent | 0.21 | 3.82 |
| Rates and taxes | 97.92 | 162.83 |
| Insurance | 2,158.19 | 2,971.15 |
| Auditors' remuneration: | | |
| - Audit Fee | 3.30 | 3.54 |
| - Other Certification Fee | 2.95 | 2.51 |
| - Fee for taxation matters | - | - |
| - Fee for management services | - | - |
| - Reimbursement of expenses | 0.04 | - |
| Printing and Stationery | 19.57 | 0.37 |
| Advertisement | 21.67 | 3.79 |
| Telephone and Postage | 66.13 | 1.48 |
| Bank Charges | 143.74 | 259.47 |
| PF Administration charges | 11.99 | 11.24 |
| Professional / consultancy fees | 863.51 | 53.47 |
| Legal fees | 6.06 | 0.19 |
| Reimbursement to EIL/NFL for employees on deputation/secondment | 1,540.80 | 40.04 |
| Manpower charges (Outsourced) | 882.09 | 90.32 |
| Recruitment and training expenses | 39.59 | 118.75 |
| Tour & Travelling | 87.10 | - |
| Water Charges | 116.81 | - |
| Marketing expenses | 2,068.74 | 916.88 |
| Provision for damage due to flood | - | (14.60) |
| Exchange rate variation (Net) | 24.00 | 57.15 |
| Directors sitting fees | 0.60 | - |
| Expenditure on Research & Developemnt | - | - |
| Loss on disposal/retirement of fixed assets | 264.12 | - |
| Environment Protection Expenses \$ | 893.88 | - |
| Miscellaneous expenses | 801.02 | 62.73 |
| Total | 10,114.03 | 4,745.13 |

* Expenses related to construction activity during financial year 2020-21 were shown under Capital work in progress Note -4

\$ As per Environment Impact Assessment (EIA) study for RFCL, the recurring cost for environmental measure works out to Rs. 877 lakhs.



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

(Rupees in lakhs)

| | 31-Mar-22 | 31-Mar-21 |
|--|------------------|---------------|
| 35. Financial cost | | |
| Interest and finance charges on Term Loan | 31,091.23 | 27,911.78 |
| Interest on Cash Credit | 352.47 | - |
| Interest on Working Capital Demand Loan | 920.86 | - |
| Interest on Unsecured Long Term Loan from Bank | 1,347.86 | - |
| Interest and finance charges on lease - IND-AS | 9.92 | 12.83 |
| Interest and finance charges on assets under deferred payment - IND-AS | 2,029.72 | (5.47) |
| Other interest | 244.57 | 0.00 |
| Other finance cost - IND-AS | 355.11 | 384.92 |
| | 36,351.75 | 28,304.06 |
| Capitalised as part of CWIP (refer note 4) | - | (27,514.16) |
| Total | 36,351.75 | 789.90 |
| 36. Income tax expense | | |
| Current tax | - | - |
| Current tax during the year | - | - |
| Total | - | - |



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

(Rupees in lakhs)

| | For the year ended 31-Mar-22 | | For the year ended 31-Mar-21 | |
|--|---------------------------------|--------------------|---------------------------------|--------------------|
| | Taxable Amount | Tax Amount | Taxable Amount | Tax Amount |
| 36.a Reconciliation of tax expense and the accounting profit/(loss) multiplied by tax rate: | | | | |
| Loss from continuing operations before income tax expense | (103,752.25) | (26,112.37) | (5,956.08) | (1,499.03) |
| Tax effects of adjustments in calculating taxable income: | | | | |
| Ind-As Transactions | (532.26) | (133.96) | (573.69) | (144.39) |
| Capital Receipt / Expenses (net) | - | - | 3,001.72 | 755.47 |
| Insurance loss (Short Term capital Gain) | - | - | (14.60) | (3.68) |
| Depreciation as per books of account | 28,388.29 | 7,144.76 | 695.90 | 175.14 |
| Depreciation as per income tax act | (74,032.54) | (18,632.51) | (39,610.01) | (9,969.03) |
| Recruitment and training expenses | - | - | 118.75 | 29.89 |
| Provision for employee benefit expenses | 225.08 | 56.65 | 10.49 | 2.64 |
| Net Taxable income / (loss) | (149,703.68) | (37,677.42) | (42,327.52) | (10,652.99) |
| Items for which no deferred tax recognised | - | - | - | - |
| Income tax expense | (149,703.68) | (37,677.42) | (42,327.52) | (10,652.99) |

Tax at the Indian tax rate of 25.168% (Previous year 25.168%)

36.b Deferred tax assets

| | For the year ended 31-Mar-22 | | For the year ended 31-Mar-21 | |
|--|---------------------------------|------------------|---------------------------------|------------------|
| | Taxable Amount | Tax Amount | Taxable Amount | Tax Amount |
| The balance comprises temporary differences attributable to: | | | | |
| Preliminary expenses | 91.57 | 23.05 | 114.46 | 28.81 |
| Share issue expenses | 265.73 | 66.88 | 330.97 | 83.30 |
| Provision for employee benefit expenses | 531.43 | 133.75 | 10.49 | 2.64 |
| Carry forward losses under income tax | 192,432.83 | 48,431.50 | 43,456.31 | 10,937.08 |
| Total deferred tax assets | 193,321.56 | 48,655.17 | 43,912.23 | 11,051.83 |
| Total deferred tax liabilities | 77,803.16 | 19,581.50 | 38,914.11 | 9,793.90 |
| Net deferred tax assets | 115,518.40 | 29,073.67 | 4,998.12 | 1,257.93 |

1. Based on expected production and revenue, management is of opinion that RFCL will be able to set off present losses with expected future profits and accordingly deferred tax assets are provided.

2. For computation of deferred tax assets (DTA) on preliminary expenses of Rs. 91.57 lakhs (P.Y. Rs. 114.46 lakhs) & share issue expenses of Rs 265.73 lakhs (P.Y. Rs 330.97 lakhs), tax rate considered @25.168% (Previous year tax rate @25.168%).

3. For DTA on carry forward losses of Rs. 1,92,432.83 lakhs (including for previous year Rs. 43,456.31 lakhs) tax rate considered @25.168% (Previous year tax rate @25.168%).



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

37. Earnings/(loss) per share

| | Unit | 31-Mar-22 | 31-Mar-21 |
|--|---------------|---------------|---------------|
| a. Basic earnings / (loss) per share | | | |
| Basic earnings per share attributable to the equity holders of the Company | Rs. Per share | (4.16) | (0.29) |
| b. Diluted earnings / (loss) per share | | | |
| Diluted earnings per share attributable to the equity holders of the Company | Rs. Per share | (4.16) | (0.29) |
| c. Reconciliations of earnings used in calculating earnings per share | | | |
| Basic earnings per share | Rs. Per share | (4.16) | (0.29) |
| Profit attributable to equity holders of the company used in calculating basic earnings per share | Rs. In lakhs | (75,936.50) | (4,698.15) |
| Diluted earnings per share | Rs. Per share | (4.16) | (0.29) |
| Profit attributable to equity holders of the company used in calculating diluted earnings per share | Rs. In lakhs | (75,936.50) | (4,698.15) |
| d. Weighted average number of equity shares used as the denominator in calculating basic earnings per share | | | |
| | No of shares | 1,823,793,672 | 1,645,664,285 |
| Adjustments for calculation of diluted earnings per share: | | | |
| Weighted average number of shares | No of shares | - | - |
| Weighted average number of equity shares used as the denominator in calculating diluted earnings per share | | | |
| | No of shares | 1,823,793,672 | 1,645,664,285 |



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED
Notes to Financial Statements for the year ended 31st March 2022

38. 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 :-

| Risk | Exposure arising from | Measurement | Management |
|--------------------------------|--|---------------------------------------|---|
| Credit risk | Cash and cash equivalents, Other bank balances, Trade receivables and security deposits at amortised cost. | Ageing 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, Borrowings & others | Rolling cash flow forecasts | Availability of enough cash & cash equivalents, availability of committed credit line and borrowing facilities. |
| Market risk – foreign currency | Purchase/acquisition of capital goods | Prevailing foreign exchange movements | Management monitor foreign exchange fluctuation to manage risk relating to foreign exchange variance. Management has also approved creation of Foreign exchange risk management committee. This committee monitor foreign exchange fluctuation and requirement of hedging on monthly basis. |
| 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, trade receivables 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 forward-looking information.



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

(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 construction phase has completed recently and company need to maintain liquidity for operations. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash requirements.

(i) Financing arrangement :

The company has access to undrawn rupee term loan of Rs. 18,720 lakhs (P.Y. : Rs. 56,173 lakhs)

The company has access to undrawn fund based working capital facility of Rs. 45,150.46 lakhs (P.Y. Rs. 1,26,722 lakhs) and undrawn non fund based working capital facility of Rs. 3,187 lakhs

Company is also exploring short term loans to meet working capital liabilities.

(ii) 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 to 2 years | Between 2 to 5 years | After 5 years | Total |
|---|-----------------------|----------------------------|--------------------------|----------------------------|----------------------------|---------------------|-------------------|
| Mar 31, 2022 | | | | | | | |
| Non-derivatives | | | | | | | |
| Creditors for capital goods/services and others | 53,799.96 | 14,293.66 | - | - | - | - | 68,093.62 |
| Lease liabilities | 33.05 | 30.34 | 60.69 | 121.37 | 13.59 | - | 259.04 |
| Deposits /Retention money | 1,852.89 | - | - | - | - | - | 1,852.89 |
| Deferred payment liabilities | - | - | - | - | - | - | - |
| Borrowings | 8,895.77 | 8,895.77 | 35,291.54 | 53,639.09 | 135,372.07 | 193,801.05 | 435,895.29 |
| Total non-derivative liabilities | 64,581.67 | 23,219.78 | 35,352.23 | 53,760.47 | 135,385.66 | 193,801.05 | 506,100.85 |
| March 31, 2021 | | | | | | | |
| Non-derivatives | | | | | | | |
| Creditors for capital goods/services and others | 31,347.71 | - | - | - | - | - | 31,347.71 |
| Lease liabilities | 53.06 | 3.64 | 7.29 | 11.09 | 11.50 | - | 86.58 |
| Deposits /Retention money | 1,313.28 | - | - | - | - | - | 1,313.28 |
| Deferred payment liabilities | - | - | - | 3,185.71 | 6,371.42 | 1,014.78 | 10,571.91 |
| Borrowings | - | - | 15,544.73 | 64,122.03 | 108,813.14 | 200,138.45 | 388,618.35 |
| Total non-derivative liabilities | 32,714.05 | 3.64 | 15,552.02 | 67,318.83 | 115,196.06 | 201,153.23 | 431,937.83 |



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

(c) Market Risks

i) Foreign Currency Risk

The Company imported certain plant and machineries and other project items which are denominated in Euro / US dollars and exposed 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. The Company has not hedged any foreign currency risk as at the reporting dates, as per this policy and due date is not ascertainable. The Company's exposure to foreign currency risks at the end of the reporting period expressed, i.e. solely related to project construction in INR as follows:

(Rupees in lakhs)

| | 31-Mar-22 | 31-Mar-21 |
|------------------------------|-----------|-----------|
| Financial liabilities | | |
| - Creditors | 1,879.76 | 4,636.96 |

Sensitivity Analysis

W.r.t. financial liabilities of creditors for the project, change in exchange rate shall have an impact on profitability of the company. Any increase or decrease in exchange rate would increase or decrease the profit as below:

| Impact on Project Cost till F.Y. 2021-22 (Rs. in lakhs) | 31-Mar-22 | 31-Mar-21 |
|--|-----------|-----------|
| Exchange rate: Increase by 1%* | 18.80 | 46.37 |
| Exchange rate decrease by 1%* | (18.80) | (46.37) |

*holding all other variable constant

ii) Interest Rate Risk

The Company's interest rate risk arises from long-term and short-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:

(Rupees in lakhs)

| | 31-Mar-22 | 31-Mar-21 |
|--|------------|------------|
| Variable Rate borrowings (net of transactional cost) | 513,506.86 | 386,237.66 |

Sensitivity Analysis

W.r.t. long term and short term borrowings for the company, change in interest rates shall have an impact on profitability of the company. Any increase or decrease in interest rates would increase or decrease the profit as below:

| Impact on Profitability till F.Y. 2021-22/Impact on Project Cost till F.Y. 2020-21 (Rs. in lakhs) | 31-Mar-22 | 31-Mar-21 |
|--|-----------|-----------|
| Interest rate: decrease by 10 basis points* | (515.88) | (388.62) |
| Interest rate: Increase by 10 basis points* | 515.88 | 388.62 |

*holding all other variable constant



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

39. Capital management

(a) Risk management

The Company's objectives in managing capital is 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.

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

Net debt (total borrowings including lease liabilities, cash and cash equivalents) (refer note 19(f)) divided by Total 'equity' (as shown in the balance sheet).

The company's strategy is to maintain Debt Equity ratio as agreed with bank. Present Debt Equity ratio is as follows:

| | (Rupees in lakhs) | |
|-------------------------------------|-------------------|------------|
| | 31-Mar-22 | 31-Mar-21 |
| Net debt | 513,506.86 | 394,303.37 |
| Total Equity | 96,173.93 | 156,104.76 |
| Net debt to equity ratio (in times) | 5.34 | 2.53 |

(b) Loan covenants

As per restated term loan agreement, the Company is required to maintain following ratios (the "Financial Covenants") from the Financial year ended on 31st March,2023, and if there is an adverse deviation by more than 10% from the level stipulated below in respect of any two of the following items default interest at the default rate shall be payable.

Ratio of Debt to EBIDTA of a maximum of 4.00,

Interest coverage ratio of a minimum of 1.50,

DSCR of a minimum of 1.25 and

FACR of a minimum of 1.25



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2021

(Rupees in lakhs)

40 Fair value measurements

Financial instruments by category

| | 31-Mar- 22 | | 31-Mar-21 | |
|---|-----------------|-------------------|-----------------|-------------------|
| | FVTPL | Amortised Cost | FVTPL | Amortised Cost |
| Financial assets | | | | |
| Cash and cash equivalents | - | 337.15 | - | 2,405.76 |
| Other bank balances | - | 520.36 | - | 146.76 |
| Bank deposits with more than 12 months maturity | | 8,628.07 | - | 1,527.18 |
| Security deposit | - | 658.39 | - | 674.72 |
| Trade receivable | - | 71,623.92 | - | 89.43 |
| Government grant receivable * | 3,414.04 | - | 3,109.71 | - |
| Insurance claim recoverable | - | - | - | 1,271.32 |
| Total | 3,414.04 | 81,767.90 | 3,109.71 | 6,115.17 |
| Financial liabilities | | | | |
| Other financial liabilities | - | 17,008.65 | - | 32,675.18 |
| Borrowings | - | 566,590.86 | - | 394,780.22 |
| Total | - | 583,599.50 | - | 427,455.40 |

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

| | 31-Mar-22 | | 31-Mar-21 | |
|---|-------------------|-------------------|-------------------|-------------------|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| Financial assets | | | | |
| Cash and cash equivalents | 337.15 | 337.15 | 2,405.76 | 2,405.76 |
| Other bank balances | 520.36 | 520.36 | 146.76 | 146.76 |
| Bank deposits with more than 12 months maturity | 8,628.07 | 8,628.07 | 1,527.18 | 1,527.18 |
| Security deposits \$ | 658.39 | 658.39 | 674.72 | 674.72 |
| Trade receivable | 71,623.92 | 71,623.92 | 89.43 | 89.43 |
| Insurance claim recoverable | - | - | 1,271.32 | 1,271.32 |
| Total financial assets | 81,767.90 | 81,767.90 | 6,115.17 | 6,115.17 |
| Financial Liabilities | | | | |
| Other financial liabilities | 17,008.65 | 17,008.65 | 32,675.18 | 32,675.18 |
| Borrowings | 566,590.86 | 566,590.86 | 394,780.22 | 394,780.22 |
| Total financial liabilities | 583,599.50 | 583,599.50 | 427,455.40 | 427,455.40 |

* For arriving fair value of assets in respect of all government grant receivable, the discounting rate @ 8.10% (p.y. @ 8.10%) (rate is on daily discounting basis).

\$ For arriving fair value of security deposit being of earlier year, the discounting rate considered @ 8.10% & 8.87% for old securities and @ 7.43% for securities given in financial year 2021-22, being applicable rate during respective year (rate is on daily discounting basis).



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

(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 (b) measured at fair value 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.

(a) Assets and liabilities which are measured at amortised cost for which fair values are disclosed.

| | | (Rupees in lakhs) | | | |
|---|-------|-------------------|---------|-------------------|-------------------|
| 31-Mar-22 | Notes | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | | |
| Cash and cash equivalents | 12 | - | - | 337.15 | 337.15 |
| Other bank balances | 13 | - | - | 520.36 | 520.36 |
| Bank deposits with more than 12 months maturity | 8 | - | - | 8,628.07 | 8,628.07 |
| Security deposits | 8 | - | - | 658.39 | 658.39 |
| Trade receivable | 11 | - | - | 71,623.92 | 71,623.92 |
| Insurance claim recoverable | 8 | - | - | - | - |
| Total | | - | - | 81,767.90 | 81,767.90 |
| Financial Liabilities | | | | | |
| Borrowings | 17 | - | - | 566,590.86 | 566,590.86 |
| Others financial liabilities | 21 | - | - | 17,008.65 | 17,008.65 |
| Total | | - | - | 583,599.50 | 583,599.50 |
| 31-Mar-21 | Notes | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | | |
| Cash and cash equivalents | 12 | - | - | 2,405.76 | 2,405.76 |
| Other Bank Balances | 13 | - | - | 146.76 | 146.76 |
| Bank deposits with more than 12 months maturity | 8 | - | - | 1,527.18 | 1,527.18 |
| Security deposits | 8 | - | - | 674.72 | 674.72 |
| Trade receivable | 11 | - | - | 89.43 | 89.43 |
| Insurance claim recoverable | 8 | - | - | 1,271.32 | 1,271.32 |
| Total | | - | - | 6,115.18 | 6,115.18 |
| Financial Liabilities | | | | | |
| Borrowings | 17 | - | - | 394,780.22 | 394,780.22 |
| Others financial liabilities | 21 | - | - | 32,675.18 | 32,675.18 |
| Total | | - | - | 427,455.40 | 427,455.40 |

(b) Financial Assets measured at fair value - recurring fair value measurements -

| 31-Mar-22 | Notes | Level 1 | Level 2 | Level 3 | Total |
|-----------------------------|-------|---------|---------|-----------------|-----------------|
| Financial assets | | | | | |
| Government grant receivable | 8 | - | - | 3,414.04 | 3,414.04 |
| Total | | - | - | 3,414.04 | 3,414.04 |
| 31-Mar-21 | Notes | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | | |
| Government grant receivable | 8 | - | - | 3,109.71 | 3,109.71 |
| Total | | - | - | 3,109.71 | 3,109.71 |



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

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.

(iii) The fair value of Government Grant receivable is calculated based on the expected timing of receipt of the grant and by using a current borrowing rate for the remaining period. Any increase in lending rate by 10 basis point will reduce the fair value by Rs. Nil lakhs and Rs. Nil lakhs as at March 22 and 21 respectively. Further any reduction in lending rate by 10 basis point shall increase the fair value by Rs Nil lakhs and Rs. Nil lakhs as at March 22 and 21 respectively.

Movement in the Grant receivable is given below:-

| | (Rupees in lakhs) |
|---|-------------------|
| As at 1st April 20 | 2,867.78 |
| Add: Grant receivable recognised at fair value | - |
| Add: Net gain/ (loss) in fair value during the year | 241.93 |
| Balance as at 31st March 21 | 3,109.71 |
| Add: Grant receivable recognised at fair value | 304.33 |
| Add: Net gain/ (loss) in fair value during the year | - |
| Balance as at 31st March 22 | 3,414.04 |

There have been no transfers between level 1, level 2 and level 3.

(iv) **Valuation technique used to determine fair value**

The carrying amounts of other financial liabilities, cash and cash equivalents, other bank balances, trade receivables and insurance claim recoverable are considered to be the same as their fair values, due to their short-term nature.

The fair values for borrowings were calculated based on the future cash flows discounted using a current borrowing rate.

For arriving fair value of assets in respect of all government grant receivable, the discounting rate used @8.10% (p.y. @ 8.10%). For security deposit being of earlier year, discounting rate of 8.10% & 8.87% has been continued (rate is on daily discounting basis), Security deposit given during the year, discounting rate of 7.43% (rate is on daily discounting basis). They are classified as level 3 fair values in the fair value hierarchy since significant inputs required to fair value an instrument are unobservable.

(v) **Assumptions: 1)** Present value of government grant receivable from State Government of Telangana, is calculated based on reimbursement date as 31.03.2021.



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

41. 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 | | Name of the Related Party |
| Investors | 1 | State Government of Telangana (SGOT) |
| | 2 | GAIL (India) Limited (GAIL) |
| | 3 | HTAS - Consortium |
| | 3.a | HT Ramagundam A/s |
| | 3.b | Danish Agribusiness Fund IK/S |
| | 3.c | Investment Fund For Developing Countries |
| C) Nature of Relationship | | Name of the Related Party |
| Director | 1 | Sh. Nirlep Singh Rai CEO w.e.f. 01.11.2018 Ceased as CEO w.e.f. 05.08.2021 Director w.e.f. 01.04.2020 Appointed as Chairman w.e.f 24.09.2021 |
| | 2 | Sh. Niranjan Lal Sharma Director w.e.f. 13.11.2017 |
| | 3 | Sh. Alok Verma Director w.e.f. 07.09.2018 |
| | 4 | Sh. Kamal Kishore Chatiwal Director w.e.f. 26.09.2018 |
| | 5 | Sh. Jayesh Ranjan Director w.e.f. 13.06.2019 |
| | 6 | Sh. Sanjeev Kumar Handa Director w.e.f 01.08.2020 |
| | 7 | Shri Ashok Kumar Kalra Director w.e.f. 13.09.2021 |
| | 8 | Dr. Kanika Tandon Bhal Independent Director w.e.f. 13.10.2021 |



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

| C) Nature of Relationship | | Name of the Related Party |
|----------------------------------|-----------|---|
| Director | 9 | Sh. Hira Nand Director w.e.f. 24.01.2022 |
| | 10 | Sh. Virendra Nath Datt Director w.e.f. 31.10.2018 Chairman w.e.f. 23.02.2021 Ceased w.e.f 21.09.2021 |
| | 11 | Sh. Sunil Bhatia Director w.e.f. 31.10.2018 Ceased w.e.f 30.06.2021 |
| | 12 | Smt. Vartika Shukla Director w.e.f. 07.07.2021 ceased w.e.f 08.09.2021 |
| | 13 | Shri Yash Paul Bholra Director w.e.f. 24.09.2021 ceased w.e.f 31.12.2021 |
| Key Management Personnel | 1 | Sh. A K Jain CEO w.e.f. 05.08.2021 |
| | 2 | Sh. Inder Chawla CFO w.e.f. 15.03.2021 |
| | 3 | Ms. Pratibha Aggarwal Company Secretary w.e.f. 01.10.2018 |



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

D) Transactions with Related parties:

(i) Transactions with Promoters Ventures:

(Rupees in lakhs)

| S. No | Particulars | Promoter Venturers | | | | | |
|----------------------------|--|--------------------|----------|----------|-----------|-----------|----------|
| | | 31-Mar-22 | | | 31-Mar-21 | | |
| | | NFL | EIL | FCIL | NFL | EIL | FCIL |
| Promoters Venturers | | | | | | | |
| 1 | Equity Share Capital | 4,383.42 | 4,383.42 | 1,854.37 | 10,610.00 | 10,610.00 | 4,490.00 |
| 2 | Application money pending allotment | - | - | - | - | - | - |
| 3 | Fixed Assets (Including CWIP) acquired | - | - | - | 1,643.01 | - | - |
| 4 | EPCM Fee (Incl. Tax) | - | - | - | - | 2,917.53 | - |
| 5 | Sale of urea (excluding tax) | 19,531.79 | - | - | 14.81 | - | - |
| 6 | Sale of ammonia (excluding tax) | 9,537.66 | - | - | | | |
| 7 | Purchase liquid ammonia & Service Charges (Incl. Tax) | 3,154.59 | - | - | - | 0.06 | - |
| 8 | Other Expenses (Incl. Tax) including salary of CEO & CFO | 1,452.98 | 517.47 | 0.00 | 2,227.78 | 575.51 | 0.00 |
| 9 | Lease rent income* | - | - | 0.00 | - | - | 0.00 |
| 10 | Amount payable | 4,783.15 | 3,110.64 | - | 707.60 | 2,593.18 | 1,854.37 |
| 11 | Amount recoverable | 5,021.56 | - | - | 15.55 | - | - |

*As per lease agreement with FCIL, annual lease rent is Rs.1/- for office space provided to FCIL at Ramagundam.

ii) Transactions with Investors

(Rupees in lakhs)

| S. No | Particulars | Investors | | | | | |
|------------------|-------------------------------------|-----------|------------|-------------------|-----------|-----------|-------------------|
| | | 31-Mar-22 | | | 31-Mar-21 | | |
| | | SGOT | GAIL | HTAS - Consortium | SGOT | GAIL | HTAS - Consortium |
| Investors | | | | | | | |
| 1. | Equity Share Capital | 1,000.00 | 2,411.38 | 1,974.04 | 1,400.01 | 5,835.00 | 4,773.00 |
| 2. | Application money pending allotment | - | - | - | - | - | - |
| 3. | Gas Purchase | - | 183,645.48 | - | - | 24,788.12 | - |
| 4. | Fixed assets | - | - | - | - | - | - |
| 5. | Compressor charges (incl. Tax) | - | 3,715.97 | - | - | 3,215.85 | - |
| 6. | Amount payable | 10,571.91 | 27,110.25 | - | 8,542.56* | 8,258.65 | - |
| 7. | Amount recoverable | - | 216.00 | - | - | 253.50 | - |

* Present value (discounted) of amount payable to SGOT.



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

iii) Transactions with Key Management Personnel

(Rupees in lakhs)

| S. No | Particulars | | 31-Mar-22 | 31-Mar-21 |
|---------------------------------|---|-----|---------------------|-----------|
| Key Management Personnel | | | Remuneration | |
| 1. | Sh. Nirlep Singh Rai* | CEO | - | 2.22 |
| 2. | Sh. A K Jain | CEO | 51.27 | - |
| 3. | Sh. Sanjay Jindal* | CFO | - | 64.27 |
| 4. | Sh. Inder Chawla* | CFO | 70.04 | 2.87 |
| 5. | Ms. Pratibha Aggarwal* | CS | | |
| 5.a | Salary and contribution to provident fund | | 24.32 | 22.31 |
| 5.b | Post employment benefits | | 0.01 | 0.79 |
| 5.c | Long-term employee benefits | | 0.78 | 0.86 |
| 5.d | Termination benefits | | 1.49 | 2.06 |
| 6. | Share based payment to KMP | | - | - |

* Remuneration is upto / from period as mentioned in list of KMP (Note 43 c)

(Rupees in lakhs)

| S.No | Particulars | | 31-Mar-22 | 31-Mar-21 |
|-------------------------------|--------------------------|--|------------------------------|-----------|
| Independent director's | | | Director sitting fees | |
| 1 | Sh. Rakesh Mohan Joshi | | - | - |
| 2 | Sh. Bharat Bhushan Goyal | | - | - |
| 3 | Smt. Kanika T Bhal | | 0.60 | - |
| 4 | Fee payable | | - | - |



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

42. IND-AS-19: Employee benefits

42.1 General description of defined benefit schemes:

| | |
|--|---|
| Gratuity | Payable on separation/death @15 days pay for each completed year of service subject to maximum of Rs. 20 lakh (the ceiling of gratuity shall increase by 25% whenever Industrial DA (IDA) rises by 50%) to eligible employees who render continuous service of 5 years or more. |
| Leave Encashment Earned Leave (EL) and Half Pay Leave (HPL) | Payable on separation/death to eligible employees who have accumulated earned leave and half pay leave. During the service period encashment of accumulated earned leave is allowed in a financial year leaving minimum balance leave of 30 days. |
| Baggage Allowance (PSRB) | Baggage allowance for settlement at home town for employees and dependents. |

42.2 Defined contributions:

Provident Fund: The Provident Fund contributions are made by the company to Employee Provident Fund Organisation as per regulations. The obligation of the Company is limited to the amount contributed and it has neither contractual nor any constructive obligation. The Expenses recognised during the period towards defined contribution plan is Rs 234.65 lakhs (charge to statement of Profit and loss Rs. 234.65 lakhs) {P.Y. Rs 191.53 lakhs (charge to statement of Profit and loss Rs. 9.39 lakhs and Capital work in progress Rs. 182.14 lakhs)}.

42.3 Risk associated with defined benefits schemes:

| | |
|---|--|
| Interest risk (discount rate risk) | A Increase in the Govt. bond interest rate (discount rate) will decrease the plan liability. |
| Mortality risk | The present value of the defined benefit plan liability is calculated by using Indian Assured Lives Mortality (2012-14) ultimate table. A change in mortality rate will have a bearing on the plan's liability. |
| Salary risk | The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability. |



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

(Rupees in lakhs)

42.4 Other disclosures / reconciliation, in respect of defined benefit obligation are as under:

| Gratuity (unfunded) | | EL (unfunded) | | HPL (unfunded) | | PRSB (unfunded) | |
|------------------------|-------|------------------|-------|-------------------|-------|--------------------|-------|
| 21-22 | 20-21 | 21-22 | 20-21 | 21-22 | 20-21 | 21-22 | 20-21 |

(i) Reconciliation of present value of defined benefit obligations (Unfunded):

| | | | | | | | | | |
|----|--|---------------|---------------|---------------|---------------|--------------|--------------|-------------|-------------|
| 1 | Present value of projected benefits at beginning of the year | 124.97 | 58.71 | 184.25 | 65.15 | 66.05 | 35.06 | 1.42 | 0.63 |
| 2 | Service Cost | 68.77 | 62.33 | 98.50 | 96.39 | 31.45 | 35.73 | 0.74 | 0.74 |
| 3 | Past Service Cost | - | - | - | - | - | - | - | - |
| 4 | Interest Cost | 8.35 | 3.97 | 12.31 | 4.40 | 4.41 | 2.37 | 0.10 | 0.04 |
| 5 | Actuarial (Gains) / Losses | (12.14) | (0.04) | (6.85) | 27.63 | (21.05) | (7.11) | (0.25) | 0.01 |
| 6 | Benefits Paid | (0.87) | - | (28.70) | (9.32) | (0.04) | - | - | - |
| 7 | Plan Participant's Contribution | - | - | - | - | - | - | - | - |
| 8 | Transfer in | - | - | - | - | - | - | - | - |
| 9 | Present Value of projected benefit obligations as close of the year (1 to 8) | 189.08 | 124.97 | 259.51 | 184.25 | 80.83 | 66.05 | 2.01 | 1.42 |
| 10 | Fair Value of Plan assets at close of the year | - | - | - | - | - | - | - | - |
| 11 | Net liability recognised in Balance Sheet at close of the year (9-10) | 189.08 | 124.97 | 259.51 | 184.25 | 80.83 | 66.05 | 2.01 | 1.42 |

(ii) Expenses recognised in the statement of Profits & Loss:

| | | | | | | | | | |
|-----|--------------------------------|--------------|--------------|---------------|---------------|--------------|--------------|-------------|-------------|
| 1 | Service Cost | 68.77 | 62.33 | 98.50 | 96.39 | 31.45 | 35.73 | 0.74 | 0.74 |
| 2 | Past service cost | - | - | - | - | - | - | - | - |
| 3 | Interest cost | 8.35 | 3.97 | 12.31 | 4.40 | 4.41 | 2.37 | 0.10 | 0.04 |
| 4 | Actuarial (Gains) / Losses | (12.14) | (0.04) | (6.85) | 27.63 | (21.05) | (7.11) | (0.25) | 0.01 |
| 5 | Expected return on plan assets | - | - | - | - | - | - | - | - |
| 6 | Total expenses | 64.97 | 66.26 | 103.96 | 128.42 | 14.81 | 30.99 | 0.58 | 0.79 |
| 6.a | charged to P&L Account | 64.97 | 3.18 | 103.96 | 5.77 | 14.81 | 1.51 | 0.58 | 0.03 |
| 6.b | charged to CWIP Account | - | 63.08 | - | 122.65 | - | 29.48 | - | 0.76 |



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

(iii) Actuarial assumptions:

| | | 31-Mar-22 | 31-Mar-21 |
|---|---|--|--|
| 1 | Method used | Projected Unit Credit | Projected Unit Credit |
| 2 | Discount rate (per annum) | 7.00 | 6.68 |
| 3 | Mortality rate | 100% Indian assured Lives mortality (2012-14) | 100% Indian assured Lives mortality (2012-14) |
| 4 | Withdrawal Rates (per annum) upto 30/44 and above 44 years | Executives and Non Executives 3%/2%/1% depending upon age. | Executives and Non Executives 3%/2%/1% depending upon age. |
| 5 | Salary escalation taking into account inflation rate, seniority, promotion and other relevant factors | 6.00% | 6.00% |

Sensitivity analysis of the defined benefit obligation,

(Rupees in lakhs)

Effect of half percent change in the discount rate on employee's benefit scheme

| Particulars | 0.5% decrease in discounting rate | | 0.5% increase in discounting rate | |
|------------------|-----------------------------------|-----------|-----------------------------------|-----------|
| | 31-Mar-22 | 31-Mar-21 | 31-Mar-22 | 31-Mar-21 |
| Gratuity | 19.77 | 13.85 | (17.48) | (12.19) |
| Leave encashment | 25.75 | 19.09 | (23.08) | (16.97) |
| Half pay leave | 8.08 | 6.85 | (7.24) | (6.08) |
| PRSB | 0.17 | 0.13 | (0.18) | (0.13) |

Effect of half percent change in the salary escalation on employee's benefit scheme

| Particulars | 0.5% decrease in salary escalation rate | | 0.5% increase in salary escalation rate | |
|------------------|---|-----------|---|-----------|
| | 31-Mar-22 | 31-Mar-21 | 31-Mar-22 | 31-Mar-21 |
| Gratuity | (17.72) | (12.32) | 19.86 | 13.88 |
| Leave encashment | (23.21) | (17.05) | 25.95 | 19.14 |
| Half pay leave | (7.28) | (6.11) | 8.14 | 6.87 |
| PRSB | (0.18) | (0.12) | 0.18 | 0.12 |



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

43. Assets taken on short term lease

The Company's significant leasing arrangements are in respect of short term leases of premises for offices & vehicles. These leasing arrangements are usually renewable on mutually agreed terms but are not non-cancellable. Lease payments in respect of premises for offices Rs. 0.21 lakhs (Previous Period Rs. 93.05 lakhs) are shown in Rent. Lease payments in respect of Vehicle Rs. 41.12 lakhs (Previous Period Rs. 74.52 lakhs) are shown in Hire charges vehicles (grouped under Travelling & Conveyance and handling & freight charges).

44. 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-22 | 31-Mar-21 |
| Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances). | 946.99 | 1,793.38 |
| Total | 946.99 | 1,793.38 |

45. Contingent liabilities not acknowledged as debts

| | 31-Mar-22 | 31-Mar-21 |
|---|-----------|-----------|
| a. Letter of Credits | 937.91 | 1,299.35 |
| b. Bank Guarantee | 58,375.93 | 30,344.00 |
| c. Income Tax Act-1961 | - | 29.26 |
| d. Entry Tax * | 98.25 | - |
| e. Union Bank of India - Additional Interest demand due to non achievement of project milestone | 18.00 | - |

* VAT Department, Ramagundam has raised entry tax demand for the year 2016-17 and 2017-18 in the month of May 2022 for goods procured in the construction stage. Company is yet to decide further course of action.

46. Contingent assets

a. 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 to the company and the company is eligible to receive 100% of VAT/CST after commercial production for a period of seven years i.e. Rs. 22,300 lakhs approximately. Due to the introduction of GST Act w.e.f. 01.07.2017 and the liability towards GST is Nil for RFCL as it falls in the Inverted Duty Structure Mechanism, Company has requested to provide interest subsidy instead of VAT/CST reimbursement. Till change in nomenclature by State Govt. of Telangana, company has not accounted for this expected incentive in its books of account.



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

47. Borrowings from banks on the basis of security of current assets

(Rupees in lakhs)

| Quarter | Name of Bank | Particulars of Securities Provided | Amount as per books of Account/ Statements* | Amount as reported in the quarterly return/ statement | Amount of Difference | Reason for material discrepancies |
|---------|---------------------|--|---|---|----------------------|---|
| Jun-21 | State Bank of India | Sundry Debtors (including subsidy) and Inventories | 10,107.22 | 10,107.22 | 0 | NA |
| Sep-21 | State Bank of India | Sundry Debtors (including subsidy) and Inventories | 42,901.27 | 42,901.27 | 0 | NA |
| Dec-21 | State Bank of India | Sundry Debtors (including subsidy) and Inventories | 78,789.61 | 78,789.61 | 0 | NA |
| Mar-22 | State Bank of India | Sundry Debtors (including subsidy) and Inventories | 88,844.94 | 99,484.96 | -10,640.02 | Company has finalised its accounts on annual pool rate for recognition of revenue and inventory. The information to bank was sent based on quarterly pool gas rate. |

* Includes provisions and unbilled amount of subsidy for Urea and Freight.



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RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED **Notes to Financial Statements for the year ended 31st March 2022**

48. Relationship with struck off Companies

As per available information, company has no relation with struck off companies as an shareholder, trade receivables, trade payables.

49. Standards Issued but not yet effective

In March, 2022, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying the following amendments:

- a) Amendment to IndAS 101
- b) Amendment to IndAS 103
- c) Amendment to IndAS 37
- d) Amendment to IndAS 109
- e) Amendment to IndAS 16
- f) Amendment to IndAS 37
- g) Amendment to IndAS 41

These amendments are applicable from April 1, 2022. However, these amendments does not have any impact on financial statements of the company.

50. Impact of Covid-19

RFCL declared its commercial operation in 2021. During financial year 2021-22, it was in operation stage.

Due to Covid-19 there is no impairment of assets of the Company or impact on Going Concern assumption of the Company.

51. Initial bottlenecks

After start of commercial operation in 2020-21, Company faced various technical glitches in the initial months of financial year 2021-22 and after resolving the technical issues plant is operating smoothly in balance months of the year.



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

52. Ratios to be disclosed

| Particulars | As on 31 st March, 2022 | As on 31 st March, 2021 | % Variance | Reason for Variance |
|--|--|--|---------------|--|
| 1. Current Ratio (no. of times) Total Current Assets / Total Current Liabilities | 0.55 | 0.26 | 108.77% | Due to full year production, there is an increase in Debtors and Inventory. |
| 2. Debt - Equity Ratio Total Debt (Long term borrowings + Short term borrowings (including current maturities of long term borrowings)) / Equity | 5.34 | 2.53 | 110.69% | Due to increase in borrowings. |
| 3. Debt Service Coverage Ratio (no. of times) EBITDA/(Finance costs + Short term borrowings (including Current maturities of long term borrowings)) | -0.30 | 0.73 | -141.49% | Due to increase in borrowings. |
| 4. Return on Equity Ratio (%) Net Income (PAT) / Shareholder's Equity | -79.00% | -3.01% | 2,524.99% | Company was in operation stage for only 9 days in Financial Year 2020-21 in comparison to full year operation in financial year 2021-22. Hence, the ratios are non comparable. |
| 5. Inventory Turnover Ratio (no. of times) Cost of Goods Sold / Average Inventory | 1,042.83% | NA | NA | Previous year data not available, hence not comparable. |
| 6. Trade Receivables Turnover Ratio (no. of times) Net Credit Sales / Average Accounts Receivable | 4.26 | NA | NA | Previous year data not available, hence not comparable. |
| 7. Trade Payables Turnover Ratio (no. of times) Net Credit Purchases / Average Accounts Payable | 110,478.91 | NA | NA | Previous year data not available, hence not comparable. |



RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2022

52. Ratios to be disclosed

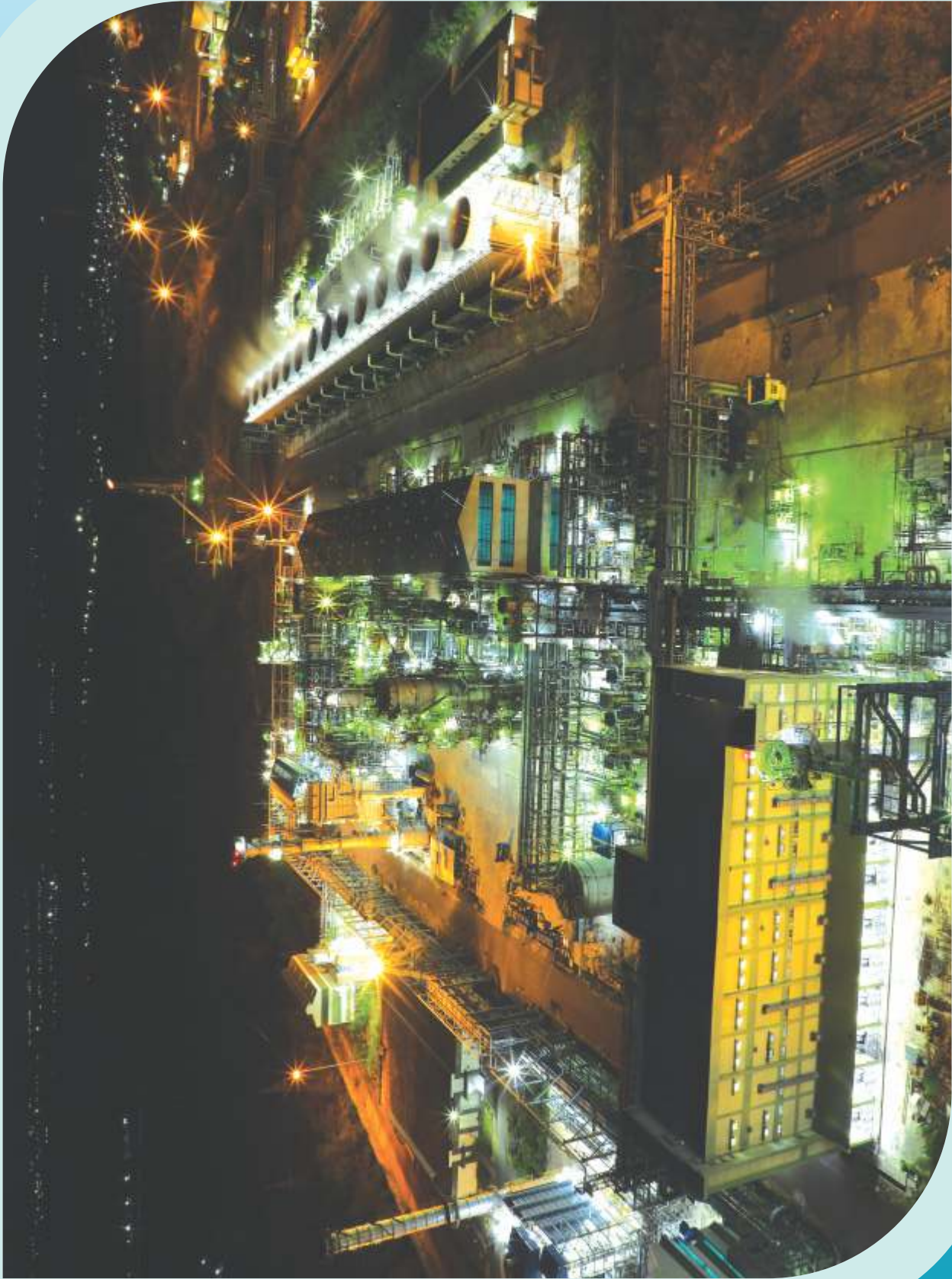
| Particulars | As on 31 st March, 2022 | As on 31 st March, 2021 | % Variance | Reason for Variance |
|---|--|--|---------------|--|
| 8. Net Capital Turnover Ratio (no. of times) Total Sales / Shareholder's Equity | 1.59 | NA | NA | Previous year data not available, hence not comparable. |
| 9. Net Profit Ratio (%) Net Profit / Net Sales | -49.74% | NA | NA | Previous year data not available, hence not comparable. |
| 10. Return on Capital Employed (%) EBIT / Capital Employed | -13.67% | 4.06% | -436.38% | Company was in operation stage for only 9 days in Financial Year 2020-21 in comparison to full year operation in financial year 2021-22. Hence, the ratios are non comparable. |
| 11. Return on investment (%) Net Profit / Cost of Investment | -107.92% | -3.82% | 2,728.63% | Company was in operation stage for only 9 days in Financial Year 2020-21 in comparison to full year operation in financial year 2021-22. Hence, the ratios are non comparable. |

53. Corporate Social Responsibility (CSR)

As per section 135 (5) of Companies Act, 2013, RFCL is required to spend 2% of average net profits of preceeding 3 financial years on CSR. Company has not earned profits in the last 3 years. Hence, this provision is not applicable on it.

54. Certain changes have been made in the policies nos 1 (b), (x), (h), (j) and (y), for improved disclosure and presentation. There is no impact on the financial statement due to these changes.

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





रामागुण्डम फर्टिलाइजर्स एण्ड केमिकल्स लिमिटेड

Ramagundam Fertilizers and Chemicals Limited

CIN: U24100DL2015PLC276753

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