

ANNUAL REPORT

2018 - 2019



Ramagundam Fertilizers
and Chemicals Limited



रामागुण्डम फर्टिलाइजर्स एण्ड केमिकल्स लिमिटेड



Board of Directors and Senior Management



Shri Jagdish Chander Nakra
Chairman



Shri Devinder Singh Ahuja
Director



Shri Lalit Kumar Vijh
Director



Shri Niranjana Lal
Director



Shri Alok Verma
Director



Shri K.K. Chatiwal
Director



Shri Sunil Bhatia
Director



Shri Virendra Nath Datt
Director



Shri Ashish Ranjan
Director



Shri Rakesh Gogia
Director



Shri Rakesh Mohan Joshi
(Independent Director)



Shri Bharat Bhushan Goyal
(Independent Director)



Shri Nirlep Singh Rai
(CEO)



Shri Sanjay Jindal
(CFO)

Senior Officials

REGISTERED & CORPORATE OFFICE

Shri Nirlep Singh Rai
Chief Executive Officer

Shri Sanjay Jindal
Chief Financial Officer

Shri Hira Nand
CGM (F&A)

Shri A. K. Maheshwari
CGM (Project)

Ms. Pratibha Aggarwal
Company Secretary

PROJECT

Shri Rajan Thapar
CGM (Project-Site)

PROJECT ADDRESS : Fertilisers City RFCL Plant, Ramagundam, Peddapalli,
Telangana - 505210, India

STATUTORY AUDITORS (2018-19)

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

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

SECRETARIAL AUDITORS

M/s. Agarwal S. & Associates
Company Secretaries

D-427, 2nd Floor, Ramphal
Chowk, (Backside of Gopsons)
Palam Extension, Sector 7, Dwarka,
New Delhi-110075

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

REGISTERED & CORPORATE OFFICE

: 3rd & 4th floor, Mohhta Building, 4, Bhikaji Cama Place,
New Delhi - 110066

BANKERS

1. State Bank of India
2. Union Bank of India
3. Bank of India
4. Bank of Baroda
5. Oriental Bank of Commerce
6. HDFC Bank

Chairman's Statement



Shri Jagdish Chander Nakra
Chairman

Dear Shareholders,

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

Before deliberating on the activities of the Company, I would like to briefly share information with respect to state of economy and in particular fertilizer sector during 2018-19.

Economic Scenario and Fertilizer Industry

Indian Economy has retained its status as one of the fastest growing economy of the world. Real GDP (at constant prices) for the year 2018-19 is estimated at ₹141 lakh crore with a growth rate of 7% (as per 2nd Advance Estimates by CSO). The expectations are high in the fiscal 2019-20 for maintaining the growth rate with the support of progressive Policies of the Government, commitment towards Policy Reforms, strong domestic consumption demand etc.

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

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

Urea is a nitrogenous fertilizer which is the major source of nitrogen for crops. The Urea industry in the country has manufacturers from public, co-operative and private sectors. With the increase in the area under irrigation and introduction of high yielding varieties of crops, there has been a gradual increase in the demand of Urea over the years. There is a wide gap between requirement of urea and its availability (including supplies from OMIFCO) in the country as evident from import of large quantity of urea in last few years.

In 2018-19 the overall Urea production declined by 0.5% from 240.26 LMT in 2017-18 to 238.99 LMT in 2018-19. Urea consumption / sales increased by 7.1% from 298.94 LMT in 2017-18 to

320.19 LMT in 2018-19. During 2018-19, the demand supply gap of urea was 81.20 LMT. The gap shall get bridged in coming years by commencement of production from new capacities being created.

The demand for fertilizer in Andhra Pradesh / Telangana has increased to 27.41 LMT in 2018-19 against 17.46 LMT in 2004-05. Moreover, there are no mega capacity fertilizer plants in Southern Region except urea plant of Nagarjuna Fertilizers and Chemicals Limited (NFCL) at Kakinada. Due to large gap between demand and supply, major quantity of Urea produced from RFCL plant will be marketed and consumed within Southern zone itself.

Performance Highlights

Your Company was incorporated on 17th February, 2015 for setting up Gas based Urea manufacturing plant at Ramagundam with capacity of 2,200 MTPD Ammonia Unit and 3,850 MTPD Urea Plant.

Your Company is a Joint Venture Company of National Fertilizers Limited (NFL), Engineers India Limited (EIL) and Fertilizer Corporation of India Limited (FCIL) (Promoters) with 26% equity each by NFL & EIL. FCIL has been granted 11% equity in terms of CCEA approval. Govt. of Telangana has taken equity participation of 11% equity. With the signing of Share Subscription Cum Shareholders Agreement (SSSHA) on 18th August, 2018 amongst RFCL, its Promoters and Investors, leading to Equity participation of 14.3% of Equity Capital by GAIL (India) Ltd. and 11.7% of Equity Capital by HTAS Consortium (consisting of HT Ramagundam A/S, IFU and Danish Agribusiness Fund, Denmark), the Company achieved 100% Financial Closure for the Project.

In line with the Joint Venture Agreement, Company has entered into Marketing agreement with NFL in August, 2018 for marketing of RFCL products.

In accordance with financing plan, project debt of Rs. 3940.71 crore was arranged by signing of Facility (Rupee Loan) Loan Agreement with Consortium of PSU Banks led by SBI in July, 2017. The project was appraised by SBICAPS by maintaining project cost of Rs. 5254.28 crore as provided in DFR. The project zero date was considered as September, 2015 with commissioning of the plant in 42 months from Zero Date, in the financing documents and accordingly Scheduled Commercial Operation Date (SCOD) was March, 2019. Board has approved revised Project cost of Rs. 6120.55 crore and Revised Scheduled Commercial Operation Date as 31st March, 2020 considering the availability of gas by end of August, 2019 and also completion of critical construction contracts within timelines.

Your Company has achieved a Physical progress of the Project is 97.6% as on 15th July, 2019. All major contracts/orders have been placed and construction activities at site are in full swing.

Corporate Governance

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

Manpower

In 2018-19, regular personnel have joined your Company and there were 124 no. of regular employees on the payroll including 56 Management Trainees (MTs) as on 31st March 2019, besides expert manpower from NFL & EIL continue to manage project activities of the Company. All the MTs before posting at Ramagundam Site have been imparted six months "on job"

training at various operating Units of NFL. New employees taken on lateral basis have also been imparted need based 'on job' training at NFL Unit.

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 getting 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 unwavering support, Department of Fertilizers, Ministry of Petroleum & Natural Gas, State Government of Telangana for their valuable guidance and look forward to their continued support.

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

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

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

sd/-

(Jagdish Chander Nakra)
Chairman
DIN: 07676468

Place : New Delhi

Date : 19th August, 2019



Chairman RFCL along with Senior Executives at RFCL Ramagundam

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ANNUAL ACCOUNT

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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 4th Annual Report for the financial year ended March 31, 2019 along with Audited Statement of Accounts, the Auditors' Report and Comments of the Comptroller and Auditor General of India.

Company Overview

Your Company has been incorporated as a joint venture company of Engineers India Limited (EIL), National Fertilizers Limited (NFL) and Fertilizer Corporation of India (FCIL), for setting up Gas based Urea Manufacturing Plant at Ramagundam, Peddapalli district in the State of Telangana, with capacity of 2200 MTPD Amonia Unit and 3850 MTPD Urea Unit.

Financial Performance

The company being in its project development stage is yet to start with its commercial business operations hence no income was generated from business operations. The financial statements for FY 2018-19 have been prepared in accordance with Indian Accounting Standards (Ind AS) 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 2018-19	Financial Year 2017-18
Income			
1	Revenue from operations	-	-
2	Other Income	507.91	192.05
A	Total Income	507.91	192.05
Expenditure			
1	Employee benefits expense	28.44	-
2	Depreciation and Amortisations	-	-
3	Other expenses	1,735.63*	195.61
B	Total Expenses	1,764.07	195.61
C	Profit/ (Loss) Before Tax (A-B)	(1,256.16)	(3.56)
D	Tax expenses	-	-

SI No.	Particulars	Financial Year 2018-19	Financial Year 2017-18
E	Profit (Loss) for the year	(1,256.16)	(3.56)
F	Reserves & Surplus	(1,889.32)	(440.87)
G	EPS Rs./Share	(0.15)	(0.00)

Note 1: *(Refer Note 26 of Financial Statements 2018-19)

Note 2: In view of loss during the year, no amount was transferred to Reserves

Credit Rating

Indian Ratings and Research Pvt. Ltd., a Fitch Group company has granted RFCL's Long- Term Issuer rating at 'IND A-/ Stable', which has been affirmed in 2019.

Share Capital

Issued Share Capital of the Company increased from ₹602.11 crore as on 31st March 2018 to ₹1052.66 crore as on 31st March 2019. Paid up Share Capital of the Company increased from ₹602.11 crore as on 31st March 2018 to ₹1018.98 crore as on 31st March 2019. There is no Share subscription money pending allotment at the end of FY 2018-19.

The shareholding of the Company, as on 31st March, 2019 and as on date is as below:

SI No.	Name of Shareholder	Shareholding as on 31 st March, 2019 (in ₹)	Shareholding as on date of this Report (in ₹)
1	National Fertilizers Limited	273,69,00,040	307,37,27,730
2	Engineers India Limited	273,69,00,040	307,37,27,730
3	Fertilizer Corporation of India Limited	115,79,64,260	130,04,73,820
4	State Government of Telangana	82,11,58,020	115,79,58,020
5	GAIL (India) Limited	150,52,95,000	169,05,50,220
6	HT Ramagundam A/S	41,05,35,000	46,10,59,150
7	Investment Fund for developing countries	41,05,35,000	46,10,59,150
8	Danish Agribusiness Fund I K/S	41,05,35,000	46,10,59,150
Total		1018,98,22,360	1167,96,14,970

The Issued Capital as on date is ₹1182.21 crore and paid up Share Capital of the Company is ₹1167.96 crore. The entire Share Capital of the Company as on date is in dematerialized form.

Dividend

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

Change of situation of registered office of the Company

Board in its 40th Meeting held on 14th March, 2019 has approved the change in situation of the registered office of the Company to 3rd and 4th floor, Mohta Building, 4, Bhikaji Cama Place, New Delhi-110066 from its present location at Scope Complex, Core-III 7, Institutional Area, Lodhi Road, New Delhi - 110003, under the jurisdiction of same Registrar of Companies, NCT of Delhi & Haryana and within the local limit of the town where present registered office of the Company was situated.

Accordingly, the Register of Members, such other registers/ records, Annual Returns and books of accounts of the Company, as required to be maintained under the Companies Act, 2013, whether kept in physical or in electronic form, presently being maintained at the corporate office shall continue to be maintained at Registered and Corporate office of the Company i.e. at 3rd and 4th floor, Mohta Building, 4, Bhikaji Cama Place, New Delhi-110066.

Physical and Financial Status of the Project.

The project of setting up of Ammonia-Urea Complex of Urea capacity of 1.27 Million MT is being executed on Engineering, Procurement & Construction and Management (EPCM) basis. In accordance with financing plan, project debt of Rs 3940.71 crore was arranged by signing of Facility (Rupee Loan) Loan Agreement with Consortium of PSU Banks led by SBI in July, 2017. The project was appraised by SBICAPS by maintaining project cost of Rs. 5254.28 crore as provided in DFR. The project zero date was considered as September, 2015 with commissioning of the plant in 42 months from Zero Date, in the financing documents and accordingly Scheduled Commercial Operation Date (SCOD) was March, 2019. Board at its Meeting held on 14th March, 2019 has approved revised Project cost of Rs. 5920.55 crore and Revised Scheduled Commercial Operation Date as 31st December, 2019 considering the availability of gas by May/ June, 2019 and also completion of critical construction contracts within timelines.

Subsequently, Board at its Meeting held on 29th July, 2019 approved the revised Project cost estimate at Rs. 6120.55 crore and revised Scheduled Commercial Operation Date as 31st March, 2020, considering six month's timeline from date of receipt of gas, as the gas is expected by end of August, 2019 and keeping a time period of additional one month for any unforeseen activity required to be carried out during commissioning.

The Physical progress of the Project is 97.6% as on 15th July, 2019.

Financial Closure

With the signing of Share Subscription Cum Shareholders Agreement (SSSHA) on 18th August, 2018 amongst RFCL, its Promoters and Investors, leading to Equity participation of 14.3% of Equity Capital by GAIL (India) Ltd. and 11.7% of Equity Capital by HTAS Consortium (consisting of HT Ramagundam A/S, IFU and Danish Agribusiness Fund, Denmark), the Company achieved 100% Financial Closure for the Project.

Marketing of Urea - In line with the Joint Venture Agreement, your company has entered into Marketing agreement with NFL, having second largest market share of Urea in the Country. NFL's marketing territory spreads pan India and the production of 1.27 Million ton of Urea of your Company shall be marketed by NFL.

Future Prospects

Indian Economy is one of the fastest growing economy of the world. Real GDP (at constant prices) for the year 2018-19 is estimated at ₹141 lakh crore with a growth rate of 7% (as per 2nd Advance Estimates by CSO).

Production of food grains as per 3rd Advance Estimates by the Department of Agriculture, Cooperation and Farmers Welfare under Ministry of Agriculture and Farmers Welfare is 2834 LMT in 2018-19 as against 2850 LMT in 2017-18 registering a fall of 0.6%.

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

In 2018-19 the overall Urea production declined by 0.5% from 240.26 LMT in 2017-18 to 238.99 LMT in 2018-19. Urea consumption / sales increased by 7.1% from 298.94 LMT in 2017-18 to 320.19 LMT in 2018-19. During 2018-19, the demand supply gap of urea was 81.20 LMT. The gap shall get bridged in coming years by commencement of production from new capacities being created.

The demand for fertilizer in Andhra Pradesh / Telangana has increased to 27.41 LMT in 2018-19 against 17.46 LMT in 2004-05. Moreover, there are no mega capacity fertilizer plants in Southern Region except urea plant of Nagarjuna Fertilizers and Chemicals Limited (NFCL) at Kakinada. Due to large gap between demand and supply, major quantity of Urea produced from RFCL plant will be marketed and consumed within Southern zone itself.

Board of Directors

1. Composition of the Board as on March 31, 2019 is as follows:

DIN	Name	Designation
07676468	Shri Jagdish Chander Nakra	Non-executive and Non-independent Director (Chairman)
05146544	Shri Rajiv Kumar Chandiok	Non-executive and Non-independent Director
07687173	Shri Devinder Singh Ahuja	Non-executive and Non-independent Director
07261231	Shri Lalit Kumar Vijn	Non-executive and Non-independent Director
07965269	Shri Niranjana Lal	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
07204232	Shri Rakesh Mohan Joshi	Non-executive Independent Director
07254856	Shri Bharat Bhushan Goyal	Non-executive Independent Director
08259936	Shri Sunil Bhatia	Non-executive and Non-independent Director
07823778	Shri Virendra Nath Datt	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
07676468	Shri Jagdish Chander Nakra	Chairman	3-Nov-17 (Regularised w.e.f 14-Sep-18) 01-Feb-18 (As Chairman)	Continuing
05146544	Shri Rajiv Kumar Chandiok	Director	28-Feb-17 (Regularised w.e.f 18-Sep-17)	Ceased w.e.f 28 th June, 2019
07965269	Shri Niranjana Lal	Director	13-Nov-17 (Regularised w.e.f 14-Sep-18)	Continuing
07261231	Shri Lalit Kumar Vijn	Director	1-Feb-18 (Regularised w.e.f 14-Sep-18)	Continuing
07579789	Shri Alok Verma	Director	07-September-18 (Regularised w.e.f 14-Sep-18)	Continuing
08234672	Shri Kamal Kishore Chatiwal	Additional Director	26-September-2018	Continuing
07204232	Shri Rakesh Mohan Joshi	Additional Director (Non-Executive Independent Director)	Ceased on 30-September-2018 on expiry of term of 18 months. Appointed as Non-Executive Independent director for a fresh term of 18 months w.e.f 1st October, 2018.	Continuing
07254856	Shri Bharat Bhushan Goyal	Additional Director (Non-Executive Independent Director)	Ceased on 30-September-2018 on expiry of term of 18 months. Appointed as Non-Executive Independent director for a fresh term of 18 months w.e.f 1st October, 2018.	Continuing
08259936	Shri Sunil Bhatia	Additional Director	31-October-2018	Continuing
07823778	Shri Virendra Nath Datt	Additional Director	31-October-2018	Continuing
00003692	Shri Jayesh Ranjan	Additional Director	13 th June, 2019	Continuing
08501905	Shri Rakesh Gogia	Additional Director	15 th July, 2019	Continuing

3. Re-appointments

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri Jagdish Chander Nakra, Chairman and Shri Lalit Kumar Vijh, Director would retire by rotation, at the ensuing Annual General Meeting, and being eligible, offers themselves for reappointment.

4. Inductions and regularisation

Shri Kamal Kishore Chatiwal, nominated by GAIL (India) Ltd. was appointed as an Additional Director with effect from 26th September, 2018. Shri Rakesh Mohan Joshi and Shri Bharat Bhushan Goyal were appointed as Additional Directors (Non-Executive Independent) for a fresh term of 18 months w.e.f 1st October, 2018. Shri Sunil Bhatia, nominated by EIL was appointed as an Additional Director with effect from 31st October, 2018. Shri Virendra Nath Datt, nominated by NFL was appointed as an Additional Director with effect from 31st October, 2018. Shri Jayesh Ranjan nominated by State Govt. of Telangana was appointed as an Additional Director with effect from 13th June, 2019. Shri Rakesh Gogia nominated by NFL was appointed as an Additional Director with effect from 15th July, 2019.

In accordance with the provisions of the Companies Act, 2013, the aforesaid Directors shall vacate their offices 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 recommends their appointment at the ensuing Annual General Meeting.

5. Appointment of Independent Directors

Board in its 36th Meeting held on 1st October, 2018, considering their immense contribution in the Board meetings and Board Sub-committee meetings, appointed Shri Rakesh Mohan Joshi and Shri Bharat Bhushan Goyal as Independent Directors for a fresh term of 18 months till 31st March, 2020, upon expiry of their earlier term on 30th September, 2018. The Company has received necessary declaration for the FY 2018-19 from both the independent Directors under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013. A separate Meeting of the Independent Directors was held on 14th March, 2019. All the Independent Directors attended the separate Meeting.

Board Meetings

During the period under review, 11 (Eleven) 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
30	2 nd April, 2018	All the Directors except Shri Devinder Singh Ahuja
31	27 th April, 2018	All the Directors except Shri Rajiv Kumar Chandiok and Shri Niranjana Lal Sharma
	Continued on 28 th April, 2018	All the Directors except Shri Rajiv Kumar Chandiok
32	29 th June, 2018	All the Directors

Board Meeting Number	Date of Board Meeting	Presence of Directors
33	26 th July, 2018	All the Directors
34	17 th August, 2018	All the Directors
35	06 th September, 2018	All the Directors except Shri Devinder Singh Ahuja
36	01 st October, 2018	All the Directors except Shri Lalit Kumar Vijn
37	31 st October, 2018	All the Directors except Shri Rajiv Kumar Chandiok
38	8th January, 2019	All the Directors
39	26 th February, 2019	All the Directors except Shri Rajiv Kumar Chandiok
40	14 th March, 2019	All the Directors

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

Key Managerial Personnel

During the period under review, the following changes took place in the Key Managerial Personnel of the company

- Shri Vivek Kumar Malhotra - Chief Executive Officer (CEO) till 31.10.2018
- Shri Sunil Bhatia - Chief Financial Officer (CFO), till 17.10.2018
- Shri Navin Kumar Mishra - Company Secretary (CS) till 4.9.2018
- Shri Nirlep Singh Rai, Chief Executive Officer (CEO) w.e.f 1.11.2018
- Shri Sanjay Jindal, Chief Financial Officer (CFO) w.e.f 1.11.2018
- Ms. Pratibha Aggarwal, Company Secretary (CS) w.e.f 1.10.2018

Board Evaluation & Training of Board Members

RFCL being joint venture company promoted by PSUs viz. EIL, NFL and FCIL all the Directors of RFCL are Non- Executive part time, nominated by respective Promoters and Investors and 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 Directors and Board/ Committees was carried out.

Further, as per Section 178 (2) the Nomination and Remuneration Committee (NRC) shall specify the manner for effective evaluation of performance of Board and its committees and RFCL being JV Company is exempt from constitution of NRC in terms of Rule 6 of The Companies (Meeting of Board and its Powers) Rules, 2014 read with Rule 4 of The Companies (Appointment and Qualification of Directors) Rules, 2014.

The members of the Board of Directors of the Company are eminent persons of proven competence and integrity. Besides experience, strong financial acumen, strategic astuteness and leadership qualities, the Directors have a significant degree of commitment to the Company

and devote adequate time for the meetings, preparation and attendance. Board members possess the education, expertise, skills and experience in various sectors and industries required to manage and guide the Company, thus bringing in diversity to Board perspectives. Their presence on the Board has been advantageous and fruitful in taking business decisions.

The Board, with respect to the status of Project and other related matters, is kept up-to-date through Agenda papers and briefings/ presentations made by CEO & CFO and EPCM Consultant- Engineers India Limited.

Board Committees

To enable better and more focused attention on the affairs of the Company, the Board delegates particular matters to committees of the directors set up for the purpose. These specialist committees prepare the groundwork for decision-making.

The Board is assisted by following Committees. All the Committees are chaired by an Independent Director:

1) Audit Committee

Audit Committee was reconstituted by the Board at its 37th Meeting held on 31st October, 2018 and as on 31st March, 2019 comprised of Shri Bharat Bhushan Goyal, Independent Director as Chairman & Shri Rakesh Mohan Joshi, Shri Rajiv Kumar Chandiok & Shri Sunil Bhatia as other members of the Committee.

During FY 2018-19, Four Meetings of the Audit Committees were held on 27th April, 2018, 16th July, 2018, 17th August, 2018 and 14th March, 2019.

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

2) Corporate Social Responsibility Committee

Board in its 38th Meeting held on 8th January, 2019 constituted a Corporate Social Responsibility Committee and as on 31st March, 2019 comprised of Shri B.B. Goyal, Independent Director as Chairman, Shri Rajiv Kumar Chandiok and Shri Sunil Bhatia, as members of the Committee, with such role, duties and responsibilities as may be prescribed under the Companies Act, 2013.

3) Risk Management Committee

Risk Management Committee was reconstituted by the Board at its 37th Meeting held on 31st October, 2018 and as on 31st March, 2019 comprised of Shri Rakesh Mohan Joshi, Independent Director as the Chairman, Shri Bharat Bhushan Goyal, Shri Devinder Singh Ahuja, Shri Lalit Kumar Vijn and Shri Alok Verma as members of the Committee.

During FY 2018-19 one meeting of Risk Management Committee was held on 6th April, 2018.

4) HR Committee

HR Committee was reconstituted by the Board at its 37th Meeting held on 31st October, 2018 and as on 31st March, 2019 comprised of Shri Bharat Bhushan Goyal, Independent Director as the Chairman and Shri Devinder Singh Ahuja, Shri Sunil Bhatia and Shri K.K. Chatiwal as the other members.

During FY 2018-19 two meetings of HR Committee were held on 6th April, 2018 and 26th February, 2019.

Nomination & Remuneration Committee

RFCL is an unlisted Joint Venture Company; therefore, in terms of Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company is exempt from constituting Nomination & Remuneration Committee. Except for the Independent Directors, who are paid sitting fees for attending each Meetings of the Board / Committee, no payment is made to any other Director, whether by way of sitting fees or otherwise.

Particulars of Employees

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: -

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures, if any;
- that such accounting policies as mentioned in Note-1 to the Financial Statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2019 and of the loss of the Company for that period;
- 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;
- that the annual financial statements have been prepared on a going concern basis: and
- that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and 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**.

Extract of Annual Return

In accordance with section 134(3) of the Act, extract of the annual return in the Form MGT-9 forms part of the Directors' Report at Annexure-C. The same has been given on the website of the Company at <http://rfcl.co.in/ExtractofAnnualReturn.pdf>

Corporate Social Responsibility

In terms of the provisions of Section 135 of the Act, the Board in its 38th Meeting held on 8th January, 2019 has constituted a Corporate Social Responsibility Committee comprised of Shri

B.B. Goyal, Independent Director as Chairman, Shri Rajiv Kumar Chandiok and Shri Sunil Bhatia, as members of the Committee as on 31st March, 2019, with such role, duties and responsibilities as may be prescribed under the Companies Act, 2013. Based on the recommendation of the CSR Committee, Board has approved the CSR Policy of Company. The same has been given on the website of the Company at <http://rfcl.co.in/csrapolicy.pdf>

Further, RFCL is not generating any revenues, its project being in construction stage and thus not making any profit, the requirement of making CSR expenditure pursuant to Section 135 (5) of the Act shall not be applicable till the time Company starts making profit. Annual Report on Corporate Social Responsibility enclosed as **Annexure-D**.

Conservation of Energy & Foreign Exchange Earnings and Outgo

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

During the period under review, foreign exchange earning in terms of actual inflow was ₹ 123.16 crores (Previous year – NIL). Foreign exchange outgo in terms of actual outflow was ₹ 440.09 crore (Previous year - ₹ 246.43 crore).

Risk Management

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

Vigil Mechanism/Whistle Blower Policy

The Company has formed the Whistle Blower Policy/Vigil Mechanism and no personnel have been denied access to the Audit Committee. The same has also been given on the website of the Company at <http://rfcl.co.in/report/WBP.pdf>.

Vigilance & Integrity Pact

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

Internal Audit

A Firm of Chartered Accountants, M/s AMAA & Associates were appointed by the Board to carry out Internal Audit for FY 2018-19. During the period under review, several internal audit assignments with focus on checks and controls on system and procedures, monitoring compliances and continuous upgrade of controls have been carried out by the Internal Auditors and their reports are submitted to the Audit Committee.

Adequacy of Internal Financial Controls with reference to the Financial Statements

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

Secretarial Auditors

Board in its 39th Meeting held on 26th February, 2019 appointed M/s Agarwal S. & Associates,

Company Secretaries to conduct the Secretarial Audit of the Company as required under Section 204 of the Companies Act, 2013 and Rules thereunder for FY 2018-19 & 2019-20.

The Secretarial Audit Report for the financial year 2018-19 along with the Management's Reply on the comments of Secretarial Auditor is enclosed as **Annexure-E** to this Report.

Statement on compliances of applicable Secretarial Standards

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

Statutory Auditors & Statutory Auditors' Report

The Statutory Audit of your Company was conducted by Chartered Accountants firm M/s A N Garg & Co., appointed by Comptroller & Auditor General (C&AG). Independent Auditors' Report on the Financial Statement of the Company for the period from 01st April, 2018 to 31st March, 2019 is enclosed under 'Annual Account' section of the Annual Report.

Cost Audit

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

Comments of 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 ended 31st March, 2019 are enclosed under 'Annual Account' section of the Annual Report.

Cash Flow

A Cash Flow Statement for the period from 01st April, 2018 to 31st March, 2019 is attached to and forms part of the Financial Statements.

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 2018-19:-

- i. Details relating to deposits covered under Chapter V of the Act.
- ii. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- iii. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- iv. Details regarding receipt of remuneration or commission by the Managing Director or the Whole-time Director from any of its subsidiaries.
- v. Buy-back of shares.
- vi. Issue of Bonus shares.
- vii. Inter Corporate Loans and Investments
- viii. Subsidiaries, JVs or Associate Companies
- ix. Details of transfer to Investor Education and protection Fund

Further, during the financial year 2018-19:-

- a. Your Company has complied with the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 relating to constitution of Internal Complaints Committee. There were no cases reported under the said Act.
- b. There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operation in future, and
- c. There have been no changes in the nature of business.

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

Acknowledgement:

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

The Board acknowledges the continued guidance and support extended by C&AG, Statutory Auditors, Promoters viz. EIL, NFL, 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/-

(Jagdish Chander Nakra)

Chairman

DIN: 07676468

Place : New Delhi

Date : 19th August, 2019

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 2018-19 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, 2019	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 Arun Kumar	Sr. GM (Electrical)	PG Degree In Engg. Degree In Engg(Electrical), Adv.Dip/Cert Course (French Language), Dip/ Cert Course (French Language)	On Secondment from EIL	51,36,286	36	13-07-1983	58 (15-11-1960)	Nil	Nil	No
2	Shri Sudershan Kumar	Sr. GM (Project)	Degree In Engg(Civil), PG Degree In Engg(Building Engineering And Management)	On Secondment from EIL	51,07,617	32	02-09-1993	55 (06-04-1964)	Nil	Nil	No
3	Shri H S Kamath	GM (Construction)	Degree In Engg (Civil)	On Secondment from EIL	50,64,082	29	20-09-1993	54 (02-06-1965)	Nil	Nil	No
4	Shri Anuj Agarwal	GM (Project)	Degree In Engg (Electrical)	On Secondment from EIL	48,74,156	33	24-09-1996	55 Years (08-03-1964)	Nil	Nil	No
5	Shri Anuragi Ramesh Kr	DGM (Construction)	Degree In Engg(Civil), PG Degree In Engg (Civil)	On Secondment from EIL	45,09,203	29	19-03-1993	56 (22-11-1962)	Nil	Nil	No
6	Shri Rajan Thapar	CGM (Project)	BE (Chem)	On Secondment from NFL	41,54,043	35	16-07-1984	58 (12-10-1960)	Nil	Nil	No
7	Shri Sudhir kr Jha	DGM (Production)	B Sc Engg Chem	On Secondment from NFL	36,91,002	29	01-08-1989	54 (17-07-1965)	Nil	Nil	No
8	Shri Hira Nand	CGM (F&A)	B Com, M Com, ICWA, L.L.B., CS (Inter)	On Secondment from NFL	35,37,396	33	15-12-2016	53 (02-05-1966)	Model Economic Township Ltd. (formerly known as Reliance Haryana SEZ Ltd.)	Nil	No
9	Shri Vijay Kumar Banger	DGM (Mech.)	B E (Mech)	On Secondment from NFL	34,08,371	29	24-04-1990	54 (02-01-1965)	Nil	Nil	No
10	Shri Vivek Malhotra (CEO, RFCL till 31st October, 2018)	ED	Degree In Engg (Mechanical), PG DIP/ Degree Mgmt	On Secondment from EIL	29,55,548	38	01-07-1981	60 (10-10-1958)	Nil	Nil	No

For and on behalf of the Board

sd/-
(Jagdish Chander Nakra)
Chairman
DIN: 07676468

Place : New Delhi
Date : 19th August, 2019

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 2018-19)

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
b)	Nature of contracts/ arrangements / transaction	EIL - Engineering, Procurement, Construction Management Consultancy Services (EPCM Contract). EIL & NFL - Other expenses including Reimbursement of salary & wages of officials on deputation & secondment basis. FCIL - Other reimbursement. NFL - Reimbursement of expenses as per Marketing Agreement
c)	Duration of Contracts/ Arrangements / Transactions	Since inception of Joint Venture Company i.e. 17 th Feb'2015 till the duration/availing of respective services.
d)	Salient Terms of the Contracts or arrangements or transaction including value, if any	EIL - Under EPCM Contract- on Monthly Progress basis - Rs 3412.61 Lakh EIL & NFL - Other expenses including Salary & wages (Reimbursement)- Rs. 412.07 Lakh & Rs. 2052.93 Lakh respectively. FCIL - Other Expenses (Reimbursement) Rs. 0.25 Lakh NFL - Rs. 104.07 Lakh (Marketing Agreement)
e)	Date of approval by the Board	Board approvals dt. 14 th January, 2016 & 8 th March, 2016; subsequently ratified by the Audit Committee on 13 th November, 2017 Audit Committee & Board approved the Marketing Agreement with NFL at their respective meetings held on 17 th August, 2018 and shareholders approved the same at EGM held on 18 th August, 2018.
f)	Amount paid as advances, if any	NIL

For and on behalf of the Board

sd/-

(Jagdish Chander Nakra)

Chairman

DIN: 07676468

Place : New Delhi

Date : 19th August, 2019

Annexure - C

RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

(CIN: U24100DL2015PLC276753)

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2019

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

I. REGISTRATION & OTHER DETAILS:

1	CIN	U24100DL2015PLC276753
2	Registration Date	17/02/2015
3	Name of the Company	Ramagundam Fertilizers and Chemicals Limited
4	Category/Sub-category of the Company	Company limited by shares / Indian Non-Government Public Company
5	Address of the Registered office & contact details	Registered Office & Corporate Office:- 3 rd and 4 th Floor, Mohta Building, 4, Bhikaji Cama Place, New Delhi - 110066. India Telephone : 011-26701400 Fax Number : 011-26180729 Email : info@rfcl.co.in
6	Whether listed company	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Shri Nilesh Bhandare, Manager NSDL Database Management Limited 4 th Floor, Trade World, A Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 Phone No. - 022 4914 2591 (D)

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacturing of Fertilizers and Chemicals (Ammonia and Urea)	20121 and 20122	The company is yet to commence business operations

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

The Company does not have any holding, subsidiary or associate companies.

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF		4	4	0.00%		4	4	0.00%	0.00%
b) Central Govt			-	0.00%			-	0.00%	0.00%
c) State Govt(s)			-	0.00%			-	0.00%	0.00%
d) Bodies Corp.	-	529,906,295	529,906,295	88.01%	-	663,176,430	663,176,430	65.08%	25.15%
e) Banks / FI			-	0.00%			-	0.00%	0.00%
f) Any other			-	0.00%			-	0.00%	0.00%
Sub Total (A) (1)	-	529,906,299	529,906,299	88.01%	-	663,176,434	663,176,434	65.08%	25.15%
(2) Foreign									
a) NRI Individuals			-	0.00%			-	0.00%	0.00%
b) Other Individuals			-	0.00%			-	0.00%	0.00%
c) Bodies Corp.			-	0.00%			-	0.00%	0.00%
d) Banks / FI			-	0.00%			-	0.00%	0.00%
e) Any other			-	0.00%			-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL shareholding of Promoter (A)= (A) (1) + (A) (2)	-	529,906,299	529,906,299	88.01%	-	663,176,434	663,176,434	65.08%	25.15%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds			-	0.00%			-	0.00%	0.00%
b) Banks / FI			-	0.00%			-	0.00%	0.00%
c) Central Govt			-	0.00%			-	0.00%	0.00%
d) State Govt(s)	-	72,210,000	72,210,000	11.99%	-	82,115,802	82,115,802	08.06%	13.72%

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Venture Capital Funds			-	0.00%			-	0.00%	0.00%
f) Insurance Companies			-	0.00%			-	0.00%	0.00%
g) FIs			-	0.00%			-	0.00%	0.00%
h) Foreign Venture Capital Funds			-	0.00%			-	0.00%	0.00%
i) Others (specify)			-	0.00%			-	0.00%	0.00%
Sub-total (B)(1):-	-	72,210,000	72,210,000	11.99%	-	8,21,15,802	8,21,15,802	08.06%	13.72%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	0.00%	-	15,05,29,500	15,05,29,500	14.77%	-
ii) Overseas	-	-	-	0.00%	-			0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh			-	0.00%			-	0.00%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh			-	0.00%			-	0.00%	0.00%
c) Others (specify)									
Non Resident Holdings			-	0.00%		12,31,60,500	12,31,60,500	12.09%	-
Sub-total (B)(2):-	-	-	-	0.00%	-	27,36,90,000	27,36,90,000	26.86%	-
Total Public (B)	-	72,210,000	72,210,000	11.99%	-	35,58,05,802	35,58,05,802	34.92%	392.73%
C. Shares held by Custodian for GDRs & ADRs				0.00%				0.00%	0.00%
Grand Total (A+B+C)	-	602,116,299	602,116,299	100.00%	-	1,018,982,236	1,018,982,236	100.00%	69.23%

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	National Fertilizers Limited	218,690,002	36.32%	0	273,690,002	26.86%	0	25.15%
2	Engineers India Limited	218,690,002	36.32%	0	273,690,002	26.86%	0	25.15%
3	Fertilizer Corporation of India Limited	92,526,291	15.37%	0	115,796,426	11.36%	0	25.15%

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

SN	Particulars	Date	No. of Shares	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
					No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year				529,906,299	88.01%		
	Date wise increase/ decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc.)	17/08/2018	72,692,801	Allotment			602,599,100	88.01%
		01/10/2018	60,577,334	Allotment			663,176,434	65.08%
	At the end of the year						663,176,434	65.08%

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

SN	For each of the Top 10 shareholders	Date	No. of Shares	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
					No. of shares	% of total shares	No. of shares	% of total shares
1	Name	State Govt. of Telangana						
	At the beginning of the year				72,210,000	11.99%		
	Changes during the year	17-08-2018	9,905,802	Allotment			82,115,802	8.06%
	At the end of the year						82,115,802	8.06%
2	Name	GAIL (India) Limited						
	At the beginning of the year				0	0.00%	0	0.00%
	Changes during the year	06-09-2018	150,529,500	Allotment			150,529,500	14.77%
	At the end of the year						150,529,500	14.77%
3	Name	HT Ramagundam A/S						
	At the beginning of the year				0	0.00%	0	0.00%
	Changes during the year	06-09-2018	41,053,500	Allotment			41,053,500	04.03%
	At the end of the year						41,053,500	04.03%
4	Name	IFU						
	At the beginning of the year				0	0.00%	0	0.00%
	Changes during the year	06-09-2018	41,053,500	Allotment			41,053,500	04.03%
	At the end of the year						41,053,500	04.03%
5	Name	Danish Agribusiness Fund I K/S						
	At the beginning of the year				0	0.00%	-	0.00%
	Changes during the year	06-09-2018	41,053,500	Allotment			41,053,500	04.03%
	At the end of the year						41,053,500	04.03%

(v) Shareholding of Directors and Key Managerial Personnel:

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

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	11,061,519,442	-	-	11,061,519,442
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	11,061,519,442	-	-	11,061,519,442
Change in Indebtedness during the financial year				
* Addition	17,813,046,346	-	-	17,813,046,346
* Reduction	-	-	-	-
Net Change	17,813,046,346	-	-	17,813,046,346
Indebtedness at the end of the financial year				
i) Principal Amount	28,874,565,788	-	-	28,874,565,788
ii) Interest due but not paid		-	-	-
iii) Interest accrued but not due		-	-	-
Total (i+ii+iii)	28,874,565,788	-	-	28,874,565,788

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN.	Particulars of Remuneration	Name of MD/WT/ Manager		Total Amount (Rs/Lac)
	Name			
	Designation			
1	Gross salary	-	-	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	-	-	-
	Ceiling as per the Act			

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount (Rs/Lac)
		Shri Bharat Bhushan Goyal	Shri Rakesh Mohan Joshi		
1	Independent Directors				
	Fee for attending board committee meetings	3.20	2.00		5.20
	Commission				-
	Others, please specify				-
	Total (1)	3.20	2.00	-	5.20
2	Other Non-Executive Directors				-
	Fee for attending board committee meetings				-
	Commission				-
	Others, please specify				-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	3.20	2.00	-	5.20
	Total Managerial Remuneration	3.20	2.00	-	5.20
	Overall Ceiling as per the Act				

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs/Lac)
	Name				
	Designation	CEO	CFO	CS	
1	Gross salary	44.67	43.67	12.10	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify				-
	Total	44.67	43.67	12.10	

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty		Nil	N A	N A	N A
Punishment		Nil	N A	N A	N A
Compounding		Nil	N A	N A	N A
B. DIRECTORS					
Penalty		Nil	N A	N A	N A
Punishment		Nil	N A	N A	N A
Compounding		Nil	N A	N A	N A
C. OTHER OFFICERS IN DEFAULT					
Penalty		Nil	N A	N A	N A
Punishment		Nil	N A	N A	N A
Compounding		Nil	N A	N A	N A

For and on behalf of the Board

sd/-

(Jagdish Chander Nakra)

Chairman

DIN: 07676468

Place : New Delhi

Date : 19th August, 2019

Annexure - D

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:**

In terms of the provisions of Section 135 of the Act, the Board in its 38th Meeting held on 8th January, 2019 has constituted a Corporate Social Responsibility Committee comprised of Shri B.B. Goyal, Independent Director as Chairman, Shri Rajiv Kumar Chandiok and Shri Sunil Bhatia, Directors as members of the Committee. Subsequently, upon cessation of Shri Rajiv Kumar Chandiok, Committee was reconstituted and Shri Virendra Nath Datt, Additional Director was inducted as member of CSR Committee.

3. **Average net profit of the Company for last three financial years for the purpose of computation of CSR:** Nil

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):** Not Applicable

5. **Details of CSR Expenditure spent during the financial year:** Not Applicable

6. **In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.**

RFCL is not generating any revenues and thus not making any profit as the project is at the commissioning stage. Therefore the requirement of making CSR expenditure pursuant to Section 135 (5) of the Act shall not be applicable till the time Company starts making profit.

7. **A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.**

We hereby declare that implementation and monitoring of the CSR project is in compliance with CSR objectives and policy of the Company.

sd/-
Nirlep Singh Rai
CEO

sd/-
Bharat Bhushan Goyal
Chairman, Corporate Social Responsibility Committee
DIN 07254856

Place : New Delhi
Date : 29th July, 2019

Annexure - E

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

{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

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, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial period ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and Compliance-mechanism in place to the extent in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
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 Borrowings;
- (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;

- (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; The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Compliances/ processes/ systems 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 *and same not being varified by us.*

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, subject to the following observations:

1. *Compliance of Section 134 (3) (p) of the Companies Act, 2013, the Company had not carried out annual evaluation of the performance of the Board, its Committees and of individual directors.*
2. *Compliance of second proviso to Section 149 (1), the Company does not have a woman director on its Board during the financial year.*
3. *Compliance of Section 135 (3) (a) of the Companies Act, 2013, the CSR Committee has not formulated a CSR policy.*
4. *Compliance of Section 2(n) of the Factory Act, 1948, whereby anyone of the Directors shall be appointed as the occupier.*
5. *Compliance of Clause 1.1.1 of S.S.-1 and 1.1 of S.S.-2 with respect to the authorisation by Board to convene the Board meetings and General Meetings by any other person other than Director and Company Secretary of the Company.*

We further report that the Board of Directors of the Company is required to be constituted as per the provisions of the Companies Act, 2013 with regard to the appointment of Women Director on the Board of the Company. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Generally, adequate notice is given to all Directors to schedule the Board Meetings, 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 decisions made in the Board/Committee meeting(s) were carried out with unanimous consent of all the Directors/Members 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 there has been delay in the commencement of operation in the only plant of the Company from its scheduled date.

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 Agarwal S. & Associates,

*Company Secretaries,
ICSI Unique Code: P2003DE049100*

sd/-

CS Sachin Agarwal

Partner

FCS No.: 5774

CP No.: 5910

Place : New Delhi

Date : 12.07.2019

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

“Annexure-A”

To,

**The Members,
Ramagundam Fertilizers and Chemicals Limited**

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records, based on our inspection of records produced before us for Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and our report is not covering observations/ comments/ weaknesses already pointed out by the other Auditors.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis and to give our opinion whether Company has proper Board-processes and Compliance-mechanism in place or not.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Agarwal S. & Associates,

Company Secretaries
ICSI Unique Code: P2003DE049100

sd/-
CS Sachin Agarwal

Partner
FCS No.: 5774
CP No.: 5910

Place : New Delhi
Date : 12.07.2019

RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

(CIN: U24100DL2015PLC276753)

Management's Reply to the observations of Secretarial Auditor for the financial year 2018-19

Secretarial Auditors' Observations	Management Reply
Compliance of Section 134 (3) (p) of the Companies Act, 2013, the Company had not carried out annual evaluation of the performance of the Board, its Committees and of individual directors.	<p>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".</p> <p>RFCL being joint venture company promoted by PSUs viz. EIL, NFL and FCIL all the Directors of RFCL are Non- Executive part time, nominated by respective Promoters and Investors and 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 Directors and Board/ Committees was carried out.</p> <p>Further, as per Section 178 (2) the Nomination and Remuneration Committee (NRC) shall specify the manner for effective evaluation of performance of Board and its committees and RFCL being JV Company is exempt from constitution of NRC in terms of Rule 6 of The Companies (Meeting of Board and its Powers) Rules, 2014 read with Rule 4 of The Companies (Appointment and Qualification of Directors) Rules, 2014.</p>
Compliance of second proviso to Section 149 (1), the Company does not have a woman director on its Board during the financial year.	<p>The Company being a Joint Venture Company, Directors are nominated by Promoters/ Investors, parties to JV and SSSHA. No nomination of Woman Director was received by RFCL, as there was no Woman Functional Director on their Board. Board at its 38th meeting held on 8th January, 2019 took cognizance of such requirement and noted the same for taking up at an appropriate time.</p>

Compliance of Section 135 (3) (a) of the Companies Act, 2013, the CSR Committee has not formulated a CSR policy.	The CSR Policy was considered and recommended by CSR Committee and approved by Board at its meeting held on 29 th July, 2019.
Compliance of Section 2 (n) of the Factory Act, 1948, whereby any one of the Directors shall be appointed as the occupier.	RFCL being joint venture, as per JVA and SSSHA, all the Directors shall be non-executive. Thus there is no functional full time Director on the Board of RFCL. Mr. Rajan Thapar, CGM (Project Site) is the functional head of the project site at Ramagundam and having ultimate control over the affairs of the factory, therefore he has been appointed as factory occupier.
Compliance of Clause 1.1.1 of S.S.-1 and 1.1 of S.S.-2 with respect to the authorisation by board to convene the Board meetings and General Meetings by any other person other than Director and Company Secretary of the Company.	Subsequent to resignation of Company Secretary and till the date of joining of Company Secretary on regular rolls of RFCL, services of qualified Company Secretary from M/s Pranav Kumar & Associates, Secretarial Auditor of RFCL at that point were availed to ensure various compliances under the Companies Act, 2013, facilitating Board and Shareholder's Meetings held in the interim period. The Notice and Agendas of Board Meetings were sent in consultation with the Board of Directors, duly approved by Chairman.

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 2019.

The preparation of financial statements of Ramagundam Fertilizers and Chemicals Limited for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor 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 02 May, 2019.

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, 2019 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 behalf of the
Comptroller & Auditor General of India**

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

Place: New Delhi
Date: 25.06.2019

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, 2019, 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, 2019, 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government 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 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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.

For A. N.GARG & COMPANY

Chartered Accountants
FRN- 004616N

Sd/-

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

Place: DELHI

Date: 02-05-2019

Annexure “A”

The Annexure referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our Report of even date to the financial statements of the company for the period 1st April’ 2018 to 31st March’2019.

We report that:-

- i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
(c) As per information & explanation given by the management title deed of immovable properties are held in the name of the Company as at the balance sheet date that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.
- ii. As explained to us, the company does not have any inventory, hence paragraph (ii) of the Order, 2016 are not applicable to the company.
- iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a), iii (b) and iii(c) of the order are not applicable to the Company.
- iv. In respect of loans, investments, guarantees, and security, necessary provision of section 185 & 186 of the Companies Act, 2013 have been complied with where ever applicable on the company.
- v. The Company has not accepted any deposits in violation of sections 73 to 76 of the Companies Act, 2013. Accordingly, direction issued by RBI and the provisions of sections 73 to 76 or any other relevant provisions of the Company Act, 2013 and the rules framed there under are not applicable.
- vi. As per information & explanation given by the management, Company is not covered under maintenance of cost records specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 as company is under construction stage and commercial production has not commenced.
- vii. (a) According to the records of the company, undisputed statutory dues including, Provident fund, Employees’ State insurance, Income tax, 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, 2019 for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, there is no amount payable in respect of income tax, service tax, sales tax, Goods & Service Tax, customs duty, excise duty, value added tax and cess whichever applicable, which have not been deposited on account of any disputes.

- viii. As per information & explanation given by the management there is no default in repayment of borrowings.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x. According to the information and explanation given to us, no case of fraud by the company or by its officers or employees has been noticed or reported during the period under audit.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The company is not a Nidhi Company, hence provision of clause 3 (xii) 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 accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- 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. The Company is not required to register under section 45-IA of the Reserve Bank of India Act 1934.

For A. N.GARG & COMPANY

Chartered Accountants
FRN- 004616N

Sd/-

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

Place: DELHI
Date: 02-05-2019

Annexure“B”

COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of **Ramagundam Fertilizers and Chemicals Limited** for the period 1st April' 2018 to 31st March'2019 in accordance with the directions/sub-directions issued by the C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the directions/sub-directions issued to us.

For A. N. GARG & COMPANY

Chartered Accountants
FRN- 004616N

Sd/-

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

Place: DELHI

Date: 02-05-2019

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

AUDIT REPORT OF RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED FOR THE PERIOD 01/04/2018 TO 31/03/2019 PURSUANT TO DIRECTIONS/SUB-DIRECTIONS UNDER SECTION 143(5) OF THE COMPANIES ACT 2013

Directions for the year 2018-19

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 process 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.**

There is no any case restructuring of an existing loan of cases of waiver/write off of debts/loans/interest etc.

3. **Whether funds received/receivable for specific schemes from Central/State 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, have been recorded properly in books of accounts as per terms and condition.

For A. N. GARG & COMPANY

Chartered Accountants
FRN- 004616N

Sd/-

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

Place: DELHI

Date: 02-05-2019

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, 2019 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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For A. N.GARG & COMPANY

Chartered Accountants
FRN- 004616N

Sd/-

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

Place: DELHI

Date: 02-05-2019



PRIMARY REFORMER

RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Balance Sheet as at 31st March 2019

(Rupees in lakhs)

Assets	Notes	As at 31st March 2019	As at 31st March 2018
Non-current assets			
Property, plant and equipment	3	15,570.12	15,627.90
Capital work-in-progress	4	3,27,043.92	1,34,182.94
Intangible Assets	5	17.88	10.36
Intangible Assets under development	6	1.42	-
Financial assets			
-Loans	7	652.00	48.35
-Other financial assets	8	2,602.07	622.38
Other non-current assets	13	42,761.27	41,423.49
Total non-current assets		3,88,648.68	1,91,915.42
Current assets			
Financial assets			
-Investments	9	6,237.31	0.10
-Cash and cash equivalent	10	14,628.01	277.09
-Other bank balances	11	131.11	986.81
-Loans	7	24.48	20.97
-Other financial assets	8	4,339.80	4.20
Current tax assets	12	61.48	39.14
Other current assets	14	32.30	252.70
Total current assets		25,454.49	1,581.01
Total Assets		4,14,103.17	1,93,496.43
Equity and liabilities			
Equity			
Equity share capital	15	1,01,898.22	60,211.63
Other equity			
-Reserves and surplus	16.a	(1,889.32)	(440.87)
-Share Application money pending allotment	16.b	-	-
Total equity		1,00,008.90	59,770.76
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	2,86,700.20	110,451.92
Provisions	20	18.07	-
Deferred government grant	18	2,409.03	593.64
Total non-current liabilities		2,89,127.30	1,11,045.56
Current liabilities			
Financial liabilities			
-Other financial liabilities	19	24,638.49	22,203.69
Provisions	20	1.31	-
Current tax liabilities	21	-	-
Other current liabilities	22	327.17	476.42
Total current liabilities		24,966.97	22,680.11
Total liabilities		3,14,094.27	1,33,725.67
Total equity and liabilities		4,14,103.17	1,93,496.43
Significant Accounting Policies	1		
Critical estimates and judgements	2		

The accompanying note number 1 to 38 form an integral part of these financial statements.

For and on behalf of the Board of Directors

sd/-	sd/-	sd/-	sd/-	sd/-
Pratibha Aggarwal	Sanjay Jindal	Nirlep Singh Rai	Sunil Bhatia	Rajiv Kumar Chandiok
Company Secretary	CFO	CEO	Director	Director
PAN: AEAPA8538D	PAN : AAIPJ4986E	PAN : AIAPS4995E	DIN: 08259936	DIN: 05146544

As per our report of even date attached

For A N Garg & CO

Chartered Accountants

Firm Reg No. 004616N

Place: New Delhi

Date : 02-05-2019

sd/-

A N GARG

Partner

Membership No. 083687

RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED
Statement of Profit and Loss for the year ended 31st March 2019

			(Rupees in lakhs)
	Notes	Year ended 31st March 2019	Year ended 31st March 2018
Income			
Other income	23	507.91	192.05
Total income (A)		507.91	192.05
Expenses			
Employee benefits expense	24	28.44	-
Depreciation and amortisation expense	25	-	-
Other expenses	26	1,735.63	195.61
Finance costs	27		
Total expenses (B)		1,764.07	195.61
Profit / (Loss) before tax C=(A-B)		(1,256.16)	(3.56)
Income tax expense (D)	28		
Current tax		-	-
Deferred tax		-	-
Profit / (Loss) for the year E=(C-D)		(1,256.16)	(3.56)
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss		-	-
Other comprehensive income for the year, net of tax (F)		-	-
Total comprehensive income for the year G=(E+F)		(1,256.16)	(3.56)
Earnings / (Loss) per equity share			
Basic earnings / (Loss) per share Rs. / Share	29	(0.15)	(0.00)
Diluted earnings / (Loss) per share Rs. / Share	29	(0.15)	(0.00)
Significant Accounting Policies	1		
Critical estimates and judgements	2		

The accompanying note number 1 to 38 form an integral part of these financial statements.
For and on behalf of the Board of Directors

sd/-	sd/-	sd/-	sd/-	sd/-
Pratibha Aggarwal	Sanjay Jindal	Nirlep Singh Rai	Sunil Bhatia	Rajiv Kumar Chandiok
Company Secretary	CFO	CEO	Director	Director
PAN: AEAPA8538D	PAN : AAIPJ4986E	PAN : AIAPS4995E	DIN: 08259936	DIN: 05146544

As per our report of even date attached
For A N Garg & CO
Chartered Accountants
Firm Reg No. 004616N

sd/-
A N GARG
Partner
Membership No. 083687

Place: New Delhi
Date : 02-05-2019

RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Statement of changes in equity for the year ended 31st March 2019

(Rupees in lakhs)

a) Equity Share Capital

Balance as at 1st April, 2017	25,089.00
Changes in equity share capital during the year- for cash	25,871.00
Changes in equity share capital during the year - for consideration other than cash	9,251.63
Balance as at 31st March 2018	60,211.63
Changes in equity share capital during the year- for cash	39,359.58
Changes in equity share capital during the year - for consideration other than cash	2,327.01
Balance as at 31st March 2019	1,01,898.22

b) Other equity

	Share application money pending allotment	Reserves and surplus (Retained earnings)	Total (Other Equity)
Balance as at 1-Apr-2017	5,600.00	(393.10)	5,206.90
Profit / (Loss) for the year	-	(3.56)	(3.56)
Other comprehensive income	-	-	-
Total comprehensive income	5,600.00	(396.66)	5,203.34
Share issue expenses	-	(44.21)	(44.21)
Transaction with owners in their capacity of owners			
Add: Application money received	20,271.00	-	20,271.00
Less: Allotment of equity shares	25,871.00	-	25,871.00
Balance as at 31st March 2018	A	(440.87)	440.87
Profit / (Loss) for the year	-	(1,256.16)	(1,256.16)
Other comprehensive income	-	-	-
Total comprehensive income	B	(1,256.16)	(1,256.16)
Share issue Expenses	C	(192.29)	(192.29)
Transaction with owners in their capacity of owners			
Add: Share application money received	D	-	39,359.58
Less: Allotment of equity shares	E	-	39,359.58
Balance as at 31st March 2019 (A+B+C+D-E)	-	(1,889.32)	(1,889.32)
Significant Accounting Policies	1		
Critical estimates and judgements	2		

The accompanying note number 1 to 38 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/- Sanjay Jindal CFO PAN : AAIPJ4986E	sd/- Nirlep Singh Rai CEO PAN : AIAPS4995E	sd/- Sunil Bhatia Director DIN: 08259936	sd/- Rajiv Kumar Chandiok Director DIN: 05146544
As per our report of even date attached For A N Garg & CO Chartered Accountants Firm Reg No. 004616N Place: New Delhi Date : 02-05-2019			sd/- A N GARG Partner Membership No. 083687	

RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Statement of cash flows

(Rupees in lakhs)

	Year ended 31st March 2019	Year ended 31st March 2018
Cash flow from operating activities		
Profit / (loss) before income tax	(1,256.16)	(3.56)
Adjustments for :		
Interest income classified as investment cash flow	(135.07)	(126.63)
Dividend income classified as investment cash flow	(42.84)	(33.91)
Amortisation of government grant	(68.90)	(2.90)
Interest income on government grant measured at amortised cost	(95.40)	(25.84)
Provision for employee benefits	2.18	-
Provision for damage due to flood	482.20	-
Exchange rate variation	101.52	1.08
Operating profit before working capital changes adjustment for:	(1,012.47)	(191.76)
(Increase)/Decrease in current other financial assets	(4,335.60)	(4.20)
(Increase)/Decrease in current loans	(3.51)	(20.53)
(Increase)/Decrease in other current assets	220.40	(113.12)
(Increase)/Decrease in other bank balances	855.71	1,611.31
(Increase)/Decrease in provisions	17.20	-
(Increase)/Decrease in other other financial liabilities	100.70	-
Increase/(Decrease) in other current liabilities	(149.25)	19.14
Cash generated from operations	(4,306.82)	1,300.84
Net cash inflow / (outflow) from operating activities	(4,306.82)	1,300.84
Cash flows from investing activities		
Capital expenditure on fixed assets, work in progress (Including capital advances)	(1,73,440.63)	(1,28,640.24)
Current investment	(6,237.21)	0.950
Dividend income	42.84	33.910
Interest income on short term deposits with banks (net of TDS of Rs. 22.34 lakhs (P.Y. Rs. 25.79 lakhs)	112.73	100.840
Net cash inflow / (outflow) from investing activities	(1,79,522.27)	(1,28,504.54)
Cash flows from financing activities		
Proceeds from equity share capital - cash	39,359.58	25,871.00
Proceeds from share application money	-	(5,600.00)
Proceeds from long term borrowings	1,76,248.28	1,10,451.92
Finance cost	(17,235.56)	(3,199.61)
Share issue expenses	(192.29)	(44.21)

Statement of cash flows (Contd.)

(Rupees in lakhs)

	Year ended 31st March 2019	Year ended 31st March 2018
Net cash inflow / (outflow) from financing activities	1,98,180.01	1,27,479.10
Net increase / (decrease) in cash and cash equivalents	14,350.92	275.40
Cash and cash equivalents at the beginning of the financial year	277.09	1.69
Cash and cash equivalents at end of the year	14,628.01	277.09

Reconciliation of Cash and cash equivalents with the Balance Sheet:

Cash and cash equivalents as per above comprise of the following:

Cash and bank equivalents (Note : 9)	14,628.01	277.09
Balances as per statement of cash flows	14,628.01	277.09
Significant Accounting Policies	1	
Critical estimates and judgements	2	

The accompanying note number 1 to 38 form an integral part of these financial statements.
For and on behalf of the Board of Directors

sd/-	sd/-	sd/-	sd/-	sd/-
Pratibha Aggarwal	Sanjay Jindal	Nirlep Singh Rai	Sunil Bhatia	Rajiv Kumar Chandiok
Company Secretary	CFO	CEO	Director	Director
PAN: AEAPA8538D	PAN : AAIPJ4986E	PAN : AIAPS4995E	DIN: 08259936	DIN: 05146544

As per our report of even date attached

For A N Garg & CO

Chartered Accountants

Firm Reg No. 004616N

Place: New Delhi

Date : 02-05-2019

sd/-

A N GARG

Partner

Membership No. 083687

RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to the financial statements for the year ended March 31, 2019

Brief Background of the Company

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

The financial statements were authorized for issue in accordance with a resolution of the Board of Directors on 01st May, 2019.

Note 1: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of the financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(a) Basis of preparation

(i) Compliance with Ind AS

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

(ii) Historical cost convention

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

(b) Segment reporting

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

(c) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognized in 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

As a lessee

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

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

(f) Cash and cash equivalents

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

(g) Investments and other financial assets

(i) *Classification*

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

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

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

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

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

(ii) *Measurement*

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

Debt instruments

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

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

loss and presented net in the statement of profit and loss within other 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 30 details how the Company determines whether there has been a significant increase in credit risk.

(iv) *Derecognition of financial assets*

A financial asset is derecognized only when:

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

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

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

(v) *Income recognition*

Interest income

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

Dividend

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

(h) Property, plant and equipment

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

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 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 with contractors is yet to be effected, capitalization/ capital work in progress is done 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. For significant part of Plant and Machinery, Computer and data processing units' residual value of five percent and rupee one in respect of other fixed assets is retained.

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

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

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

(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 - where ever future benefits are probable expenses are kept 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 adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(o) Provisions, contingent liabilities and contingent assets

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

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

increase in the provision due to the passage of time is recognized as interest expenses.

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 cost

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

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

(q) Borrowing

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

(r) Government Grant

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

Government grants relating to 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 Assets

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) Rounding of amounts

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

Note 2: Critical estimates and judgements

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

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

The areas involving critical estimates or judgements are:

- Estimated useful life of Property Plant and Equipment and Intangible Assets — Note 1(h)
- Recognition of deferred tax assets— Note 1(d)
- Insurance claim - Note 1(t)
- Post-Employment benefits Note 1(s)

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 2019

3. Property, plant and equipment (Rupees in lakhs)

	Land - Leasehold	Building- on lease hold land	Plant and machinery	EDP Equipment	Furniture & Fixtures	Electrical Installations	Office Equipment	Other Equipment	Total
As at 31st March 2018									
<i>Gross carrying amount</i>									
Opening gross carrying amount	-	698.96	277.72	73.06	33.11	856.00	178.16	-	2,117.01
Adjustment to carrying cost (refer 2)	-	(3.63)	(1.07)	(0.06)	-	(72.76)	(0.74)	-	(78.26)
Additions (refer 1)	14,057.56	0.00	(0.00)	29.94	35.56	55.93	8.88	-	14,187.87
Disposals	-	-	-	-	-	-	-	-	-
Closing gross carrying amount	14,057.56	695.33	276.65	102.94	68.67	839.17	186.30	-	16,226.62
<i>Accumulated depreciation/ amortisation</i>									
Balance as at the beginning of the year	-	5.06	5.20	15.16	5.21	27.61	12.86	-	71.10
Depreciation/ amortisation expenses during the year	342.18	15.01	18.45	21.49	10.24	83.16	37.09	-	527.62
Disposals	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation/ amortisation	342.18	20.07	23.65	36.65	15.45	110.77	49.95	-	598.72
Net carrying amount	13,715.38	675.26	253.00	66.29	53.22	728.40	136.35	-	15,627.90
As at 31st March 2019									
<i>Gross carrying amount</i>									
Opening gross carrying amount	14,057.56	695.33	276.65	102.94	68.67	839.17	186.30	-	16,226.62
Adjustment to carrying cost (refer 2)	-	-	(2.91)	-	-	-	-	-	(2.91)
Additions	-	-	-	32.05	42.93	-	61.58	188.85	325.41
Disposals	-	-	-	-	-	-	-	-	-
Closing gross carrying amount	14,057.56	695.33	273.74	134.99	111.60	839.17	247.88	188.85	16,549.12
<i>Accumulated depreciation/ amortisation</i>									
Balance as at the beginning of the year	342.18	20.07	23.65	36.65	15.45	110.77	49.95	-	598.72
Depreciation /amortisation expenses during the year	142.15	15.01	18.45	29.77	14.34	83.63	43.71	33.22	380.28
Disposals	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation/ amortisation	484.33	35.08	42.10	66.42	29.79	194.40	93.66	33.22	979.00
Net carrying amount	13,573.23	660.25	231.64	68.57	81.81	644.77	154.22	155.63	15,570.12

Notes to Financial Statements for the year ended 31st March 2019

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

As per Concession Agreement, the concession period is of 99 years commencing from the Effective Date i.e. 25th September, 2015. 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 at the time of commencement of commercial production of the project. The estimated equity portion towards project cost on the date of execution of lease deed was Rs. 1,31,357.00 lakhs. Therefore, the Company estimated issuance of equity shares of Rs. 14,449.27 lakhs (11% of Rs. 1,31,357.00 lakhs) in a phased manner at par value as a consideration towards award of right and concession to the Company. For allocation of effective cost of Rs 14,449.27 lakhs in various assets, Company has adopted residual method, whereby usable assets have been valued from registered valuer, for arriving at cost of leasehold land. Leasehold land also includes cost of registration of Lease Deed.

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

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

RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED
Notes to Financial Statements for the year ended 31st March 2019

4. Capital work-in-progress

(Rupees in lakhs)

		31-Mar-19	31-Mar-18
(i) Basic design and engineering fees and Technical knowhow		7,193.96	6,649.72
(ii) Contracts		1,33,143.21	66,708.41
(iii) Procurements		1,36,258.77	31,607.27
(iv) Engineering, procurement and construction management fees		17,290.56	14,373.22
(v) Material in transit / under inspection		8,496.32	7,636.67
(vi) Interest on Term loan & Finance Cost (refer 1)		20,435.17	3,199.61
(vii) Expenditure during Construction period pending allocation			
Opening balance	5,357.46		2,753.69
Add: Rent	101.57		101.82
Professional consultancy fees	73.00		59.99
Rates & taxes	496.69		55.39
Insurance (refer 2)	412.47		415.19
Advertisement	67.19		118.10
Electricity	165.98		160.78
Salary and wages			
a) RFCL employee	565.07		-
b) Reimbursement to EIL/NFL for employee on deputation/secondment	1,356.41		839.34
c) Outsourced	264.03		191.14
Bank charges	45.64		48.12
Travelling & Conveyance	137.64		86.87
Others	136.90		90.60
Handling & Freight charges	100.14		196.05
Depreciation and amortisation (refer 2)	384.16		531.02
Less: Other capital receipts			
Forfeiture of EMD	-		47.22
Income from investment	198.77		115.12
Interest on mobilisation advances	87.98		121.76
Other misc. income	2.97		2.87
Unwinding of Interest accrued on security deposit	3.01	9,371.61	3.67
Sub Total (i + ii + iii + iv + v + vi + vii)		3,32,189.60	1,35,532.36
Less: Transitional credit availed on GST implementation (refer 3)		1,349.42	1,349.42

Provision for Damage of material due to flood (refer 4)	3,796.26	-
Total	3,27,043.92	1,34,182.94
Movement of Capital Work in Progress:		
Balance as at the beginning of the year	1,34,182.94	23,574.40
Add: Additions during the year	1,92,860.98	1,10,608.54
Less: Capitalised during the year	-	-
Balance as at the end of the year	3,27,043.92	1,34,182.94

- (1) 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 8.56% p.a (P.Y. 8.54% p.a)
- (2) During supplementary audit of accounts for F.Y. 2017-18, Govt. Audit issued Provisional Comments w.r.t. capitalisation of Insurance expenses of Rs. 415.19 lakhs and Depreciation/ amortisation of Rs. 531.02 lakhs. After discussion, company has assured for making a reference to Expert Advisory Committee(EAC) of ICAI. Accordingly reference was made to EAC on 30-07-2018 and requisite information have been furnished to EAC. Opinion of EAC is still awaited. Pending receipt of opinion from EAC, company is continuing with capitalisation of Insurance expenses and depreciation/amortisation.
- (3) Represents unutilized transitional credit of taxes upon introduction of GST on capital expenditure incurred upto Financial Year 2016-17. Expenditure for subsequent years are exclusive of eligible taxes for which input tax credit is availed.
- (4) In the month of August 2018 due to unprecedented heavy rains, project goods waiting for erection stored in warehouse were sub-merged, triggering insurance claim under marine cum erection all risk policy and total loss is estimated at Rs. 4822.00 lakhs. Considering deductibles @ 10% (Rs. 482.20 lakhs included in other expenses refer note 26) as per policy terms, net estimated insurance claim works out to Rs. 4339.80 lakhs (refer note 8) as per insurance policy terms. The value of goods damaged to be replaced including cost of repair, estimated at Rs. 3796.26 lakhs, and this amount has been reduced from CWIP, exclusive of GST of Rs. 671.74 lakhs on value of goods damage and to be replaced or repaired has been reversed from Input Tax Credit balance (refer note no 13). The loss estimate of Rs. 4822.00 includes provision for expenses on inspection/supervision charges etc. of Rs. 354.00 lakhs which are provided in note-19 other financial liabilities.

RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2019

5. Intangible Assets

(Rupees in lakhs)

	Computer Software	Website	Total
As at 31st March 2018			
<i>Gross carrying amount</i>			
Balance as at the beginning of the year	16.19	-	16.19
Additions	-	-	-
Disposals	-	-	-
Closing gross carrying amount	16.19	-	16.19
<i>Accumulated amortisation</i>			
Balance as at the beginning of the year	2.43	-	2.43
Amortisation charge	3.40	-	3.40
Disposals	-	-	-
Closing accumulated amortisation	5.83	-	5.83
Net carrying amount	10.36	-	10.36
As at 31st March 2019			
<i>Gross carrying amount</i>			
Opening gross carrying amount	16.19	-	16.19
Additions	8.03	3.37	11.40
Disposals	-	-	-
Closing gross carrying amount	24.22	3.37	27.59
<i>Accumulated amortisation</i>			
Balance as at the beginning of the year	5.83	-	5.83
Amortisation charge	3.61	0.27	3.88
Disposals	-	-	-
Closing accumulated depreciation	9.44	0.27	9.71
Net carrying amount	14.78	3.10	17.88

6. Intangible assets under development

	31-Mar-19	31-Mar-18
ERP Implementation	1.42	-
Total	1.42	-

RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2019

7. Loans

(Rupees in lakhs)

	31-Mar-19		31-Mar-18	
	Current	Non-current	Current	Non-current
<i>Unsecured considered goods unless otherwise stated</i>				
Security deposit	24.48	652.00	20.97	48.35
Total	24.48	652.00	20.97	48.35

8. Other financial assets

<i>Government grant receivable (Measured at FVTPL) #</i>	-	2,602.07	-	622.38
Insurance claim recoverable	4,339.80	-	4.20	-
Total	4,339.80	2,602.07	4.20	622.38

During F.Y. 17-18, the Company has paid Stamp duty Rs. 745.29 lakhs for registration of Leasehold land. Further During F.Y. 18-19 the Company has paid Stamp duty of Rs. 2364.43 lakhs for registration of Indenture of Mortgage created in favour of project lenders. 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 fair value (being the present value of the amount recoverable from the state government based on the expected date of realisation).

9. Current Investments

(Rupees in lakhs)

	31-Mar-19	31-Mar-18
Investment in mutual funds (measured at FVTPL)		
Unquoted		
Nil (Previous year : 5.924 units) in SBI magnum insta cash fund	-	0.10
6,21,710.469 units (Previous year : Nil) in SBI liquid fund direct daily dividend	6,237.31	-
Total	6,237.31	0.10
Aggregate amount of unquoted investment	6,237.31	0.10
Aggregate amount of impairment in the value of the investment	-	-

RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2019

10. Cash and cash equivalents

(Rupees in lakhs)

	31-Mar-19	31-Mar-18
Balances with banks		
- in current accounts	84.82	277.09
- Term Deposits having original maturity less than 3 months {including interest accrued Rs. 53.19 Lakh, (Previous year Rs. Nil)}.	14,543.19	-
Total	14,628.01	277.09

11. Other Bank Balances

Term Deposits having original maturity over 3 months and less than 12 months {including interest accrued Rs. 1.11 Lakh, (Previous year Rs. 6.81 lakh)} under lien for letter of credits.	131.11	986.81
Total	131.11	986.81

12. Current tax assets (net)

Opening balance	39.14	13.35
Add: Tax deducted during the year	22.34	25.79
Total	61.48	39.14

13. Other non-current assets

Capital advances #	4,636.82	30,874.10
<i>Advances other than capital advances</i>		
Prepaid Expenses *	798.04	446.61
Duties & Taxes (Input Credit) (Refer note 4)	37,326.41	10,102.78
Total	42,761.27	41,423.49

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

* Prepaid expense of previous year of Rs. 446.61 lakhs includes transitional credit of Rs 22.59 lakhs claimed as Input tax credit. Transactions for subsequent years are exclusive of eligible taxes for which input tax credit is availed.

14. Other current assets

Prepaid Expenses	32.30	252.70
Total	32.30	252.70

RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2019

15. Equity share capital

(Rupees in lakhs)

Authorised equity share capital (Par value per share - Rs. 10)	Number of shares	Amount
As at 1st April 2017	1,50,00,00,000	1,50,000.00
Increase during the year	-	-
As at 31st March 2018	1,50,00,00,000	1,50,000.00
Increase during the year	-	-
As at 31st March 2019	1,50,00,00,000	1,50,000.00
(i) Movements in equity share capital	Number of shares	Equity share capital (par value)
a. Issued equity share capital (Par value per share - Rs. 10)		
As at 1st April 2017	25,08,90,008	25,089.00
Add: Shares Issued during the year - For Cash	25,87,10,000	25,871.00
Add: Shares Issued during the year - For Consideration other than cash	9,25,16,291	9,251.63
As at 31st March 2018	60,21,16,299	60,211.63
Add: Shares Issued during the year - For Cash*	42,72,76,426	42,727.64
Add: Shares Issued during the year - For Consideration other than cash	2,32,70,135	2,327.01
As at 31st March 2019	1,05,26,62,860	1,05,266.28
b. Subscribed & Paid-up equity share capital (Par value per share - Rs. 10)		
As at 1st April 2017	25,08,90,008	25,089.00
Add: Shares subscribed during the year - For Cash	25,87,10,000	25,871.00
Add: Shares subscribed during the year - For Consideration other than cash	9,25,16,291	9,251.63
As at 31st March 2018	60,21,16,299	60,211.63
Add: Shares subscribed during the year - For Cash*	39,35,95,802	39,359.58
Add: Shares subscribed during the year - For Consideration other than cash	2,32,70,135	2,327.01
As at 31st March 2019	1,01,89,82,236	1,01,898.22

* Equity shares amounting to Rs. 3368.06 lakhs is not yet subscribed by State Govt. of Telangana.

RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2019

(ii) Aggregate No of shares issued for consideration other than cash

	31-Mar-19	31-Mar-18
	Number of shares	Number of shares
Shares issued as consideration for concession rights in the land, opportunity cost and value of the useable assets	11,57,86,426	9,25,16,291
	11,57,86,426	9,25,16,291

(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.

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

	31-Mar-18	
	Number of shares	% holding
National Fertilizers Limited	21,86,90,002	36.32%
Engineers India Limited	21,86,90,002	36.32%
State Government of Telangana	7,22,10,000	11.99%
The Fertilizer Corporation of India Limited	9,25,26,291	15.37%
	31-Mar-19	
	Number of shares	% holding
National Fertilizers Limited	27,36,90,002	26.86%
Engineers India Limited	27,36,90,002	26.86%
State Government of Telangana	8,21,15,802	8.06%
The Fertilizer Corporation of India Limited	11,57,96,426	11.36%
GAIL (India) Limited	15,05,29,500	14.77%

(iv) Shares reserved for issue under contract

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

- 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 : 3.90%
- Danish Agribusiness Fund : 3.90%
- IFU : 3.90%

RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2019

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

The Company entered into Concession Agreement with FCIL on 23rd March 2016 towards award of rights and concession to the Company in regard to Facility area (Land measuring approximately 1284 acre) for financing, designing, engineering, procurement, construction, development, operation and maintenance of the project. Shareholding of 11% to FCIL is in consideration of FCIL granting concession rights in the land, opportunity cost and value of the useable assets at Ramagundam to the Company.

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 at the time of commencement of commercial production of the project. The estimated equity portion towards project cost on the date of execution of lease deed was Rs. 1,31,357.00 lakhs. Therefore, the Company estimated issuance of equity shares of Rs. 14,449.27 lakhs (11% of Rs. 1,31,357.00 lakhs) in a phased manner at par value as a consideration towards award of right and concession to the Company.

The Company has allotted equity shares 2,32,70,135 (Rs. 2327.01 lakhs) (Previous year 9,25,16,291 share of Rs.9251.63 lakhs) against leasehold land and other assets received. Remaining shares shall be issued to FCIL in a phased manner, in proportion to contribution to be received from NFL and EIL in future.

(Rupees in lakhs)

16. Other Equity

16.a Reserves and surplus

Retained earnings

	31-Mar-19	31-Mar-18
Opening balance	(440.87)	(393.10)
Add: Net profit / (loss) for the year	(1,256.16)	(3.56)
Less: Share issue expenses	(192.29)	(44.21)
Closing balance	(1,889.32)	(440.87)

16.b Share application money pending allotment

Opening balance	-	5,600.00
Add: Share application money received during the year	39,359.58	20,271.00
Less: Share allotted during the year	39,359.58	25,871.00
Closing balance	-	-

Financial liabilities

17. Non-current borrowings

(Rupees in lakhs)

Secured	31-Mar-19	31-Mar-18
Term Loan		
From Banks		
Rupee Loan	2,86,700.20	1,10,451.92
(Net of unamortised transaction cost of Rs. 2045.46 lakhs (P.Y. Rs. 163.27 lakhs)		
Total	2,86,700.20	1,10,451.92

Note:

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

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

Vijaya Bank and Dena Bank have been amalgamated with Bank of Baroda w.e.f. 01-04-19

* 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 8.56% p.a (P. Y. 8.54% p.a.).

b. Terms of repayment of Term loan

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

Financial Year	No of Quarter	Repayment %	Repayment Amount (Rs. in Lakhs)
31-Mar-21	4	8.00%	31,525.68
31-Mar-22	4	8.00%	31,525.68
31-Mar-23	4	8.50%	33,496.04
31-Mar-24	4	9.00%	35,466.39
31-Mar-25	4	9.25%	36,451.56
31-Mar-26	4	9.75%	38,421.92
31-Mar-27	4	10.25%	40,392.28
31-Mar-28	4	10.25%	40,392.28
31-Mar-29	4	10.50%	41,377.46
31-Mar-30	4	11.00%	43,347.81
31-Mar-31	2	5.50%	21,673.90
Total	42	100%	3,94,071.00

c. Security - Rupee term loan is secured by-

- a 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 security are as disclosed in note (e) below

d. Net debt reconciliation -

(Rupees in lakhs)

		31-Mar-19	31-Mar-18
Cash and cash equivalents		14,628.01	277.09
Current investments		6,237.31	0.10
Non current borrowings		(2,86,700.20)	(1,10,451.92)
Net Debt		(2,65,834.88)	(1,10,174.73)

	Current Investment	Cash and bank	Non-Current borrowings	Total
Balance as on 01st April 2017	1.05	1.69	-	2.74
Cash flows	(0.95)	275.40	(1,10,451.92)	(1,10,177.47)
Interest expenses	-	-	(3,142.35)	(3,142.35)
Interest paid	-	-	3,142.35	3,142.35
Balance as on 31st March 2018	0.10	277.09	(1,10,451.92)	(1,10,174.73)
Cash flows	6,237.21	14,350.92	(1,76,248.28)	(1,55,660.15)
Interest expenses	-	-	(16,966.57)	(16,966.57)
Interest paid	-	-	16,966.57	16,966.57
Balance as on 31st March 2019	6,237.31	14,628.01	(2,86,700.20)	(2,65,834.88)

e. Assets pledged as security -

(Rupees in lakhs)

		31-Mar-19	31-Mar-18
Current assets pledged as security	A	25,323.38	594.20
Non Current assets pledged as security	B	3,88,648.68	1,91,915.42
Total	(A+B)	4,13,972.06	1,92,509.62

Financial liabilities (Non current)

18. Deferred government grant

(Rupees in lakhs)

	31-Mar-19	31-Mar-18
Opening balance	593.64	-
Grant recognised during the year (Refer note 8)	1,884.29	596.54
Less: Grant income recognised in statement of profit & loss	68.90	2.90
Total	2,409.03	593.64

19. Other financial liabilities

Creditors for capital goods/services and others	20,429.18	16,515.13
Employee benefits (Including provision for wage revision Rs. 99.71 lakhs)	100.70	-
Fertilizers Corporation of India (FCIL)#	2,870.63	5,197.64
Deposits /Retention money from contractors and others	1,237.98	490.92
Total	24,638.49	22,203.69
#Fertilizers Corporation of India (FCIL)		
Opening balance	5,197.64	-
Add: Value of Land and usable assets (Refer note-3)	-	14,449.27
Less: Share issued during the year (Refer note-15)	2,327.01	9,251.63
Closing balance	2,870.63	5,197.64

Based on the information available with the Company, there are no dues to micro, small and medium enterprises as defined in micro, small and medium enterprise development act, 2006 as on 31st March, 2018 and 2019. Further, there is no interest due/accrued/paid or payable to MSMED parties during the year or in the previous year.

20. Provisions

Provision for employee benefits

Gratuity	4.91	-
Earned Leave	10.13	-
Half pay Leave	4.31	-
Post Retirement Settlement Benefits	0.03	-
Total	19.38	-
Out of above:		
Current	1.31	-
Non Current	18.07	-
Total	19.38	-

21. Current tax liabilities

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

22. Other current liabilities

Statutory dues payable	321.26	476.40
Advance from customers	5.82	0.02
Others	0.09	-
Total	327.17	476.42

23. Other income

(Rupees in lakhs)

	31-Mar-19	31-Mar-18
Interest income - on financial assets measured at amortised cost	135.07	126.63
Dividend on investment in mutual funds measured at FVTPL	42.84	33.91
Interest income on government grant measured at FVTPL	95.40	25.84
Amortisation of deferred government grant (refer note 18)	68.90	2.90
Exchange rate variation	101.52	-
Rent	53.78	-
Other Miscellaneous Income	10.40	2.77
Total	507.91	192.05

24. Employee benefits expense

Salaries and wages*	546.53	-
Contribution to provident and other funds	46.98	-
	593.51	-
Less: Capitalised as part of CWIP (refer note 4)	(565.07)	-
Total	28.44	-

* Includes an adhoc provision of Rs 99.71 lakhs towards liability for pay revision and Rs. 19.38 lakhs towards liability for Gratuity/EL/HPL/PRSB at revised pay scale. The corresponding liability amounting to Rs. 99.71 lakhs and Rs. 19.38 lakhs (including Rs. 1.86 lakhs towards additional liability on revision of pay scales) is disclosed in Note No. 19 & 20 respectively.

25. Depreciation and amortisation expense

Depreciation / amortisation of property, plant and equipment	380.28	527.62
Amortisation of intangible assets	3.88	3.40
	384.16	531.02
Less: Capitalised as part of CWIP (refer note 4)	(384.16)	(531.02)
Total	-	-

26. Other expenses*

(Rupees in lakhs)

	31-Mar-19	31-Mar-18
Rent	4.35	5.00
Rates and taxes	9.39	9.89
Insurance	2.11	0.47
<i>Auditors' remuneration:</i>		
- Audit Fee	2.18	1.95
- Other Certification Fee	0.45	0.51
- Out of pocket expenses	0.05	0.11
Printing and Stationery	0.76	3.48
Advertisement	11.66	1.60
Telephone and Postage	1.02	1.81
Bank Charges	4.86	11.58
PF Administration charges	2.03	-
Professional / consultancy fees	65.80	54.38
Legal fees	0.80	0.63
Manpower charges (Outsourced)	41.49	33.97
Hire charges computers	-	0.43
Recruitment and training expenses	904.61	33.04
Repair and maintenance - others	32.92	17.89
Repair and maintenance - Building	14.76	0.80
Electricity charges	0.54	1.33
Marketing development expenses	104.07	-
Provision for damage due to flood (refer note 4)	482.20	-
Exchange rate variation (Net)	-	1.08
Directors sitting fees	6.04	3.52
Miscellaneous expenses	43.54	12.14
Total	1,735.63	195.61

* Expenses related to construction activity are shown under Capital work in progress Note-4

27. Finance Cost

Interest and finance charges on borrowings	16,966.57	3,142.35
Other finance cost	268.99	57.26
	17,235.56	3,199.61
Less: Capitalised as part of CWIP (refer note 4)	(17,235.56)	(3,199.61)
Total	-	-

28. Income tax expense

Current tax		
Current tax during the year	-	-
Total	-	-

(Rupees in lakhs)

28.a Reconciliation of tax expense and the accounting profit /(loss) multiplied by tax rate

Loss from continuing operations before income tax expense
Tax effects of adjustments in calculating taxable income:

	For the year Ended 31st Mar. 2019		For the year Ended 31st Mar. 2018	
	Taxable Amount	Tax Amount	Taxable Amount	Tax Amount
Loss from continuing operations before income tax expense	(1,256.16)	(326.60)	(3.56)	(0.92)
Exempt income (Dividend)	(42.84)	(11.14)	(33.91)	(8.73)
Exempt income (Ind-AS) - Amortisation	(164.30)	(42.72)	(28.74)	(7.40)
Provision for damage due to flood	482.20	125.37	-	-
Provision for employee benefit expenses	2.18	0.57	-	-
Net Taxable income / (loss)	(978.92)	(254.52)	(66.21)	(17.05)
Items for which no deferred tax recognised	978.92	254.52	66.21	17.05
Income tax expense	-	-	-	-

Tax at the Indian tax rate of 26% (Previous year 25.75%)

28.b Deferred tax assets

The balance comprises temporary differences attributable to:

	Taxable Amount	Tax Amount	Taxable Amount	Tax Amount
Preliminary expenses	114.46	29.76	114.46	29.47
Carry forward losses under income tax	1,099.98	285.99	121.06	31.17
Total deferred tax assets	1,214.44	315.75	235.52	60.64
Total deferred tax liabilities	-	-	-	-
Net deferred tax assets	1,214.44	315.75	235.52	60.64

- Notes- 1. The Company is expected to remain in construction stage till Q-3 of F.Y. 2019-20. Considering the uncertainty of realisation of deferred tax assets at this stage, deferred tax assets has not been recognised.
2. For computation of deferred tax assets (DTA) on preliminary expenses of Rs. 114.46 lakhs, tax rate considered @26% (Previous year tax rate @25.75%).
3. For DTA on carry forward losses of Rs. 1099.98 lakhs (including for previous year Rs. 121.06 lakhs) tax rate considered @26% (Previous year tax rate @25.75%).

RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED
Notes to Financial Statements for the year ended 31st March 2019

	Unit	31-Mar-19	31-Mar-18
29. Earnings / (loss) per share			
a. Basic earnings / (loss) per share			
Basic earnings per share attributable to the equity holders of the Company	Rs. Per share	(0.15)	(0.00)
b. Diluted earnings / (loss) per share			
Diluted earnings per share attributable to the equity holders of the Company	Rs. Per share	(0.15)	(0.00)
c. Reconciliations of earnings used in calculating earnings per share			
Basic earnings per share	Rs. Per share	(0.15)	(0.00)
Profit attributable to equity holders of the company used in calculating basic earnings per share	Rs. In lakhs	(1,256.16)	(3.56)
Diluted earnings per share	Rs. Per share	(0.15)	(0.00)
Profit attributable to equity holders of the company used in calculating diluted earnings per share	Rs. In lakhs	(1,256.16)	(3.56)
d. Weighted average number of equity shares used as the denominator in calculating basic earnings per share	No of shares	85,61,51,683	51,40,89,156
Adjustments for calculation of diluted weighted average number of share	No of shares	-	-
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	No of shares	85,61,51,683	51,40,89,156

RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

Notes to Financial Statements for the year ended 31st March 2019

30. 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 and security deposits at amortised cost.	Aging analysis Credit ratings	Diversified in bank deposits, current account and security deposits provided for rental property and utility deposit
Liquidity risk	Retention money/ deposits from contractors & others	Rolling cash flow forecasts	Availability of enough cash & cash equivalents
Market risk – foreign exchange	Purchase/acquisition of capital goods	Prevailing foreign exchange movements	Management monitor foreign exchange fluctuation to manage risk relating to foreign exchange variance. 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 and security deposits. Credit risk is managed by ensuring appropriate approvals and monitoring the credit worthiness of the counter parties in normal course of business.

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

(B) Liquidity risk

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

(i) Financing arrangement

The company has access to undrawn rupee term loan of Rs. 1,05,325 lakhs (P.Y. Rs. 2,83,456 lakhs)

(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 & 2 years	Between 2 & 5 years	After 5 years	Total
March 31, 2019							
Non-derivatives							
Other financial liabilities	22,578.48	-	721.33	-	-	-	23,299.81
Deposits / Retention money	61.09	-	1,176.89	-	-	-	1,237.98
Borrowings	-	-	-	31,525.68	1,00,488.11	1,56,731.87	2,88,745.66
Total non-derivative liabilities	22,639.57	-	1,898.22	31,525.68	1,00,488.11	1,56,731.87	3,13,283.45
March 31, 2018							
Non-derivatives							
Other financial liabilities	21,408.86	-	303.91	-	-	-	21,712.77
Deposits / Retention money	-	-	490.92	-	-	-	490.92
Borrowings	-	-	-	-	96,547.40	14,067.80	1,10,615.20
Total non-derivative liabilities	21,408.86	-	794.83	-	96,547.40	14,067.80	1,32,818.89

(C) Market Risks

i) Foreign Currency Risk

The Company imports certain plant and machineries and other project items which are denominated in Euro / US dollars which is 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. The Company's exposure to foreign currency risks at the end of the reporting period expressed in INR as follows:

	(Rupees in lakhs)	
	31-Mar-19	31-Mar-18
<i>Financial liabilities</i>		
- Creditor	3020.22	428.02

Sensitivity Analysis

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

Impact on Project Cost (Rs. in lakhs)

	31-Mar-19	31-Mar-18
Exchange rate: Increase by 1%*	30.20	4.28
Exchange rate decrease by 1%*	(30.20)	(4.28)

*holding all other variable constant

ii) Interest Rate Risk

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

	(Rupees in lakhs)	
	31-Mar-19	31-Mar-18
Variable Rate borrowings (net of transitional cost)	2,86,700.20	1,10,451.92

Sensitivity Analysis

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

Impact on Project Cost (Rs. in lakhs)

	31-Mar-19	31-Mar-18
Interest rate: decrease by 10 basis points*	(288.75)	(82.96)
Interest rate: Increase by 10 basis points*	288.75	82.96

*holding all other variable constant, considered 12 months (previous year 9 month as 1st drawdown of loan happened in July'17).

31. 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 net of cash and cash equivalents) (refer note 17(d))
divided by

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

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

(Rupees in lakhs)

	31-Mar-19	31-Mar-18
Net debt	2,65,834.88	1,10,174.73
Total Equity	1,00,008.90	59,770.76
Net debt to equity ratio (in times)	2.66	1.84

(b) Loan covenants

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

Total debt gearing of a maximum of 3:1,

Current ratio of 1.33:1,

Interest coverage ratio of 1.50,

DSCR of minimum of 1:25 and

Security margin of a minimum of 25%.

32. Fair value measurements

(Rupees in lakhs)

Financial instruments by category	31-Mar-19		31-Mar-18	
	FVTPL*	Amortised cost	FVTPL*	Amortised cost
Financial assets				
Current investments - Mutual funds	6,237.31	-	0.10	-
Cash and cash equivalents	-	14,628.01	-	277.09
Other bank balances	-	131.11	-	986.81
Security deposit	-	676.48	-	69.32
Government grant receivable	2,602.07	-	622.38	-
Other financial assets	-	4,339.80	-	4.20
Total	8,839.38	19,775.40	622.48	1,337.42
Financial Liabilities				
Other payables	-	24,638.49	-	22,203.69
Borrowings	-	2,86,700.20	-	1,10,451.92
Total	-	3,11,338.69	-	1,32,655.61

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

	31-Mar-19		31-Mar-18	
	Carrying amount	Fair value*	Carrying amount	Fair value*
Financial assets				
Cash and cash equivalents	14,628.01	14,628.01	277.09	277.09
Other bank balances	131.11	131.11	986.81	986.81
Security deposits	676.48	676.48	69.32	69.32
Other financial assets	4,339.80	4,339.80	4.20	4.20
Total financial assets	19,775.40	19,775.40	1,337.42	1,337.42
Financial Liabilities				
Other payables	24,638.49	24,638.49	22,203.69	22,203.69
Borrowings	2,86,700.20	2,86,700.20	1,10,451.92	1,10,451.92
Total financial liabilities	3,11,338.69	3,11,338.69	1,32,655.61	1,32,655.61

* For arriving fair value of assets in respect of all government grant receivable, the discounting used @ 8.9%. For security deposit being of earlier year, discounting rate of 9% has been continued (rate is on daily discounting basis).

(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-19	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Cash and cash equivalents	10	-	-	14,628.01	14,628.01
Other bank balances	11	-	-	131.11	131.11
Security deposits	7	-	-	676.48	676.48
Other financial assets	8	-	-	4,339.80	4,339.80
Total		-	-	19,775.40	19,775.40
Financial Liabilities					
Borrowings	17	-	-	2,86,700.20	2,86,700.20
Others financial liabilities	19	-	-	24,638.49	24,638.49
Total		-	-	3,11,338.69	3,11,338.69
31-Mar-18					
	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Cash and cash equivalents	10	-	-	277.09	277.09
Other Bank Balances	11	-	-	986.81	986.81
Security deposits	7	-	-	69.32	69.32
Other financial assets	8	-	-	4.20	4.20
Total		-	-	1,337.42	1,337.42
Financial Liabilities					
Borrowings	17	-	-	1,10,451.92	1,10,451.92
Others financial liabilities	19	-	-	22,203.69	22,203.69
Total		-	-	1,32,655.61	1,32,655.61

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

31-Mar-19	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Current investments - Mutual funds	9	-	6,237.31	-	6,237.31
Government grant receivable	8	-	-	2,602.07	2,602.07
Total		-	6,237.31	2,602.07	8,839.38
31-Mar-18					
	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Current investments - Mutual funds	9	-	0.10	-	0.10
Government grant receivable	8	-	-	622.38	622.38
Total		-	0.10	622.38	622.48

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. The mutual funds are valued using the closing NAV.

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.

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 100 basis point will reduce the fair value by Rs.12.36 lakhs (P.Y. Rs. 12.34 lakhs) as at March 19 and 18 respectively. Further any reduction in discount rate by 100 basis point shall increase the fair value by Rs 12.61 lakhs (P.Y. Rs. 12.59 lakhs) as at March 19 and 18 respectively.

Movement in the Grant receivable is given below:-	(Rupees in lakhs)
As at 1st April 17	-
Add: Grant receivable recognised at fair value	596.54
Add: Net gain/ (loss) in fair value during the year	25.84
Balance as at 31st March 18	622.38
Add: Grant receivable recognised at fair value	1,884.29
Add: Net gain/ (loss) in fair value during the year	95.40
Balance as at 31st March 19	2,602.07

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

(iii) Valuation technique used to determine fair value

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

The fair values for 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 used @ 8.9%. For security deposit being of earlier year, discounting rate of 9% has been continued (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.

(iv) Assumptions

Present value of government grant receivable from State Government of Telangana, is calculated based on reimbursement date as 31.03.2021.

33. Related party transactions

A) Nature of Relationship Promoter Venturers	Name of the Related Party 1 National Fertilizers Limited (NFL) 2 Engineers India Limited (EIL) 3 The Fertilizer Corporation of India Limited (FCIL)
B) Nature of Relationship Investors	Name of the Related Party 1 State Government of Telangana 2 GAIL (India) Limited 3 HT Ramagundam 4 Danish Agribusiness Fund 5 IFU
C) Nature of Relationship Key Management Personnel	Name of the Related Party 1 Sh. Jagdish Chander Nakra Chairman w.e.f. 01.02.2018 2 Sh. Lalit Kumar Viji Director w.e.f. 01.02.2018 3 Sh. Niranjana Lal Sharma Director w.e.f. 13.11.2017 4 Sh. Devinder Singh Ahuja Director w.e.f. 01.02.2017 5 Sh. Rajiv Kumar Chandiok Director w.e.f. 28.02.2017 6 Sh. Rakesh Mohan Joshi Director w.e.f. 31.03.2017 first term ceased on 30.09.2018 Appointed for fresh term w.e.f. 01.10.2018 7 Sh. Bharat Bhushan Goyal Director w.e.f. 31.03.2017 first term ceased on 30.09.2018 Appointed for fresh term w.e.f. 01.10.2018 8 Sh. Alok Verma Director w.e.f. 07.09.2018 9 Sh. Kamal Kishore Chatiwal Director w.e.f. 26.09.2018 10 Sh. Sunil Bhatia Director w.e.f. 31.10.2018 11 Sh. Virendra Nath Datt Director w.e.f. 31.10.2018 12 Sh. Vivek Malhotra CEO w.e.f. 25.02.2015 ceased w.e.f. 31.10.2018 13 Sh. Nirlep Singh Rai CEO w.e.f. 01.11.2018 14 Sh. Sunil Bhatia CFO w.e.f. 25.02.2015 ceased w.e.f. 17.10.2018 15 Sh. Sanjay Jindal CFO w.e.f. 01.11.2018 16 Sh. Navin K Mishra Company Secretary w.e.f. 16.12.2015 ceased w.e.f. 4.09.2018 17 Ms. Pratibha Aggarwal Company Secretary w.e.f. 01.10.2018

C) Transactions with Related parties:

i) Transactions with Promoters Venturers

(Rupees in lakhs)

S.No	Particulars	Promoter Venturers					
		31-Mar-19			31-Mar-18		
		NFL	EIL	FCIL	NFL	EIL	FCIL
	Promoters Venturers						
1	Equity Share Capital	5,500.00	5,500.00	2,327.01	9,325.00	9,325.00	9,251.63
2	Fixed Assets (Including CWIP) acquired	0.63	-	-	-	-	14,298.13
3	EPCM Fee (Incl. Tax)	-	3,412.61	-	-	8,209.89	-
4	Other Expenses (Incl. Tax) including salary of CEO and CFO	2,156.37	412.07	0.25	560.33	431.74	0.56
5	Lease rent income*	-	-	0.00	-	-	0.00
6	Net Amount outstanding	389.51	411.57	2,870.63	47.66	736.72	5,197.80

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

ii) Transactions with Investors

(Rupees in lakhs)

S. No	Particulars	31-Mar-19	31-Mar-18
Investors		Equity Share Capital	
1	State Government of Telangana	990.58	7,221.00
2	GAIL (India) Limited	15,052.95	-
3	HT Ramagundam	4,105.35	-
4	Danish Agribusiness Fund	4,105.35	-
5	IFU	4,105.35	-

iii) Transactions with Key Management Personnel

(Rupees in lakhs)

S. No	Particulars		31-Mar-19	31-Mar-18
Key Management Personnel			Remuneration	
1	Sh. Vivek Kumar Malhotra*	CEO	29.56	48.60
2	Sh. Nirlep Singh Rai*	CEO	15.11	-
3	Sh. Sunil Bhatia*	CFO	19.16	33.22
4	Sh. Sanjay Jindal*	CFO	24.51	-
5	Sh. Navin K Mishra*	CS	4.36	8.93
6	Ms. Pratibha Aggarwal*	CS		
6a	Salary and contribution to provident fund		6.86	-
6b	Post employment benefits		0.00	-
6c	Long-term employee benefits		0.22	-
6d	Termination benefits		0.66	-

* Remuneration is upto / from period as mentioned in list of KMP (Note 33 B)

(Rupees in lakhs)

S. No	Particulars	31-Mar-19	31-Mar-18
Independent director's		Director sitting fees	
1	Sh. Rakesh Mohan Joshi	2.00	1.30
2	Sh. Bharat Bhushan Goyal	3.20	2.00
3	Fee payable	0.41	-

34. IND-AS-19: Employee Benefits

34.1 General description of defined benefit schemes

Gratuity	Payable on separation @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 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	Baggage allowance for settlement at home town for employees and dependents.

34.2 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 46.98 lakhs (charge to statement of Profit and loss Rs. 1.96 lakhs and Capital work in progress Rs. 45.02 lakhs) (P.Y. Nil)

34.3 Risk associated with defined benefits schemes

Interest risk (discount rate risk)	A decrease in the Govt. bond interest rate (discount rate) will increase the plan liability.
Mortality risk	The present value of the defined benefit plan liability is calculated by using Indian Assured Lives Mortality (2006-08) 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.

34.4. Other Disclosures/reconciliation, in respect of defined benefit obligation are as under:

(Rupees in lakhs)

		Gratuity (unfunded)		EL (unfunded)		HPL (unfunded)		PRSB (unfunded)	
		18-19	17-18	18-19	17-18	18-19	17-18	18-19	17-18
(i) Reconciliation of present value of defined benefit obligations (Unfunded):									
1	Present value of projected benefits at beginning of the year	-	-	-	-	-	-	-	-
2	Service Cost	4.91	-	10.13	-	4.31	-	0.03	-
3	Past Service Cost	-	-	-	-	-	-	-	-
4	Interest Cost	-	-	-	-	-	-	-	-
5	Actuarial (Gains) / Losses	-	-	-	-	-	-	-	-
6	Benefits Paid	-	-	-	-	-	-	-	-
7	Plan Participant's Contribution	-	-	-	-	-	-	-	-
8	Transfer in	-	-	-	-	-	-	-	-
9	Present Value of projected benefit obligations as close of the year (1 to 8)	4.91	-	10.13	-	4.31	-	0.03	-
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)	4.91	-	10.13	-	4.31	-	0.03	-

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

1	Service Cost	4.91	-	10.13	-	4.31	-	0.03	-
2	Past service cost	-	-	-	-	-	-	-	-
3	Interest cost	-	-	-	-	-	-	-	-
4	Actuarial (Gains) / Losses	-	-	-	-	-	-	-	-
5	Expected return on plan assets	-	-	-	-	-	-	-	-
6	Total expenses	4.91	-	10.13	-	4.31	-	0.03	-
6.a	charged to P&L Account	0.56	-	1.16	-	0.46	-	0.00	-
6.b	charged to CWIP Account	4.35	-	8.97	-	3.85	-	0.03	-

(iii) Actuarial assumptions:

		31-Mar-19	31-Mar-18
1	Method used	Projected Unit Credit	NA
2	Discount rate (per annum)	7.34	NA
3	Mortality rate	100% Indian assured Lives mortality (2006-08)	NA
4	Withdrawal Rates (per annum) upto 30/44 and above 44 years	Executives and Non Executives 3%/2%/1% depending upon age	NA
5	Salary escalation taking into account inflation rate, seniority, promotion and other relevant factors	6.00%	NA

Sensitivity analysis of the defined benefit obligation,

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

(Rupees in lakhs)

Particulars	0.5% decrease in discounting rate	0.5% increase in discounting rate
Gratuity	0.52	(0.46)
Leave encashment	0.98	(0.87)
Half pay leave	0.42	(0.37)
PRSB	0.00	(0.00)

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

(Rupees in lakhs)

Particulars	0.5% decrease in salary escalation rate	0.5% increase in salary escalation rate
Gratuity	(0.47)	0.52
Leave encashment	(0.89)	0.99
Half pay leave	(0.37)	0.42
PRSB	(0.00)	0.00

35. Assets taken on Operating lease

The Company's significant leasing arrangements are in respect of operating 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. 105.91 lakhs (Previous Period Rs. 106.81 lakhs) including impact of security deposit on rent Rs. 2.87 lakhs (previous year Rs. 3.73 lakhs) are shown in Rent. Lease payments in respect of Vehicle Rs. 10.64 lakhs (Previous Period Rs. 10.16 lakhs) are shown in Hire charges vehicles (grouped under Travelling & Conveyance).

36. Contingent liabilities

Company have requested to State Government of Telangana to provide water connectivity and power connectivity at its battery limits. State Govt. has estimated the amount of Rs. 10,880 lakhs will be spent over it. This amount will be met initially by State Govt. and will be recovered out of incentive to be released by State Govt to Company post commercial production. The construction activity of these connectivities are under progress as on 31st March 2019.

37. 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-19	31-Mar-18
Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances).	71,944.00	2,72,853.00
Total	71,944.00	2,72,853.00

38. Standards Issued but not yet effective

On 30th March, 2019, the Ministry of Corporate affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2019, notifying following amendments:

- Ind AS 116 "Leases" - Ind AS 116 introduces a single lease accounting model, eliminating the existing distinction between operating and finance leases for lessees. This standard has replaced Ind AS 17. The new standard requires a lessee to recognize right-of-use assets and lease liabilities on the balance sheet for almost all leases having a term of more than 12 months. In addition, the rent expense will be replaced by depreciation of the right-of-use asset and interest expense on the lease liability.
- Appendix C to Ind AS 12 "Income Taxes" - The appendix provides accounting for uncertainty over income tax treatments.
- New paragraph 57A has been added to Ind AS 12 "Income Taxes" - This amendment clarifies that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.
- Amendment to Ind AS 19 "Employee Benefits" - This amendment requires an entity to: (i) use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and (ii) recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

- e) Amendment to Ind AS 23 “Borrowing Costs” - This amendment clarifies that if a specific borrowing remains outstanding after a qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.
- f) Amendment to Ind AS 28 “Investments in Associates and Joint Ventures” - The amendment clarifies that the long-term interests in an associate or joint venture to which the equity method is not applied should be accounted for using Ind AS 109, Financial Instruments. The requirements of Ind AS 109 are applied to long-term interests before applying the loss allocation and impairment requirements of Ind AS 28.
- g) Amendment has been made to Ind AS 103, “Business Combinations” and Ind AS 111, “Joint Arrangements” - The amendment clarifies that the measurement of previously held interest in obtaining control/joint control over a joint operation as follows: (i) On obtaining control of a business that is a joint operation, previously held interest in joint operation is remeasured at fair value at the acquisition date; (ii) A party obtaining joint control of a business that is joint operation should not remeasure its previously held interest in the joint operation.
- h) Amendment to Ind AS 109 - The amendment enables an entity to measure at amortised cost some pre-payable financial assets with negative compensation.

These amendments are applicable from April 1, 2019. However, these amendments does not have any significant impact on financial statements of the company.

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

RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

(CIN NO: - U24100DL2015PLC276753)

NOTICE OF 4th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 4th (Fourth) Annual General Meeting of the Members of Ramagundam Fertilizers and Chemicals Limited will be held **on Friday the 13th day of September, 2019 at 4:00 p.m. at the Registered Office of the Company situated at 3rd and 4th Floor, Mohta Building, 4 Bhikaji Cama Place, New Delhi- 110066** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the Financial Year from 01st April, 2018 to 31st March, 2019 and the Reports of Directors and Auditors thereon and to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT audited Financial Statements for the Financial Year from 01st April, 2018 to 31st March, 2019 and the Reports of Directors and Auditors thereon be and are hereby approved and adopted.”

2. To appoint a director in place of Shri Jagdish Chander Nakra (DIN 07676468), who retires by rotation and being eligible, offers himself for re- appointment and to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT Shri Jagdish Chander Nakra (DIN 07676468) who retires by rotation and is eligible for re- appointment, be and is hereby re-appointed as Director of the Company liable to retire by rotation.”

3. To appoint a director in place of Shri Lalit Kumar Vijn (DIN 07261231), who retires by rotation and being eligible, offers himself for re- appointment and to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT Shri Lalit Kumar Vijn (DIN 07261231) who retires by rotation and is eligible for re- appointment, be and is hereby re-appointed as Director of the Company liable to retire by rotation.”

4. To fix remuneration of Auditors for the financial year 2019-20 and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to fix the remuneration, out of pocket, statutory taxes and other ancillary expenses of Auditors to be appointed by the Comptroller and Auditor General of India for the financial year 2019-20.”

SPECIAL BUSINESS:

5. To appoint Shri Kamal Kishore Chatiwal (DIN 08234672) as Director of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution, as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Rules made thereunder including any statutory modification(s) or

re-enactment thereof for the time being in force and Articles of Association of the Company, Shri Kamal Kishore Chatiwal (DIN 08234672) who was appointed as an Additional Director with effect from 26th September, 2018 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 160 of the Companies Act, 2013, received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Director, liable to retire by rotation.”

6. To appoint Shri Rakesh Mohan Joshi (DIN 07204232) as Non-Executive Independent Director of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution, as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 161 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder including any statutory modification(s) or re-enactment thereof for the time being in force and Articles of Association of the Company, Shri Rakesh Mohan Joshi (DIN 07204232), who was appointed as an Additional Director (Non-Executive Independent Director) by the Board of Directors with effect from 1st October, 2018 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 160 of the Companies Act, 2013, received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Non-Executive Independent Director of the Company till 31st March, 2020, not liable to retire by rotation.”

7. To appoint Shri Bharat Bhushan Goyal (DIN 07254856) as Non-Executive Independent Director of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution, as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 161 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder including any statutory modification(s) or re-enactment thereof for the time being in force and Articles of Association of the Company, Shri Bharat Bhushan Goyal (DIN 07254856), who was appointed as an Additional Director (Non-Executive Independent Director) by the Board of Directors with effect from 1st October, 2018 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 160 of the Companies Act, 2013, received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Non-Executive Independent Director of the Company till 31st March, 2020, not liable to retire by rotation.”

8. To appoint Shri Sunil Bhatia (DIN 08259936) as Director of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution, as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Rules made thereunder including any statutory modification(s) or re-enactment thereof for the time being in force and Articles of Association of the Company, Shri Sunil Bhatia (DIN 08259936) who was appointed as an Additional Director with effect from 31st October, 2018 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 160 of the Companies Act, 2013, received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

9. To appoint Shri Virendra Nath Datt (DIN 07823778) as Director of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution, as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Rules made thereunder including any statutory modification(s) or re-enactment thereof for the time being in force and Articles of Association of the Company, Shri Virendra Nath Datt (DIN 07823778) who was appointed as an Additional Director with effect from 31st October, 2018 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 160 of the Companies Act, 2013, received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

10. To appoint Shri Jayesh Ranjan (DIN 00003692) as Director of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution, as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 161(1) and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder including any statutory modification(s) or re-enactment thereof for the time being in force and Articles of Association of the Company, Shri Jayesh Ranjan (DIN 00003692), who was appointed as an Additional Director by the Board of Directors with effect from 13th June, 2019 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 160 of the Companies Act, 2013, received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

11. To appoint Shri Rakesh Gogia (DIN 08501905) as Director of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution, as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 161(1) and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder including any statutory modification(s) or re-enactment thereof for the time being in force and Articles of Association of the Company, Shri Rakesh Gogia (DIN 08501905) who was appointed as an Additional Director by the Board of Directors with effect from 15th July, 2019 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 160 of the Companies Act, 2013, received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

12. **Increase in the Authorized Share Capital of the Company**

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

“RESOLVED THAT pursuant to the provisions of Section 61 and 64 and all other applicable provisions, if any, of the Companies Act, 2013, read with the relevant Rules thereof (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the provisions of the Memorandum and Articles of Association of

the Company read with the Joint Venture Agreement and SSSHA, the existing Authorised Share Capital of the Company of ₹ 15,00,00,00,000 (Rupees One Thousand and Five Hundred Crore Only) divided into 1,50,00,00,000 (One Hundred Fifty Crore) Shares of ₹10/- (Rupees Ten Only) each, be and is hereby increased to ₹ 20,00,00,00,000 (Rupees Two Thousand Crore Only) divided into 2,00,00,00,000 (Two Hundred Crore) Shares of ₹10/- (Rupees Ten Only) each.

RESOLVED FURTHER THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013, the existing Clause VI of the Memorandum of Association of the Company as to Authorised Share Capital be and is hereby substituted with the following new Clause 5 as per Table A of Schedule I to the Companies Act, 2013:-

Clause 5 “The Authorized Share Capital of the Company is 20,00,00,00,000 (Rupees Two Thousand Crore Only) divided into 2,00,00,00,000 (Two Hundred Crore) Shares of ₹10/- (Rupees Ten Only) each.”

RESOLVED FURTHER THAT any Director or the CEO and/or CFO of the Company be and is hereby severally authorised to execute all documents, forms, to do all acts, matters, deeds and things and to take all steps and give such directions as may be considered necessary, expedient or desirable for giving effect to the aforesaid resolution.”

By order of the Board

sd/-

(Pratibha Aggarwal)
Company Secretary
FCS 8874

Place : New Delhi

Date : 19th August, 2019

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

1. Every Member of Ramagundam Fertilizers and Chemicals Limited
2. All the Directors of Ramagundam Fertilizers and Chemicals Limited
3. Chairman, Audit Committee, Ramagundam Fertilizers and Chemicals Limited
4. Statutory Auditors
5. Secretarial Auditors

NOTES:-

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON THE POLL ONLY, INSTEAD OF HIMSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. According to the provisions of Section 105 of the Companies Act, 2013 read with rule 19 of the Companies (Management and Administration), Rules, 2014, a person can act as proxy on behalf of Members: -
 - i. Not exceeding fifty (50) Members and holding in the aggregate not more than ten percent of the total share capital of the company.
 - ii. Not act as proxy for more than one Member, if that Member holds more than 10% of the total share capital of the Company.
3. Members/Proxies should bring the Attendance Slip duly completed and signed in accordance with the specimen signature registered with the Company for attending the Meeting. Attendance Slip and Proxy Form is annexed to this Notice.
4. Corporate Members intending to send their authorised representatives are requested to send RESOLUTION / AUTHORITY, authorizing their representatives to attend and vote at the ensuing Annual General Meeting.
5. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to Special Business to be transacted at the Annual General Meeting is annexed hereto and forms part of the Notice.
6. All documents referred to in the accompanying notice are open for inspection at the registered office of the Company on all working days between 10.30 a.m. to 12.30 p.m. prior to the Annual General Meeting.
7. The Route Map of the venue of 4th AGM is given in the Annual Report.

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

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

Shri Kamal Kishore Chatiwal, aged around 50 years has been nominated by GAIL (India) Ltd. on the Board of the Company and is appointed as an Additional Director with effect from 26th September, 2018. He is a Non- Executive, non- independent Director.

He is working as Chief General Manager (Project Development) in GAIL. He is B.Tech in Chemical Engineering from IIT, Delhi. He has more than 28 years of experience in Oil & Gas Sector particularly in Project Execution, Commissioning and O&M of Gas Processing units, Petrochemicals and Natural Gas Pipelines. He has been associated with the commissioning of GAIL's first LPG plant and first Petrochemical plant. He has played a significant role in the installation, Commissioning and stabilization of Rs.10000 Crores grass root Petrochemical complex at Lepetkata Assam, as Head of Ethylene Cracker unit of Brahmaputra Cracker and Polymer Ltd, a subsidiary of GAIL. He has also been associated with corporate functions like planning, strategy, training, etc.

He is drawing no remuneration or sitting fees from the Company. He does not hold any share in the Company. He has attended five meetings of Board and one meeting of HR Committee of RFCL during 2018-19.

The Company has received a notice in writing pursuant to provision of sec 160 of the Companies Act, 2013, signifying intention to propose the appointment of Shri Chatiwal as Director on the Board of the Company.

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

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

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

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

Shri Rakesh Mohan Joshi, aged around 58 years, appointed as an Additional Director (Non-Executive Independent) with effect from 1st October, 2018 for a period of 18 months.

Earlier to this term, he was a Non-Executive Independent Director on the Board of RFCL for a period of 18 months from 31st March, 2017 till 30th September, 2018. In terms of section 149(10) of Companies Act, 2013, an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for reappointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report.

Shri Joshi is an Indian scholar, author and a management expert. Known for his scholarly aptitude and a flair for writing, Prof. Joshi has authored highly popular books published by Oxford University Press. He had been the editor of the prestigious quarterly journal of IIFT, Foreign Trade Review. His case studies have been awarded by London Business School besides several approbations. His case studies are published by European Case Clearing House (ECCH), London Business School, *Administrator*, the Journal of Lal Bahadur Shastri National Academy of Administration, Mussoorie, The Smart Manager etc.

Prof. Joshi has been involved in conducting Training Programmes for corporate executives, government officials and diplomats including customised programmes for IAS, IFS, IRS, ITS, IES, ISS officers and foreign diplomats in India and several foreign countries. He spearheaded India's efforts in building indigenous capacity in Africa on International Trade and Business and was engaged in setting up a Pan-African India-Africa Institute of Foreign Trade in Kampala, Uganda. He has led the Indian team to conduct Capacity Building Programmes on International Business in several African countries including Ethiopia, Egypt, Botswana, Namibia, South Africa, Uganda, Rwanda, Burkina Faso, Sudan, Mauritius, Seychelles and Niger. He has been the Chief Resource Person for conducting capacity development programmes on International Trade for participants based in several countries including Cambodia, Fiji, Philippines, Vietnam, Bangladesh, Islamic Republic of Iran, Nepal, Pakistan, Sri Lanka, Republic of China, Indonesia, Malaysia and Thailand. Besides, he has conducted training programmes, teaching, research and consultancy in several countries including China, the US, France, the UK, Russia, Switzerland, Canada, Italy, UAE, Singapore, Egypt, Hong Kong, Thailand, Tanzania, Oman, Bangladesh, Philippines etc. Prof. Joshi has extensive trans-national exposure and has been associated with several multilateral organizations, such as the World Bank and the Asian Development Bank.

He is one of the few highly sought-after Management professors in the country as an expert, author and speaker in conferences, workshops, TV channels and several other national and international forums.

Shri Joshi does not hold any shares in the Company. Being the non-executive Independent Director, Shri Joshi is entitled to receive the sitting fees for attending the meetings of the Board or Committees thereof. He has attended ten meetings of Board, one Risk Management Committee and four Audit Committee of RFCL during 2018-19.

The Company has received a notice in writing from him pursuant to provision of sec 160 of the Companies Act, 2013, signifying his intention to propose his appointment as an Independent Director on the Board of the Company for a tenure of 18 months w.e.f. 1st October, 2018.

Shri Joshi is not disqualified from being appointed as Director in terms of Sec. 164 of the Companies Act, 2013. In the opinion of the Board, he fulfils the criteria of independence as prescribed under the Companies Act, 2013 and has submitted necessary information, disclosures etc. as required under the said Act.

In view of the background and vast experience, it will be in the interest of the Company to appoint Shri Joshi as an Independent Director.

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

In terms of the provisions of the Companies Act, 2013, the resolution(s) as set out at Item no.6 of the accompanying Notice is proposed to be passed as Special Resolution(s).

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

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

Shri Bharat Bhushan Goyal, aged about 64 years appointed as an Additional Director (Non-Executive Independent) with effect from 1st October, 2018 for a period of 18 months.

Earlier to this term he was a Non-Executive Independent Director on the Board of RFCL for a period of 18 months from 31st March, 2017 till 30th September, 2018. In terms of section

149(10) of Companies Act, 2013, an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for reappointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report.

He is a former civil servant, who superannuated on June 30, 2015 as Addl. Chief Adviser (Cost), Ministry of Finance, Government of India and Head of the Indian Cost Accounts Service. He is a graduate in commerce and Masters in Economics. He is Fellow Member of the Institute of Cost Accountants of India and Life Member of AIMA & DMA. He had specialized training from Strathclyde University, UK, International Law Institute, USA, and National Law School of India, Bangalore.

He has nearly 43 years of professional experience in the Government of India and in Corporate Sector. In Government of India, he had worked in different capacities in several Ministries, notable being Finance, Corporate Affairs, Industry, Chemicals & Fertilizers etc. Presently, Shri Goyal is engaged as Adjunct Faculty, Indian Institute of Corporate Affairs and Non-Official Part-time Director, Central Coalfields Limited. Earlier, he was engaged as Chairman, IOV Registered Valuers Foundation; Adviser, ICAI-Management Accounting Research Foundation; Visiting Faculty, National Institute of Financial Management; Chairman, High Powered Committee constituted by Government of Haryana; and as Expert Member, Committee to Advise on Valuation Standards constituted by Ministry of Corporate Affairs, Government of India.

He possesses professional expertise in wide areas such as public policy, financial management, corporate valuation, disinvestment, cost-benefit analysis, business restructuring, effective regulatory landscape, cost management, product pricing, risk based audit, corporate social responsibility, etc. He had been Chairman/Member of large number of high-level national & international bodies/committees; and Board member of large number of companies, institutions and autonomous organizations wherein he made valuable contributions. He has presented large number of papers / talks at many national & international forums on wide variety of contemporary issues.

He does not hold any shares in the Company. Being the non-executive Independent Director, Shri Goyal is entitled to receive the sitting fees for attending the meetings of the Board or Committees thereof. He has attended ten meetings of Board, one Risk Management Committee, four Audit Committee and two meeting of HR Committee of RFCL during 2018-19.

The Company has received a notice in writing from him pursuant to provision of sec 160 of the Companies Act, 2013, signifying his intention to propose his appointment as an Independent Director on the Board of the Company for a tenure of 18 months w.e.f. 1st October, 2018.

Shri Goyal is not disqualified from being appointed as Director in terms of Sec. 164 of the Companies Act, 2013. In the opinion of the Board, he fulfils the criteria of independence as prescribed under the Companies Act, 2013 and has submitted necessary information, disclosures etc. as required under the said Act.

In view of the background and vast experience, it will be in the interest of the Company to appoint Shri Goyal as an Independent Director.

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

In terms of the provisions of the Companies Act, 2013, the resolution(s) as set out at Item no. 7 of the accompanying Notice is proposed to be passed as Special Resolution(s).

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

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

Shri Sunil Bhatia, aged around 58 years, nominated by Engineers India Ltd. on the Board of the Company and is appointed as an Additional Director with effect from 31st October, 2018. He is a Non- Executive, non- independent Director.

Shri Sunil Bhatia is the Director (Finance) of Engineers India Ltd. In a career spanning over 32 years, Shri Bhatia has worked in a wide array of domains including financial planning, Projects, manufacturing, marketing setting up joint ventures, etc. He also possess vast experience in Project execution, Product Pricing, raising of debt & equity and financial closure of Projects.

Shri Bhatia is B.Com (Hons.) and M.Com alumni from Punjab University, Chandigarh and FCMA from the Institute of Cost Accountants of India.

Shri Bhatia, joined the Board of Directors of Ramagundam Fertilizers and Chemicals Limited as Non-Executive Director on 31st October, 2018.

Prior to joining EIL, Shri Bhatia was Chief Financial Officer of Ramagundam Fertilizers and Chemicals Ltd, Joint Venture company of EIL, National Fertilizers Ltd. and Fertilizer Corporation of India Ltd. He played pivotal role in formation of joint venture Company, achieving financial closure of the Project by successfully raising equity from foreign and Indian investors as well as total debt for the Project, at competitive interest rates, getting sanction for fiscal incentives for the Project from the State Government, implementation of financial and operational procedures, establishing fair and transparent systems in the Company.

Besides holding a position of Director (Finance) of EIL, he is also a Director of Certification Engineers International Limited.

He is drawing no remuneration or sitting fees from the Company. He does not hold any share in the Company. He has attended three meetings of Board, one meeting of HR Committee and one meeting of Audit Committee of RFCL during 2018-19.

The Company has received a notice in writing pursuant to provision of sec 160 of the Companies Act, 2013, signifying intention to propose the appointment of Shri Bhatia as Director on the Board of the Company.

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

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

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

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

Shri Virendra Nath Datt aged 57 years, nominated by National Fertilizers Ltd. on the Board of the Company and is appointed as an Additional Director with effect from 31st October, 2018. He is a Non- Executive, non- independent Director.

Shri Datt is the Director (Marketing), of National Fertilizers Ltd. He is MBA from Maharshi Dayanand University. Prior to NFL, he was Executive Director (Corporate Strategy, Planning & Advocacy) with GAIL (India) Limited. He was also on the board of Mahanagar Gas Ltd., Mumbai.

Shri Datt has a rich marketing experience of over 33 years in the Natural Gas industry in India.

He started his career with ONGC in 1985 and then moved to GAIL in 1995. Shri Datt has handled many important assignments in the Natural Gas business including import & marketing of regasified LNG in India, pooling of gas price for urea plants and numerous policy initiatives of the Government.

He is drawing no remuneration or sitting fees from the Company. He does not hold any share in the Company. He has attended three meetings of Board of RFCL during 2018-19.

The Company has received a notice in writing pursuant to provision of sec 160 of the Companies Act, 2013, signifying intention to propose the appointment of Shri Datt as Director on the Board of the Company.

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

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

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

Item no.- 10 of the Notice calling Annual General Meeting

Shri Jayesh Ranjan aged 51 years has been nominated by State Government of Telangana on the Board of the Company and is appointed as an Additional Director with effect from 13th June, 2019. He is a Non- Executive, non- independent Director.

Shri Jayesh Ranjan is the Principal Secretary of the Industries & Commerce, Information Technology (IT) Departments of the Telangana government. He is a member of the Indian Administrative Service (IAS) of the 1992 batch. He is the All-India topper of his IAS batch of 1992. He holds a Masters Degree in Psychology from Delhi University, a degree in Business Management from the Indian Institute of Management, Calcutta, and a Masters in Public Management from Lee Kuan Yew School of Public Policy, National University of Singapore. He has also done short courses in the University of Birmingham (on Environmental Policy Analysis), JICA training Institute, Tokyo (on lake remediation), London School of Economics (on Globalization and Leadership), Kennedy School of Government, Harvard University (in Public Policy), and Swedish Institute, Stockholm (on Sustainability and CSR). He was awarded World Bank's Social Capital Visiting Scholarship in 2002 and the British Government's Gurukul Chevening Scholarship in 2005. He has done international consultancy assignments for the World Bank, UN-ESCAP, Sedatu project of Mexico, and for international NGOs working for Youth Issues like YES, Inc of the USA and NMC from Italy. He is a part of the National Pool of Trainers in Leadership constituted by the Government of India, and is involved in training and mentoring newly recruited Civil Servants.

His assignment involves identifying opportunities of utilizing IT in various government processes, attracting new investments, and promoting digital empowerment of the citizens. His last few assignments have been in the Industrial Promotion sector as Commissioner and MD of the Industries Department, Secretary in the Tourism Promotion Department, and Vice-Chairman of the Hyderabad Urban Development Authority (HUDA), all for 2-3 years each, and various rural assignments in different parts of the state for over 12 years, working in diverse sectors like Tribal Development, Natural Resources Management, Poverty Alleviation and other related Social Development Sectors.

He is drawing no remuneration or sitting fees from the Company. He does not hold any share in the Company.

The Company has received a notice in writing pursuant to provision of sec 160 of the Companies Act, 2013, signifying intention to propose the appointment of Shri Jayesh Ranjan as Director on the Board of the Company.

Shri Jayesh Ranjan is not disqualified from being appointed as Director in terms of Sec. 164 of the Companies Act, 2013. He is holding position of Director in following companies.

- Wehub Foundation	- Telangana State Aviation Corporation Limited
- Museum of Technology Innovation Foundation	- T-Hub Foundation
- Hyderabad Airport Metro Limited	- GMR Hyderabad International Airport Limited
- T-Works Foundation	- Nizam Deccan Sugars Limited
- Research And Innovation Circle of Hyderabad	- Telangana State Industrial Development Corporation Limited
- Telangana Fiber Grid Corporation Limited	- Telangana State Mineral Development Corporation Limited
- Telangana Industrial Health Clinic Limited	- Telangana State Trade Promotion Corporation Limited
- Telangana State Technology Services Limited	- Telangana State Industrial Infrastructure Corporation Limited
- Telangana State Leather Industries Promotion Corporation Limited	- Nizam Sugars Limited
- Photonics Valley Corporation	

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

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

Item no.- 11 of the Notice calling Annual General Meeting

Shri Rakesh Gogia aged 58 years, nominated by National Fertilizers Ltd. on the Board of the Company and is appointed as an Additional Director with effect from 15th July, 2019. He is a Non- Executive, non- independent Director.

Shri Gogia is a B. Com (Hons.), M.Com and LLB alumni from University of Delhi, Fellow Member of the Institute of Company Secretaries of India, ACMA from the Institute of Cost Accountants of India and Associate Member (CAIIB) of Indian Institute of Bankers. He started his career with Syndicate Bank and worked in various capacities in the different organizations, majorly in Public Sector. He Joined NFL in November, 2015 as General Manager (IA and Law) and subsequently, promoted as Executive Director (IA/Law/CS/ MS). Shri Gogia has rich experience of over 36 years and worked in wide array of domains including Banking, Insurance, Finance, Secretarial, Internal Audit, Law, Service sector and Trading.

He is drawing no remuneration or sitting fees from the Company. He does not hold any share in the Company.

The Company has received a notice in writing pursuant to provision of sec 160 of the Companies Act, 2013, signifying intention to propose the appointment of Shri Rakesh Gogia as Director on the Board of the Company.

Shri Rakesh Gogia is not disqualified from being appointed as Director in terms of Sec. 164 of the Companies Act, 2013.

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

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

Item no.- 12 of the Notice calling Annual General Meeting

Present Authorised Share Capital of the Company is Rs. 15,00,00,00,000 (Rupees One Thousand and Five Hundred Crore Only) divided into 1,50,00,00,000 (One Hundred Fifty Crore) Shares of Rs. 10/- (Rupees Ten Only) each. The initial project cost estimate was approved at Rs 5254.28 crore to be financed in debt equity ratio of 75:25 i.e. debt of Rs 3940.71 crore and equity of Rs 1313.57 crore. The present Paid up Share Capital of the company is Rs 1167.96 crore.

In view of the revision in Scheduled Commercial Operation Date as 31st March, 2020 and revised Project cost estimate at Rs. 6120.55 crores, additional cost is proposed to be funded through additional equity of around 408.06 crores and Rs 458.21 crore through debt. Accordingly, total equity requirement would be more than the exiting Authorized Capital of Rs 1500 crore and also to take care of any further equity requirement for completion of project, the Authorised Capital is proposed to be increased to Rs. 20,00,00,00,000 (Rupees Two Thousand Crore Only) divided into 2,00,00,00,000 (Two Hundred Crore) Shares of Rs. 10/- (Rupees Ten Only) each.

According to Section 61 (1) of the Companies Act, 2013, a limited company having a share capital may, if so authorised by its articles, alter the Memorandum of Association (MOA) in the general meeting to increase its authorised share capital by such amount as it thinks expedient. Article 3 (a) (ii) of the Articles of Association (AOA) permits increase of the Authorised Share Capital.

The proposed increase of the Authorised Capital of the Company requires approval of the Members. Consequent upon the increase in Authorized Capital of the Company, its MOA will also require alteration so as to reflect the increase in Authorised Share capital.

The Board of Directors of your Company recommends the adoption of the resolution(s) as set out at Item no.12 of the accompanying Notice as Special Resolution(s).

None of the Directors, Key Managerial Personnel and their relatives is concerned or interested in the resolution, except as holders of shares in general or that of the companies and/or institutions of which they are directors, or members and who may hold shares in the Company.

By order of the Board

sd/-

(Pratibha Aggarwal)

Company Secretary

FCS 8874

Place : New Delhi

Date : 19th August, 2019

Form No. MGT 11 PROXY FORM

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

CIN : U24100DL2015PLC276753
Name of the company : RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED
Registered Office : 3rd and 4th floor, Mohta Building, 4 Bhikaji Cama Place, New Delhi-110066

Name of the Member	:	
Registered address	:	
E-mail Id	:	
Folio No.	:	
DP ID/ CLIENT ID	:	

I/We, being a Shareholder(s) of above named Company holding shares, hereby appoint the following as my/our Proxy to attend and vote (on a poll) on my/our behalf at the **4th Annual General Meeting of the Company, to be held on Friday the 13th day of September, 2019 at 4.00 p.m. at the Registered Office of the company situated 3rd and 4th floor, Mohta Building, 4 Bhikaji Cama Place, New Delhi-110066** and at any adjournment there of:

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

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

Resolution No.	For	Against
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		

Signed this day of 2019.

Signature of shareholder _____

Affix
Revenue

Notes :

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

ATTENDANCE SLIP

RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

CIN: U24100DL2015PLC276753

Registered Office:

3rd and 4th floor, Mohta Building, 4, Bhikaji Cama Place, New Delhi-110066

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

I hereby record my presence at the **4th ANNUAL GENERAL MEETING of RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED** at the Registered Office of the Company situated at 3rd and 4th Floor, Mohta Building, 4 Bhikaji Cama Place, New Delhi-110066 at 4.00 p.m. on Friday the 13th day of September 2019.

Full name of the Shareholder

Signature : _____

Folio No.:

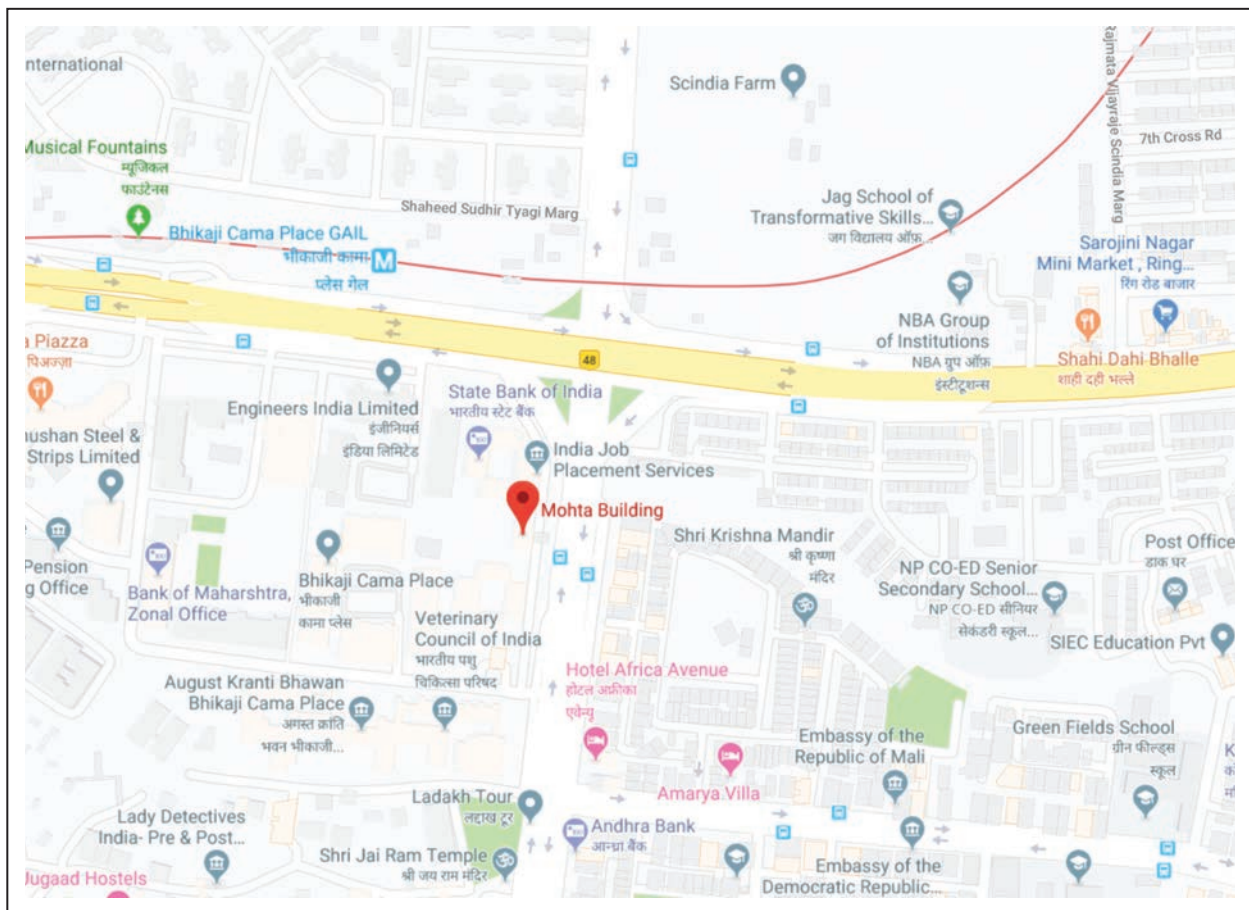
DP ID/ Client ID:

Full name of Proxy/Authorised

Representative (IN CAPITAL LETTERS) :

Signature : _____

ROUTE MAP OF VENUE



NOTES

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रामगुण्डम फर्टिलाइजर्स एण्ड केमिकल्स लिमिटेड

Ramagundam Fertilizers and Chemicals Limited

3rd & 4th Floor, Mohta Building, 4, Bhikaji Cama Place, New Delhi-110066