

36th Annual Report 2013-2014



Rashtriya Chemicals and Fertilizers Limited

(A Government of India Undertaking)

Let us grow together



Let us grow

together



Golden Peacock Environment Management Award



Shri R. G. Rajan, CMD, RCF receiving Golden Peacock Environment Management Award for RCF Thal at the hands of (Dr.) Justice Arijit Pasayat, Ex-Judge of Supreme Court of India in presence of Shri Atul Chaturvedi, IAS, Chairman, PESB along with Shri U.V. Dhatrak, Chief General Manager (Tech) at 16th World Congress at New Delhi.

Best Technical Innovation Award



Shri S.K. Jena, the then Hon'ble Union Minister for Chemicals & Fertilizers giving away Best Technical Innovation Award to Shri C. M. T. Britto, Director (Tech) and Shri Abir Banerjee, Executive Director (Tr.) in presence of Shri Sharad Pawar, the then Hon'ble Union Agriculture Minister and Shri R.G. Rajan, CMD, RCF and other Senior Officials.

VISION STATEMENT

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



Let us grow together

Rashtriya Chemicals and Fertilizers Limited

Board of Directors



Shri R. G. Rajan

Chairman and Managing Director



Shri C.M.T. Britto

Director (Technical)



Shri Ashok Ghasghase

Director (Marketing)



Shri Sham Lal Goyal, IAS

*Jt. Secretary, Department of Fertilizers,
New Delhi*



Prof. Damodar Acharya

*Independent Director
(From 30.01.2014)*



Shri Sushil Kumar Lohani, IAS

*Jt. Secretary, Department of Fertilizers,
New Delhi (From 02.07.2014)*



Shri Gautam Sen

*Director (Finance)
(Upto 31.01.2014)*



Shri Suresh Warior

*Director (Finance)
(From 18.07.2014)*



Shri S. C. Gupta, IAS

*Jt. Secretary, Department of Fertilizers, New Delhi
(upto 02.07.2014)*

Mission of the Company

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

Value Statement

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

Letter from the Chairman



Dear Shareowners,

I am pleased to present the Annual Report for the year 2013-14 and hope to see you at the 36th Annual General Meeting on 19th September, 2014.

I am glad to inform you that your Company continues to perform on a sustained basis. Although your Company earned a lower revenue of ₹ 6661.64 crore during the year 2013-14 compared to ₹ 6866.83 crore in the previous year and earned lower net profit after tax of ₹ 249.89, compared to ₹ 280.90 Crore in the previous year; your Company withstood, severe economic onslaught in the form of substantial depreciation in Indian Rupee against USD, reduction/ freeze on MRP of P&K fertilizers and non-receipt of timely subsidy resulting in higher financing costs. In the recent years, there has been high volatility in the prices of raw material resulting in creation of scarcity, impeding production and marketing plans, which are subject to severe volatility in global raw material prices

and foreign currency exchange rate, affecting the profitability of the Company. But for the resilience of your Company, the result for the year would have not been so good.

Indian Metrological Department had predicted weak monsoon for the current year. The onset of monsoon was delayed and less rainfall was received in the month of June. To our great relief, there have been wide spread rains during July. However, a lot still depends on how the monsoon behaves in the remaining months of August and September; for the country to have an overall normal rainfall this year. But I am confident that your Company would overcome any limitations and maintain good results in the current year as well.

As has been the custom, your Company achieved several recognitions and awards, such as 11th National Award for excellence in Cost Management for 2013, by Institute of Cost Accountants of India, Sustainability Award 2013 for excellence in Safety, Health & Environment in Chemical & Petrochemical Sector; Greentech Safety Award - 2013 in Silver category for excellence in safety management among fertilizer industries, Golden Peacock Occupational Safety & Health Award 2012-13 from Institute of Directors at World Congress on Environment Management etc.

Your Company has been consistent in paying dividend to shareholders. As in last year, for the year 2013-14, your directors have proposed for payment of dividend at ₹ 1.50 per share.

Due to your Company's good reputation, several opportunities exist overseas, for Collaborations / Diversification in the field of manufacturing and mining of raw materials and fertilisers and thus afford opportunity for marketing of varieties of products. The increased demand-supply gap in the Country provides for opportunity to expand its Urea base at Thal. Alternate feedstock like Coal gasification gives an opportunity for undertaking Fertilizer Projects in other parts of the country closer to coal mines. Your Company is therefore, planning to undertake major projects such as Additional Ammonia Urea project at Thal, Coal Based Fertilizer Plant at Talcher, Sewage Treatment Plant (STP) at Trombay and is keenly scouting for opportunities abroad. Your Company is also looking for opportunities for long term off take agreements for procurement of fertilizers, to ensure sustained growth. I am confident that with the support of Government and all stake holders, your Company would march ahead successfully from strength to strength.

On behalf of all RCFians, and on my personal behalf, I thank you all for your continued support.

With warm regards,

R. G. Rajan

Chairman and Managing Director

19.07.2014

FINANCIAL HIGHLIGHTS AT A GLANCE

₹ in crore

Sl. No.	PARTICULARS	2013-14 As per revised Schedule VI	2012-13 As per revised Schedule VI	2011-12 As per revised Schedule VI	2010-11 As per revised Schedule VI	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
1.	Turnover (Gross Sales + Subsidy + Other Income)	6877.89	7102.49	6662.36	5671.60	5826.25	8538.43	5325.06	3644.60	3187.80	2895.90	2396.64	2135.98
2.	Profit before Interest (Net), Depreciation and Tax (EBIDTA)	628.59	612.72	531.24	476.74	439.70	487.22	384.31	363.66	284.39	303.99	233.38	12.10
3.	Depreciation	141.75	173.15	142.44	112.62	75.60	86.58	86.96	75.42	68.53	96.71	69.17	68.25
4.	Interest [Net]	119.90	59.09	12.75	9.65	19.87	74.93	59.32	46.93	0.80	(3.98)	(91.59)	40.54
5.	Prior year Adj. - Expenses / (Income)	(0.38)	0.36	1.59	(0.22)	0.02	0.01	(4.04)	0.07	(0.61)	(0.41)	(0.85)	(2.97)
6.	Profit / (Loss) Before Tax	367.32	380.12	374.46	354.69	344.21	325.70	242.07	241.24	215.67	211.67	256.65	(93.72)
7.	Tax Provision (Net of Adj.)	117.43	99.22	125.22	109.57	109.34	114.12	83.92	92.50	67.71	70.71	88.86	(45.65)
8.	Profit / (Loss) After Tax	249.89	280.90	249.24	245.12	234.87	211.58	158.15	148.74	147.96	140.96	167.79	(48.07)
	Dividend												
9.	Rate %	15.00	15.00	14.00	11.00	11.00	12.00	10.00	10.00	10.00	17.00	17.00	0.00
	Amount :	96.79	96.81	89.77	70.53	70.77	77.45	64.55	64.55	62.91	107.02	105.81	0.00
	Dividend Payout Ratio %	38.73	34.46	36.02	28.77	30.13	36.61	40.82	43.39	42.52	75.92	63.06	0.00
10.	Working Capital	1378.73	1199.67	1116.04	1036.33	1933.66	1896.01	1418.44	1434.06	884.39	849.81	734.48	983.56
11.	Capital Employed	3841.74	4132.74	3433.26	2550.52	3176.37	2973.17	2472.58	2449.97	1756.80	1738.87	1609.53	1901.93
12.	Net Worth	2508.39	2355.29	2171.20	2011.73	1837.14	1672.42	1537.38	1447.30	1361.50	1271.42	1234.08	1169.51
	RATIOS												
	Current Ratio [CA : 1]	1.58	1.42	1.40	1.85	2.25	1.93	2.63	3.28	2.29	2.78	2.86	4.54
	Debt Equity Ratio [Debits : 1]	0.13	0.09	0.13	0.08	0.72	0.85	0.81	0.66	0.32	0.29	0.17	0.53
	EBIDTA to capital employed %	16.36	14.83	15.47	18.69	13.84	16.39	15.54	14.84	16.19	17.48	14.50	0.64
	PBT to Capital Employed %	9.56	9.20	10.91	13.91	10.84	10.95	9.79	9.85	12.28	12.17	15.95	(4.93)
	PAT to Capital Employed %	6.50	6.80	7.26	9.61	7.39	7.12	6.40	6.07	8.42	8.11	10.42	(2.53)
	PBT to Net Worth %	14.64	16.14	17.25	17.63	18.74	19.47	15.75	16.67	15.84	16.65	20.80	(8.01)
	PAT to Net Worth %	9.96	11.93	11.48	12.18	12.78	12.65	10.29	10.28	10.87	11.09	13.60	(4.11)
	PAT to Equity %	45.30	50.92	45.18	44.43	42.57	38.35	28.67	26.96	26.82	25.55	30.41	(8.71)
	PBT to Turnover %	5.34	5.35	5.62	6.25	5.91	3.81	4.55	6.62	6.77	7.31	10.71	(4.39)
	PAT to Turnover %	3.67	3.99	3.78	4.37	4.07	2.50	3.00	4.12	4.69	4.92	7.07	(2.27)
	Earning per share Before Tax (₹)	6.66	6.89	6.79	6.43	6.24	5.90	4.39	4.37	3.91	3.84	4.65	(1.70)
	Earning per share After Tax (₹)	4.53	5.09	4.52	4.44	4.26	3.84	2.87	2.70	2.68	2.56	3.04	(0.87)
	EBIDTA to Sales Turnover %	9.23	8.71	8.05	8.49	7.55	5.71	7.22	9.98	8.92	10.50	9.74	0.57

13.

SENIOR MANAGERS

Sl. No.	Name of Senior Managers	Designation
1.	Rajesh Kundan	Chief Vigilance Officer
2.	Ranganath H Kulkarni	Executive Director (Finance)
3.	K C Prakash	Company Secy. (Legal & Corp. Governance)
4.	Ravi Kumar Jain	Executive Director (Thal)
5.	Abir Banerjee	Executive Director (Tr)
6.	Pravinkumar G Deshpande	Executive Director (HR)
7.	Bhaskar Das	Executive Director (IPD)
8.	Rajendra B Patil	Executive Director (Fin) & Chief Sustainability Officer
9.	P Karthikeyan	Executive Director (Mktg)
10.	A Kundu	Executive Director (Planning & Proj Devt.)
11.	Vishwas G Londhe	Chief Gen Mgr (Finance/ IT)
12.	Anand M Swami	Chief Gen Mgr (Commercial)
13.	M Thyagarajan	Chief Gen Mgr (QC)

Sl. No.	Name of Senior Managers	Designation
14.	Mohan P Wankar	Chief Gen Mgr (HR) Corp.
15.	Ravindrprakash Srivastava	Chief Gen Mgr (GBP / HRD)
16.	Umesh V Dhattrak	Chief Gen Mgr (Technical) Thal
17.	Ravindra P Jawale	Chief Gen Mgr (Operations) Thal
18.	Harishchandra L Das	Chief Gen Mgr (Operations)
19.	Ajit S Kashikar	Gen Mgr (Maintenance)
20.	Ajai B Khare	Gen Mgr (Commercial)
21.	Narahari R Kamat	Gen Mgr (Technical)
22.	Shirish G Bhogle	Gen Mgr (Mktg.)
23.	Arvind N Shende	Gen Mgr (HSE) Corp.
24.	Basudeb Das	Gen Mgr (Chemical), Thal
25.	Narendra Kumar Verma	Gen Mgr (IT)
26.	S Parthasarathy	Gen Mgr (IA)
27.	Saifuddin K Fidvi	Gen Mgr (Admn & IE)
28.	Suhas S Varadkar	Gen Mgr (Operations), Thal

Company Secretary	: Shri K.C. Prakash
Email address	: investorcommunications@rcfltd.com
Website address	: www.rcfltd.com
Telephone	: (022) 25523114/3118
Registered Office	: “Priyadarshini” Eastern Express Highway, Sion, Mumbai 400 022.
Share Transfer Agent	: M/s. Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup, Mumbai 400 078. Tel.: (022) 25963838
Bankers	: State Bank of India Swastik Chamber Chembur, Mumbai
Statutory Auditors	: M/s. M. Nissim & Co., Mumbai M/s. N B S & Co., Mumbai
Cost Auditors	: Shri S. D. Shenoy, Mumbai M/s V. J. Talati & Company, Mumbai
Solicitor	: M/s M.S. Bodhanwala & Co., Mumbai



Rashtriya Chemicals and Fertilizers Limited

(A Government of India Undertaking)

“Priyadarshini”, Eastern Express Highway, Sion, Mumbai - 400 022.

Annual Report 2013-14

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RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED

Registered Office: "Priyadarshini", Eastern Express Highway, Sion, Mumbai - 400 022.

Corporate Identification No.: L24110MH1978GOI020185

Phone: 022-24045024/ Fax:022 24045022

Email Id: investorcommunications@rcfltd.com • Website: www.rcfltd.com

NOTICE

THIRTY SIXTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the THIRTY SIXTH ANNUAL GENERAL MEETING OF THE MEMBERS OF RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED will be held at "Sivaswamy Auditorium", The Fine Arts Society, Fine Arts Chowk, RCF Marg, Chembur, Mumbai 400 071, on Friday, the 19th day of September, 2014 at 3 PM, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2014, including Profit & Loss Statement for the year ended 31st March, 2014 and Balance Sheet as at that date together with the Reports of Directors and Auditors thereon.
2. To declare dividend.
3. To fix remuneration of Auditors.
4. To appoint a Director in place of Shri Ashok Ghashghase, Director who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

5. To appoint Prof. Damodar Acharya, as an Independent Director of the Company and to consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and clause 49 of the Listing Agreement, Prof. Damodar Acharya (DIN 06817842), who was appointed as an Additional Director of the Company and who holds office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from 19th September, 2014 upto 29th January, 2017."

6. To appoint Shri Sushil Kumar Lohani, as a Director of the Company and to consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 152, 160 and 161 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, Shri Sushil Kumar Lohani (DIN 06912948), who was appointed as an Additional Director of the Company and who holds office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

7. To appoint Shri Suresh Warior, as a Director of the Company and to consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 152, 160, 161 and 196 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, Shri Suresh Warior (DIN 06920261), who was appointed as an Additional Director of the Company and who holds office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as the Director (Finance) of the Company, in the scale of ₹ 75,000 – ₹ 1,00,000/- plus perquisite as applicable to the grade, for a period of five years from the date of his assumption of charge of the post or till the date of his superannuation or until further orders, whichever is earliest."

8. To fix Remuneration of Shri S. D. Shenoy, and M/s V. J Talati & Co, as Cost Auditors of the Company and to consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, Shri S. D. Shenoy, Cost Accountant and M/s. V. J. Talati & Co., Cost Accountants, Mumbai, who have been appointed by the Board as Cost Auditors for the financial year ending 31st March, 2015, at a remuneration of ₹ 1,95,000/- (all inclusive) and ₹ 1,40,000/- (plus out of pocket expenses) respectively, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be, proper or expedient to give effect to this resolution.”

By order of the Board of Directors

[K.C. Prakash]
Company Secretary

Date : 19.07.2014

Place : Mumbai

Notes:

1. A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
 2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
 3. Register of Members and Share Transfer books will be closed from Saturday, the 13th September, 2014 to Friday, the 19th September, 2014 [both days inclusive]. The cut off date for the purpose of AGM is 15th August, 2014.
 4. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.
 5. Members are requested to notify immediately any changes in their address to the Company or its Transfer Agents; M/s. Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup (W), Mumbai 400 078.
 6. Any clarifications needed by the members of the Company may be addressed to the Company Secretary at the Registered Office of the Company or through e-mail investorcommunications@rcfltd.com at least seven days prior to the date of Annual General Meeting.
 7. Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, dividend which remain unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of the Companies Act, 2013.
- Members who have not so far encashed the dividend warrant(s) are requested to seek issue of duplicate warrant(s) by writing to the Company or to the Registrar and Transfer Agents, M/s. Link Intime India Pvt. Ltd., immediately. Members are requested to note that no claims shall lie against the Company or the said Fund in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any claims.
8. Members holding shares in physical form should notify change in their addresses, if any, to the Registrar & Transfer Agent specifying full address in block letters with PIN CODE of their post offices, which is mandatory. Members holding shares in electronic form (demat), should inform the change of address to their depository participant.
 9. Electronic copy of the 36th Annual Report for 2014, indicating process and manner of e-voting along with attendance slip and proxy form, is being sent to all members whose email ids are registered with the Company/depository participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014, indicating process and manner of e-voting along with attendance slip and proxy form, are being sent in the permitted mode.
 10. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communications including Annual Report, Notices, Circular, etc., from the Company in electronic mode.

11. Members/Proxies are requested to bring the Attendance Slip(s) duly filled in.
12. Members may also note that the 36th Annual Report for 2014 will also be available on the Company's website www.rcfltd.com for their download. The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. For any communication, the members may also send requests to the Company's designated email id: www.investorcommunications@rcfltd.com.
13. Voting through electronic means
 - A. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 36th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-voting. E-voting is optional and members shall have the option to vote either through e-voting or in person at the 36th Annual General Meeting. The process and instructions for e-voting are as under:

In case of Members receiving e-mail:

- i. to the e-voting website www.evotingindia.com.
- ii. Click on "Shareholders" tab to cast your votes.
- iii. Now, select the "Rashtriya Chemicals and Fertilizers Limited" from the drop down menu and click on "SUBMIT".
- iv. Now Enter your User ID
 - a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID.
 - b) For CDSL :- 16 digits beneficiary ID
 - c) For Members holding shares in Physical Form:- Folio Number registered with the Company
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below.

	For members holding share in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the demat account / folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details #	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by members as on the cut off date in the dividend Bank details field.

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For members holding shares in physical form, the details can be used only for e-voting on the resolution(s) contained in the notice.
- xi. Click on the relevant EVSN on which you choose to vote.
- xii. On the voting page, you will see RESOLUTION

- DESCRIPTION and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
 - xiv. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
 - xv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
 - xvi. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forget Password & enter the details as prompted by the system.
 - xvii. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com. After receiving the login details they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) together with attested signature(s) of duly authorised signatory(ies) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
 - xviii. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
 - xix. Voting can be exercised only by the shareholder or his/her duly constituted attorney or, in case of bodies corporate, the duly authorized person.
 - xx. The e-voting period commences on 13th September, 2014 (10.00 a.m.) and ends on 15th September, 2014 (6.00 p.m.). During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 15th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast

by the shareholder, the shareholder shall not be allowed to change it subsequently.

- B. The Company has appointed Shri B. V. Dholakia of M/s. Dholakia & Associates., Practicing Company Secretaries as the Scrutinizer for conducting the e-voting process in fair and transparent manner.
- C. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- D. The results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer’s Report shall be placed on the Company’s website www.rcfltd.com.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following explanatory statement sets out the material facts relating to the Special Business mentioned in the accompanying Notice.

Item No.5

Prof. Damodar Acharya, who has been appointed by President of India as Independent Director on the Board of the Company w.e.f. 30.01.2014, pursuant to Section 161(1) of the Companies Act, 2013 and Article 81(5) of Articles of Association of the Company, will hold the office till the date of 36th Annual General Meeting.

Prof. Damodar Acharya, holds a Bachelor’s degree in Science (Mechanical Engineering) from NIT Rourkela, Masters and Ph.D from IIT Kharagpur. Prof. Acharya has about thirty two years of diversified experience in teaching and research experience at IIT Kharagpur, and in academic administration as Vice-Chancellor, Biju Patnaik University of Technology, Rourkela and Chairman, All India Council of Technical Education (AICTE), New Delhi. Currently, Prof. Acharya is nominated as a Director by the Government of India on the Central Board of the Reserve Bank of India.

Prof. Damodar Acharya is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

The Company has received a declaration from Prof. Damodar Acharya that he meets with the criteria of independence as prescribed both under sub-section (6) of section 149 of the Companies Act, 2013 and clause 49 of the listing agreement.

In the opinion of the Board, Prof. Damodar Acharya fulfills the conditions for his appointment as an Independent Director as specified in the Act. Prof. Damodar Acharya is independent of the management.

Keeping in view of his vast expertise and knowledge, it will be in the interest of the Company that Prof. Damodar Acharya is appointed as an Independent Director.

Prof. Acharya does not hold any shares in the Company by himself or for any other person on beneficial basis.

Except Prof. Damodar Acharya, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No.5 of the Notice.

This explanatory statement may also be regarded as disclosure under clause 49 of the Listing Agreement with the Stock Exchange.

Item No.6

Shri Sushil Kumar Lohani, who has been appointed by President of India as Government Nominee Director on the Board of the Company w.e.f. 2nd July, 2014, pursuant to Section 161(1) of the Companies Act, 2013 and Article 81(5) of Articles of Association of the Company, will hold the office till the date of 36th Annual General Meeting.

Shri Lohani is an IAS officer and is presently Jt. Secretary, Department of Fertilizers, Ministry of Chemicals and Fertilizers. He has varied and rich experience in Government, in different positions, and has great managerial capabilities.

Shri Sushil Kumar Lohani is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

Keeping in view of his vast expertise and knowledge, it will be in the interest of the Company that Shri Sushil Kumar Lohani is appointed as Director.

Shri Lohani does not hold any shares in the Company by himself or for any other person on beneficial basis.

Except Shri Sushil Kumar Lohani, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No.6 of the Notice.

Item No.7

Shri Suresh Warrior, who has been appointed by President of India as Director (Finance) on the Board of the Company w.e.f. 18th July, 2014, pursuant to Section 161(1) of the Companies Act, 2013 and Article 81(4) of Articles of Association of the Company, will hold the office till the date of 36th Annual General Meeting.

Shri Warrior (born on 26.11.1957), has been appointed as a Whole-time Director, in the scale of ₹ 75,000 - ₹ 1,00,000/- plus perquisite as applicable to the grade, for a period of five years from the date of his assumption of charge of the post or till the date of his superannuation or until further orders, whichever is earliest.

Shri Warrior is a B.Com (Hons) from Delhi University and a Cost Accountant from Institute of Cost Accountants of

India (ICAI). He joined the Company in August 1985 in the Finance Department. Prior to his elevation, he was General Manager (Corporate Finance). Shri Warrior has a very rich and varied experience in various facets of Financial Management.

He was deputed by the Company as Consultant to Fertilizer Industry Co-ordination Committee, Ministry of Chemicals & Fertilizers, Department of Fertilizers for computing and fixing prices of fertilizers applicable to various fertilizer companies. He has been associated with FICC as a consultant for numerous pricing exercises and his efforts have been well appreciated by FICC.

Shri Suresh Warrior is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

Keeping in view of his vast expertise and knowledge, it will be in the interest of the Company that Shri Suresh Warrior is appointed as Director.

Shri Warrior does not hold any shares in the Company by himself or for any other person on beneficial basis.

Except Shri Suresh Warrior, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No.7 of the Notice.

Item No.8

Pursuant to the recommendation of the Audit Committee, the Board of Directors has at its meeting held on 19th June, 2014, approved the appointment of the Cost Auditors, Shri S. D. Shenoy, Cost Accountant (Membership No. 8318) and M/s. V. J. Talati & Co., Cost Accountants (Registration No. R00213), Mumbai, on remuneration payable to them, as set out in the Resolution under this Item of the Notice.

In accordance with Rule 14 of Companies (Audit and Auditors) Rules 2014, remuneration payable to the Cost Auditors requires ratification by the Shareholders and hence this resolution is put for the consideration of the shareholders.

Your Directors recommend the Resolution for your approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No.8 of the Notice.

By order of the Board of Directors

[K.C. Prakash]
Company Secretary

Date : 19.07.2014

Place : Mumbai

DIRECTORS' REPORT

To the members,
Rashtriya Chemicals and Fertilizers Ltd,
Mumbai

The Directors of your Company have pleasure in presenting this 36th Annual Report on the working of your Company together with the Audited Accounts for the year ended 31st March, 2014.

1.0.0 FINANCIAL PERFORMANCE:

Summary of financial performance:

₹ Crore

Particulars	2013-14	2012-13
Total Income	6661.64	6866.83
Cost of Sales	6021.28	6186.39
Operational Profit	640.36	680.44
Depreciation/Impairment	141.75	173.15
Finance Cost	131.29	127.17
Profit/(Loss) before tax	367.32	380.12
Provision for Tax (including deferred Tax liability/Asset)	117.43	99.22
Net Profit/(loss)	249.89	280.90
Appropriations:		
Dividend	82.75	82.75
Tax and Educational cess on Dividend	14.06	14.06
Balance Transferred to General Reserve	153.08	184.09

1.1.0 Highlights for the year 2013-2014:

Your Company earned a total income of ₹ 6661.64 crore as against ₹ 6866.83 crore during the previous year. Your Company achieved a gross profit of ₹ 640.36 crore as against ₹ 680.44 crore of previous year. The net Profit before Tax was ₹ 367.32 crore as against ₹ 380.12 crore in the previous year. The Net Profit after Tax during the year was lower at ₹ 249.89 crore as against ₹ 280.90 crore in the previous year registering a reduction of 11.04 % over previous year. Performance for the year 2013-14 was lower as compared to previous year due to substantial depreciation in Indian Rupee against USD, reduction in MRP of P&K fertilizers, non-receipt of timely subsidy resulting in higher financing costs, lower complex fertilizer production because of lower operating load of Suphala owing to ongoing structural rehabilitation, lower sales of imported fertilizers, higher tax payout, etc.

As in the past several years, your Company received 'MOU Excellent' rating for 2012-13 from Ministry of Heavy Industries and Public Enterprises and has achieved excellent performance during 2013-14 as well.

1.2.0 Dividend:

Although your Company has lined up a number of capex programmes which will entail substantial expenditure, considering the consistent profits being made by the Company, your Directors propose to pay dividend at ₹ 1.50 per each equity share of ₹ 10, same as paid in the previous year. The total out go works out to ₹ 96.81 (₹ 96.81 crore in the previous year) including dividend distribution tax and education cess.

1.3.0 Appropriation to General Reserves:

Your Company earned a net Profit after Tax of ₹ 249.89 crore (₹ 280.90 crore in the previous year). The dividend payout along with Tax/cess is ₹ 96.81 crore (₹ 96.81 crore in the previous year). The balance amount of ₹ 153.08 crore (₹ 184.09 crore in the previous year) is transferred to General Reserves.

1.4.0 Awards Won:

As in the past, your company achieved many awards during the year 2013-14 some of which are as under:

- 11th National Award for excellence in Cost Management for 2013, from Institute of Cost Accountants of India under the category, Public Manufacturing Organisations (Large).
- Sustainability Award 2013 for excellence in Safety, Health & Environment in Chemical & Petrochemical Sector was conferred upon RCF, Trombay Unit by FICCI.
- Greentech Safety Award - 2013 in Silver category for excellence in safety management among fertilizer industries, instituted by Greentech Foundation
- FAI runner up award for the best technical innovation in Suphala plant (15:15:15) for 2012-13.
- Golden Peacock Occupational Safety & Health Award 2012-13 from Institute of Directors at World Congress on Environment Management.
- Special Commendation Golden Peacock National Training Award.

- National Award for innovative Training practices, from Society for Training and Development.

2.0.0 MANAGEMENT DISCUSSION AND ANALYSIS:

2.1.0 OPERATIONAL RESULTS:

2.1.1 PRODUCTION:

2.1.2 Fertilizers:

Your Company produced 28.64 lakh MT of fertilizers (23.47 lakh MT of Urea, 3.33 lakh MT of Suphala 15:15:15 and 1.84 lakh MT of Suphala 20:20:0) during the year as against 29.45 lakh MT of fertilizers (23.35 lakh MT of Urea, 4.75 lakh MT of Suphala 15:15:15 and 1.35 lakh MT of Suphala 20:20:0) produced in the previous year. In terms of nutrients, your Company produced 11.66 lakh MT of Nitrogen (N), 0.87 lakh MT of Phosphate (P_2O_5) and 0.50 lakh MT of Potassium (K_2O) during the year as compared to 11.70 lakh MT of Nitrogen (N), 0.96 lakh MT of Phosphate (P_2O_5) and 0.69 lakh MT of Potassium (K_2O) during the previous year.

The performance of the two units was as under:

2.1.2.1 Thal Unit:

Despite two major annual shutdowns for replacement of S-300 synthesis converter baskets in both Ammonia streams, Thal Unit achieved highest ever Urea production record and also achieved lowest yearly energy consumption for Ammonia and Urea plants. The unit produced 19.94 lakh MT of Urea during the year compared to 19.51 lakh MT produced in the previous year. The energy consumption of Urea was 6.10 Gcal/MT (6.22 Gcal/MT in the previous year). In terms of nutrients in the fertilisers, the unit produced 9.17 lakh MT of N during the year, compared to 8.98 lakh MT in previous year. The production was higher consequent to the revamp of Thal plants.

2.1.2.2 Trombay Unit:

The Trombay Unit produced 3.53 lakh MT of Urea, 3.33 lakh MT of Suphala 15:15:15 and 1.84 lakh MT of Suphala 20:20:0 during the year compared to 3.84 lakh MT of Urea, 4.74 lakh MT of Suphala 15:15:15 and 1.35 lakh MT of Suphala 20:20:0 produced during the previous year. In terms of Nutrient values, the unit produced 2.49 lakh MT of N, 0.87 lakh MT of P_2O_5 and 0.50 lakh MT of K_2O during the year compared to 2.72 lakh MT of N, 0.96 lakh MT of P_2O_5 and 0.69 lakh MT of

K_2O respectively in the previous year. The energy consumption of Urea was lower at 7.07 Gcal/MT compared to 7.096 Gcal/MT in the previous year.

2.1.3 Industrial Products:

Your Company produces industrial chemicals at its two units. During the year, your Company produced 1.54 lakh MT of various major industrial chemical products compared to 1.64 lakh MT during the previous year. Your Company produces, amongst others, Methanol, Methylamines and derivatives, Sodium Nitrate/Nitrite, Ammonium Bi-Carbonate, Formic Acid etc.

2.2.0 MARKETING PERFORMANCE:

2.2.1 Fertilizer Division:

Your Company achieved sales volume of 31.61 lakh MT during 2013-14 as compared to 33.30 lakh MT in the previous year. Your Company sold 24.45 lakh MT of Urea, 3.61 lakh MT of Suphala 15:15:15, 1.89 lakh MT of Suphala 20:20:0 and 1.66 lakh MT of other bought out products such as DAP, MOP, SSP, Rajphos, NPK etc., compared to 23.70 lakh MT of Urea, 4.62 lakh MT of Suphala 15:15:15, 1.55 lakh MT of Suphala 20:20:0 and 3.43 lakh MT of other bought out products such as DAP, MOP, SSP, Rajphos, NPK etc., during the previous year. The total sale of manufactured fertilizers during 2013-14 was 29.64 lakh MT as against 28.84 lakh MT in 2012-13.

Though, the sale of own manufactured fertilizers was higher by 0.80 lakh MT on account of higher Urea and ANP, due to reduction in imports of Urea on government account, glut in the market for P&K fertilizers, volatility in imported prices of DAP and MOP and weakening of the Rupee, your Company could not aggressively resort to trading activity. The sale of bought out fertilizers during 2013-14 was thus lower by 2.49 lakh MT compared to that in the previous year which resulted in overall reduction in sales volume by 1.69 lakh MT.

2.2.2 Industrial Products Division:

Despite various constraints due to global recession during the second half of the financial year, Industrial Products Division achieved turnover of ₹ 987.47 Crore as against ₹ 1080.89 Crore during the previous year. Ammonia, Ammonium Nitrate (Melt), Methanol, Methylamines, conc. Nitric Acid, Formic acid, etc., contributed significantly to the turnover.

2.2.3 Exports:

Considering the nature of products manufactured by your Company, the scope for exporting and earning foreign exchange is very limited. During the year under report, your Company exported 564 MT of Suphala 15:15:15, worth ₹ 1.68 crore, to Oman.

2.2.4 FUTURE PLANS OF FERTILIZER MARKETING:

Your Company has set itself an ambitious target of achieving a total turnover of ₹ 8000 crore in the current year (including Industrial Chemicals). Your Company also intends to import and market complex fertilizers, water soluble fertilizers, Sulphate of Potash, Ammonium Sulphate, Zinc Sulphate, city compost, etc. Your company is also planning to go in for developing soil specific grades, like Boronated Urea and Zincated urea, as NBS facilitates production and sale of fortified fertilizers.

2.3.0 The Fertilizer Industry:

2.3.1 Impact of Nutrient Based Subsidy

This was the fourth year since implementation of the nutrient based subsidy scheme for P & K fertilizers. Due to the announcement of subsidy rates in advance, companies normally are able to plan and schedule their imports. However, in 2013-14, announcements of NBS rates came in May 2013 to be implemented with retrospective effect with a reduction in subsidy rates. Also, for the first time since the implementation of NBS, referral selling prices for different grades were announced, again, to be effected retrospectively. The reduced prices were to be communicated to farmers and all unsold stock of the Company including stocks lying with retailers were also to be sold at the reduced prices. This has affected your Company's margin in respect of P&K fertilizers.

2.3.2 Introduction of mFMS concept:

The DOF has taken the first step towards passing on subsidy direct to beneficiary farmers. A Task Force was set up to study the modalities of the same. Under this, the first stage was to provide information visibility up-to retail level by way of a mobile based Fertilizer Monitoring System (mFMS). The supply chain and the transactions from manufacturer/importer to retailer is now visible in public domain. Part of the subsidy to the companies has been linked to acknowledgement of receipts from retailer w.e.f. 1.11.2012. As the retailer is not directly under the control of the Company, getting acknowledgements

from him on time is challenging. Phase II of mFMS was to build up a database of buyers of fertilizers. This has been rolled out in six pilot districts to be extended further to another six districts. This phase is expected to capture retailer sales information which will subsequently be an input for creating beneficiary database and move towards direct benefit transfer.

2.3.3 Pricing Policy

Urea: In case of urea, the farmgate price is notified by the Government from time to time. So also the trade margins are indicated. The pricing policy for urea is in line with the notified policy.

P&K fertilizers: Under the NBS, the subsidy rates are notified by the Government. But prices are determined by the Company depending on costs of production, seasonal conditions, demand in field, competitors' pricing, etc.

2.4.0 Strength and Weakness:

2.4.1 Strengths:

(i) Your Company's strength lies in its skilled manpower, high Brand Equity for its manufactured Products such as Ujjwala, Suphala, Microla, Biola, and Sujala. (ii) The wide spread marketing network ensures that your Company has country wide reach. (iii) The Farmer's Training Institute and R&D Centre ensure that quality services are provided to the farmers/dealers by educating them and providing inputs for better crop realisation. (iv) Your Company has a wide portfolio of chemical products and can withstand difficult economic situations by adopting optimal mix of production. (v) The well maintained plants and equipment ensure uninterrupted production.

2.4.2 Weaknesses:

(i) The Plants have been in operation for a very long time, some of them since 1965. A regular upkeep, maintenance and up-gradation of the plants has ensured that production is not affected. (ii) As the ultimate customers are the farmers, Agro-climatic conditions have a large effect on the performance of your Company. (iii) The complex fertilizers are based on imported raw materials which are subject to severe volatility in global raw material prices and foreign currency exchange rate, affecting the profitability of the Company.

2.4.3 Opportunities:

(i) Due to your Company's good reputation, several opportunities exist overseas, for Collaborations/Diversification in the field of manufacturing and mining of raw materials and fertilisers and thus affords opportunity for marketing of varieties of products. (ii) The increased demand-supply gap in the Country provides for opportunity to expand its Urea base at Thal. (iii) Alternate feedstock like Coal gasification gives an opportunity for undertaking Fertilizer Projects in other parts of the country closer to coal mines. (iv) Experienced and Skilled Manpower of your Company has been in demand for rendering O&M service in India and abroad. In view of your Company's Training facilities, as well as the available skilled Engineers and Technicians, your Company is in position to impart training to many foreign and Indian Companies.

All these opportunities would lead to substantial increase in turnover of your Company.

2.4.4 Threats:

(i) Manufacturing and marketing of Fertilizers is the core business of your Company. In the recent years, there has been high volatility in the prices of raw material resulting in creation of scarcity, impeding production and marketing plans. The profitability is susceptible to the input costs of major raw materials, such as Rock Phosphate, Sulphur, DAP, MOP, MAP etc. (ii) Production of Urea, Complexes and chemicals are susceptible to availability of feedstock gas and its economic pricing. (iii) The chemicals business is also exposed to cut throat global market competition. (iv) Department of Fertilizers, Government of India, (DOF) is in the process of implementing a move to mop up the unintended gains that the Fertilizer units are making in nutrient "N" by use of APM/RIL gas for manufacturing P&K fertilizers with retrospective effect from 1.4.2010. This, if implemented, will adversely affect the profitability as well as the operational viability of the Company. Your Company has suitably represented to DOF against this move. (v) Uncertainty in government policies in respect of supply of feed stock gas, pricing of fertilizers and subsidy thereon also affect the performance and competitiveness of the Company.

2.5.0 Risk Management:

Risk Management System, developed with the objective of having a balanced approach towards business plan and mitigating the associated risks, is

in place. The system identifies better management practices to ensure greater degree of confidence amongst various stakeholders and facilitates good Corporate Governance practice. All risks associated with Operations, Environment, Finance, Human Resource, legal, Information security etc., are continuously monitored. The degree of impact of the perceived risks financially, their likely effect on the assets, facilities and third parties are assessed regularly. In order to mitigate losses arising out of such perceived risks, appropriate procedures are being adopted to contain the risks. Also the practices adopted during emergencies, including the communication system and mode of disseminating information are periodically reviewed and updated to minimise the impact on the Company.

2.6.0 MAJOR EXPANSION AND DIVERSIFICATIONS:

Your Company is planning to undertake major projects as under:

2.6.1 Additional Ammonia Urea project at Thal

Your Company has plans to expand the capacity of Urea at Thal by setting up one single stream ammonia plant of capacity 2200 MTPD and one single stream urea plant of capacity 3850 MTPD at the existing site at apprx. cost of ₹ 4500 crore. The selection process for lump sum turnkey contractors (LSTK) for main plants had been completed last year and subsequently proposal for approval of PIB/CCEA was already submitted. In view of delay in policy notifications and considerable lapse of time thereof, LSTK bidder has not agreed for extension of bid validity beyond 31.03.2014. Your Company will make fresh proposal after seeking fresh bids from LSTK vendors.

2.6.2 Coal Based Fertilizer Plant at Talcher:

Your Company, along with Coal India Limited (CIL), GAIL and Fertilizer Corporation of India Ltd (FCIL), is contemplating to set up a fertilizer complex, comprising of 2700 MTPD ammonia plant, 3850 MTPD Urea plant, 850 MTPD Nitric Acid plant and 1000 MTPD ammonium nitrate plant at Talcher, Odisha through coal gasification route as feed stock. Coal will be made available by CIL from nearby coalfields of its subsidiary, Mahanadi Coal Fields. Land and certain facilities needed for the project will be provided by FCIL. The project will utilize state-of-the-art Coal Gasification Technology.

The Ammonia Synthesis, Urea, Nitric acid and Ammonium Nitrate plants will be built on lump sum

turnkey basis for which prequalification bids have been invited and pre-qualified parties have been shortlisted. Tender has been issued to pre-qualified LSTK vendors. Project capital cost is estimated to be approx. ₹ 9000 crore. An MOU amongst the proposed promoters has been signed. Apart from being a project for feedstock diversification, it will also aid much needed urea production capacity for the eastern part of the Country.

2.6.3 Sewage Treatment Plant (STP) at Trombay:

Water is becoming scarce day by day. Ensuring water availability has become critical for the smooth functioning of the Trombay unit given the competing demand for water in the city. Recognising this, your Company intends to set up a new Sewage Treatment Plant (STP) adjacent to the existing STP plant of same 5 MGD capacity. Project cost for the same is estimated at approximately ₹ 200 Crore. Your Company has identified the LSTK contractor and is in the process of obtaining necessary approvals. A portion of the treated process water will be supplied to BPCL on mutually agreed terms.

2.7.0 Subsidiary and other Joint Venture Companies:

2.7.1 FACT-RCF Building Products Ltd., Kochi

Your Company has formed a Joint Venture Company with Fertilizers and Chemicals Travancore Limited (FACT) by incorporating FACT-RCF Building Products Ltd to set up a Rapidwall project at Kochi. Both RCF and FACT have 50:50 equity holding in the Company. The plant has been commissioned last year and is in operation. The Company is building up its customer base and is in the process of stabilising its operations by putting special effort on marketing of the product.

2.7.2 Urvarak Videsh Limited

The JV Company, formed by your Company with National Fertilizers Ltd and KRIBHCO, with equal equity participation, is exploring various opportunities abroad in the field of fertilizers. Your Company has contributed ₹ 18 lakh towards the equity. The Company has not started any business so far.

2.7.3 Other Companies:

Your Company has wound up RCF-HM Construction Solutions Pvt. Ltd and has initiated steps to wind up the subsidiary Company, Rajasthan Rashtriya Chemicals and Fertilizers Ltd.

Your Company had to take the action as the two companies are non-operational and there is no scope for establishing the intended business for which they were formed.

2.7.4 Consolidated Statement

Your Company has made full provision in value of investments made in respect of the Subsidiary, Rajasthan Rashtriya Chemicals and Fertilizers Ltd and JVC RCF-HM Construction Solutions Pvt. Ltd. As there have been no transactions, consolidated financial statements have been prepared excluding the two Companies. Statement pursuant to section 212 of the Act is attached to the accounts.

2.8.0 RESEARCH AND DEVELOPMENT:

Your Company has taken up several Research and Development projects, some of which taken up for commercial scale design and engineering, are as under:

2.8.1 Lab scale development of Potassium (K) mobilizers as Bio fertilizer

Microorganisms play a key role in the natural K cycle and are capable of mobilizing available K in the soils. They are functionally more useful and environmentally more feasible than soluble K. The special focus on K mobilizers/solubilizers is due to the fact that K is one of the major nutrients required by all crops. The biofertilizer with K mobilizing bacteria is developed in laboratory and is sent to Madurai University for field trials. Your Company will take further steps to commercialise the product after successfully completing the field trials.

2.8.2 Pilot scale production of value added Gypsum (Gypsum Sona)

The R & D department of your Company has developed a new product for enhancing organic matter in sodiac and saline soils by using Phosphogypsum. The product, named as 'Gypsum-Sona' is found to have soil rejuvenating characteristics and also increases crop yield manifold. Pilot scale production is completed and is sent for field trials. The field trials have shown promising results and the product is expected to be commercialized in the coming year.

2.8.3 Micro propagation of Stevia through Tissue Culture Technique

Micro propagation requires relatively shorter time as compared to conventional practice of propagation.

Therefore, tissue culture offers tremendous potential for the large scale production of Stevia. The protocol for micro-propagation (multiplication) of Stevia through tissue culture techniques has been successfully developed by R & D. The manufacturing and sale of uniform and disease free Stevia saplings will be done after field testing experiments. The technique will make available the uniform and disease free Stevia saplings to the farming community for large scale cultivation.

2.8.4 New formulations for manufacturing specialized products using Calcined Gypsum:

The R & D department of your Company has developed, in consultation with Institute of Chemical Technology, a formulation for manufacturing an ecofriendly "External wall plaster" from Calcined Gypsum. The product is undergoing further tests and after successful trials, would be taken up for commercial production. Your Company has also developed another formulation using the Calcined Gypsum, for manufacturing a 'Cement Bonding Material, similar to Cement mortar, which can be used on roads etc., to fill potholes.

2.9.0 CONSERVATION OF ENERGY:

In order to save and conserve energy, your Company undertook various steps during the year 2013-14. Several modifications in the plants have resulted in significant reduction in the energy consumption. A few of the measures undertaken are as follows:

At Trombay unit, air preheater coil of new design was installed to recover the waste energy from flue gas of reformer in Ammonia V plant. Similarly, a new MP stripper was installed in place of LP stripper thus saving significant amount of steam in Ammonia I. Besides, several equipment such as new MP stripper, improved energy efficient motors, unloading compressors at ammonia storage, semi-lean MDEA solution pump, etc., have been installed which have helped the unit in reducing the energy consumption.

Some of the energy conservation measures undertaken at Thal unit include replacement of 6 no. of MP turbines with LP turbines, resulting into MP steam saving of 25 MT/Hr, replacement of old S-200 converter basket with new S-300 basket which improved conservation of energy to the extent of 0.02 Gcal/MT of ammonia, retubing of water cooler in Ammonia stream -I with resultant benefit in energy saving of 0.03 Gcal/MT of

ammonia, installation of roof top grid synchronised Solar Power Generation facility of 10 KWp on Administration Building, etc.

The particulars with regard to Conservation of Energy, Technology Absorption, Foreign Exchange outgo as required under Section 217 (i) (e) of the Companies Act, 1956 are enclosed as **Annexure I**.

3.0.0 ENVIRONMENT MANAGEMENT AND POLLUTION CONTROL:

Your Company is committed to ensuring clean environment, beyond satisfying all stipulated requirements laid down by the statutory authorities, around its operating units.

Your Company has established ISO 14001 compliant Environment Management System (EMS) at its two manufacturing units. The Systems are constantly upgraded and regular internal audits and Management Reviews are carried out to ensure compliance and continually improve the system. Apart from Stack monitors, which continuously monitor the emissions, four fixed ambient air quality monitoring stations are in place, at both Trombay and Thal, to monitor ammonia, NO_x, SO₂, Particulate matter (PM10 & PM2.5) & metrological parameters.

The Effluent Treatment plants at Trombay and Thal have ensured that the environment in and around the Units are fully protected. Various schemes are implanted to reduce wastages of the scarce natural resources. The waste streams from the plants are recycled/reused for useful purpose.

Sludge generated in Effluent Treatment Plant, Sulphur Sludge Generated in Sulphuric Acid plant, waste streams of effluents from complex fertilizer plants are recycled back in the processes. The integrated Effluent Treatment Plant ensures that whatever effluent is discharged from the factory meets the statutory requirements laid down by the Pollution Control Board.

For increasing awareness regarding environment, public awareness campaign programmes are arranged by Trombay and Thal units.

4.0.0 CSR Activities:

In line with the CSR philosophy adopted, your Company undertook several activities, aimed for the benefit of needy and for general good of the society, during the financial year 2013-14. Your Company carried out many activities under CSR policy and spent/committed about ₹ 15.28 crore which are briefly stated as under:

4.1.1 Education:

4.1.1.1 Schools:

Your Company supports schools, at the two units, which impart education in Marathi, Hindi and English mediums to students from Nursery to 10th Standard. Your Company undertakes the upkeep, maintenance and bears the deficit expenditure incurred by the schools, located in Company's residential colonies, which are run by reputed Educational Institutions.

4.1.1.2 Scholarship to meritorious students:

Your Company offers a number of scholarships to students of SC/ST/OBC communities for pursuing higher studies. Your Company's scholarship project for sending every year, 10 students to 6th Standard in Shivaji Military school in Pune and supporting the earlier batches in their march to higher standards thereafter has received goodwill from all.

4.1.1.3 Supply of Mid-Day Meal:

Your Company started Mid-Day Meal Scheme for providing nutritious food to children studying in seven unaided schools, providing education to poor children, in and around Trombay area. The scheme is operated through an NGO, 'ISKCON Food Relief Foundation' which supplies good and healthy meal to the children on behalf of RCF. In all 10,000 students have availed the benefit of this nutritious meal.

4.1.1.4 Programme for underprivileged Children

Your Company has adopted the "Khel Khel Main" programme of Wockhardt Foundation for under privileged children of age group of 5 to 10 years, by setting up six centres of edu-recreation with parallel learning in slums of Vashi Naka area near Trombay unit.

4.1.1.5 RCF SUPER- 30 programme

Your Company, in association with Centre for Social Responsibility and Leadership (CSRL), has established a unit of Abhayanand Super 30 in Mumbai where about 30 underprivileged talented students of Maharashtra state are provided 11 months of free residential coaching to enable them get admission in IIT/NIT and other premier engineering colleges. 29 of these students were successful in the entrance examination.

4.1.1.6 Farmers' Education:

More than 30000 farmers attended & benefited from the training programmes conducted at the two

Farmers Training Centre, in the last half decade and have used the knowledge to upgrade their farm practices and have succeeded in reducing their overheads and increase their wealth. Special programmes designed for women farmers and the scheduled caste and scheduled tribes are also organized on a regular basis so that they too join the bandwagon of the country's agricultural renaissance.

Your Company's efforts in rendering advisory services to farmers by conducting Soil diagnostics to optimize soil productivity, are well appreciated.

Based on the analysis, farmers are advised on soil fertility management through rational use of manure, fertilizers and other inputs to make agriculture more productive and sustainable. During the year, more than 95,000 soil samples were analyzed and recommendations given through the twelve static and six mobile soil testing laboratories.

4.1.2 Supply of drinking water to the villages:

Your Company has been providing drinking water since more than 20 years to seven villages around Thal unit through pipelines laid down from the water reservoir in the unit and spent about ₹ 80 lakh on this account during the year. About 16000 residents of the villages got benefit of the scheme.

4.1.3 Community Medical Facility

Your Company has engaged Wockhardt Foundation and administered free primary health care through mobile Medical Vans. On an average 7 Villages are covered in weekly cycles by a mobile van and patients are benefited from free medical services including supply of medicines. Through this facility, ailments like Blood pressure, low Haemoglobin Levels, Oxygen saturation, Malaria, Hepatitis, Dengue, Typhoid, Diabetes, etc., are treated on regular basis, through qualified Doctors. One medical van attends to approx. 25000 patients per annum. Total of four such vans are operating in Thal and Trombay areas.

4.1.4 Chembur Green Project:

Your Company continued to support the Chembur Green project, launched to establish greenery in the eastern suburb of Mumbai, by joining hands with Chembur Citizens' Forum an NGO to develop, beautify and maintain Diamond Garden, at Chembur for a period of 5 years. Your Company continued distribution of free saplings and rendering advice to various co-op. societies and also to individuals.

5.0.0 Micro, Small and Medium Enterprises.

Government of India, Ministry of Micro, Small and Medium Enterprises, vide order dated 23rd March, 2012, notified the public procurement policy in respect of procurement of goods and services produced and provided by Micro, Small and Medium Enterprises. As per this directive, every Central Ministry or Department or Public Sector Undertaking shall set an annual goal of procurement from Micro, Small and Medium Enterprises from the Financial Year 2012-13 and onwards with the objective of achieving an overall procurement of products produced and services rendered by Micro, Small and Medium Enterprises to the extent of minimum 20% of total annual purchases in a period of three years. There are about 358 items/services stated in the directive. After a period of three years, i.e. from 1st April, 2015, overall procurement goal of minimum 20% shall be made mandatory. The directive also provides that the goals set with respect to procurement to be met from Micro, Small and Medium Enterprises and achievement made thereto be incorporated in their respective Annual Reports. To comply with the directive, your Company, for the year 2013-14, has set a goal of 15% and has achieved a higher level of 19.53% excluding natural gas, bulk raw materials and proprietary items. The Company is sure to achieve 20% during 2014-15.

6.0.0 Sustainable Development

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

- [i] Improvement of Road infrastructure-construction and repairs.
- [ii] Building of Check Dams.
- [iii] Prevention of soil erosion and watershed management.

The Rapidwall project, which has been implemented, is an example of Company's faith in sustainable development wherein a waste product generated from Phosphoric Acid Plant is converted into useful building material by adopting a novel technology.

As already stated, Your Company is planning to put up a new Sewage treatment plant of similar capacity as that of the existing one at Trombay unit as a part of sustainable development plan to enable Mumbai city to have additional potable water for its citizens as your Company would be recycling the sewage water supplied by BMC and would be using that water in place of clean water supplied by BMC.

In its bid towards India's vision of achieving ecologically sustainable growth, your Company plans to venture into setting up Solar based power generation facilities. The Company has already set up rooftop solar power generation facilities to the tune of 34 KW atop of its offices at five locations in Maharashtra. It has plans for setting up 2 MW Solar Power generation facility at its Trombay Unit.

Your Company is also considering several major activities connected with Green House Gas, sustainable electricity distribution based on solar energy etc. Your Company is targeting to take up many more sustainable development activities in the near future.

6.1.0 Annual Sustainability Report :

RCF has published, during the year, its maiden Sustainability Report for the year 2012-13 based on Global Reporting Initiative (GRI) guidelines and National Voluntary Guidelines (NVG) on 'Social, Environmental and Economic Responsibilities of Business' issued by Ministry of Corporate Affairs, Govt. of India. The Report has been posted on the Company's website.

The report provides Company's economic, environmental, and social performance. Sustainability reporting is about organization's progress vis-a-vis performance goals, not only for economic achievements, but for environmental protection and social well being. The report for 2013-14 would also be published soon.

7.0.0 Vigilance

Vigilance department is headed by a full time Chief Vigilance Officer (CVO), deputed from the All India Services by the Government of India. The position of CVO is at par with the Functional Directors. CVO is assisted by a team of Officers drawn from various functional departments. The activities of Vigilance department cover Corporate office, Trombay unit, Thal unit and all the marketing offices situated throughout the country. In line with the CVC guidelines, the thrust of Vigilance in your Company is to bring greater transparency, integrity and efficiency. The focus of Vigilance department is on Preventive and Participative Vigilance.

This is done by keeping careful watch on various activities through regular inspections and surprise checks. System improvements and corrective actions are taken wherever necessary. The theme that "All Officers are Vigilance Officers" is

implemented in your Company and alertness and support of all officers is taken in the management of Vigilance. Vigilance has focused on spreading awareness on rules/regulations, procedures and soliciting information/complaints from all regarding malpractices/corruption.

During the year, Vigilance department has actively contributed towards implementing e-governance in RCF, in making the tender documents more transparent and relevant, enhanced transparency in the existing system of dealing with our dealers/vendors and accrued savings to your Company by implementing systems for reduction in wastages in handling bulk raw material. With persistent efforts from Vigilance department, your Company has implemented the system of e-procurement for ensuring more transparency in procurements.

8.0.0 HUMAN RESOURCES:

8.1.0 Training and Development:

One of the strengths of your Company is its skilled and professional man power. This could be achieved by adopting good HR policies and undertaking training and development of all employees. Training imparted includes enhancing General Management skills of the employees in various functions viz. Marketing, Finance, Commercial and Health Services disciplines.

Quality Management Systems, Environment Management Systems, Occupational Health and Safety Systems and 5 S Systems are given focused attention. The work culture of your Company has been enhanced by introducing the Six Sigma and Lean Quality Circles. System of Mentorship for newly recruited Management Trainees is in place.

Training and Development programmes were conducted, in-house for the employees of your Company at various levels. Besides this, comprehensive Safety Management Programmes were carried out for officers in Technical disciplines. Special emphasis has been laid on Process Safety Management. The following awards have been won by employees of your Company for the year under report:

- OSH India 2013 Safety Hero Gold Medal awarded to Shri Kishan Singh Kathayat, Sr. Engg (Safety) for accomplishment in making safe workplace.

- Shri Shantanu Shinde, Sr. Grade Operator, Urea V has been conferred with Prestigious Prime Minister's Shram Vir Award for the year 2012.

8.2.0 Industrial Relations:

Your Company maintained cordial Industrial Relations with all its employees. All the issues are settled through regular discussions, meetings and dialogues with the employees. Your Company had 3967 employees comprising of 1508 Officers and 2459 workmen, as on 31st March, 2014 compared to 4048 employees (1548 officers and 2500 workmen) as on the corresponding date of the previous year.

8.3.0 Welfare and Sports

Your Company undertakes several welfare schemes like education, medical, transport, housing etc., according to the needs of the employees. In regards to sports, your Company is a prominent patron and sponsored various sports events. Your Company's Football, Cricket, Hockey, Kabaddi and other teams continue to show excellent performance at District, State and National levels and have brought laurels to your Company by winning several prizes.

8.4.0 Welfare/Employment opportunity to weaker section:

The guidelines in respect of reservation in recruitment and promotion of SC/ST, OBC, Ex-servicemen and Persons with Disabilities are followed by your Company. As on 31st March 2014, your Company had on its rolls, 542 employees belonging to Scheduled Caste, 257 Scheduled Tribe and 396 Other backward castes.

Your Company is committed to the welfare of the backward classes in general and SC/ST employees in particular. Regular meetings are held with SC/ST Employees Welfare Association to address grievances, if any, and for providing guidance for development.

Medical Camp is organized every year at Chaitya Bhoomi, Dadar on 6th December, on the occasion of 'Mahaparinirvan Day'. Financial assistance for making arrangement for medical camp and for medicines along with the vehicles and Doctors are made available by the Company.

Your Company's Thal Unit provides various amenities like water, road etc, for the nearby villages e.g. Thal, Navgaon, Boris, Gunjis etc., where the majority of the population belongs to the SC/ST categories. The facility continued during the year. Scholarships were given to meritorious students of SC/ST community in the nearby villages of Thal.

Large number of SC/ST farmers have been trained in the programmes conducted at the Company's Farmers' Training Centres at Nagpur and Thal.

9.0.0 PARTICULARS OF EMPLOYEES:

A statement providing the information as required under section 217 (2A) of the Companies Act, 1956 is attached to this report as Annexure II.

10.0.0 OFFICIAL LANGUAGE POLICY:

Your Company has fully endeavoured to implement the provisions of Official Language Act, 1963 and the policy of the Government. Publicity material and literature for employees and farmers are made available in Hindi and other regional languages.

11.0.0 INTERNAL CONTROL SYSTEM:

The Company has a well-defined Internal Control System that is adequate and commensurate with the size and nature of its business comprising of an in-house Audit Department, which conducts internal audit of various operational and financial matters on on-going basis. Internal Audit group consists of adequate number of financial and technical personnel and is headed by a Chartered Accountant in the rank of General Manager. The recommendation and observations of the Internal Audit Department are reviewed regularly by the Audit Committee constituted by the Board of Directors. The performance of the corporation is regularly monitored by the Board of Directors.

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

12.0.0 COST AUDIT

Your Company has appointed Shri S.D.Shenoy, Cost Accountant and M/s V.J.Talati & Co, Cost Accountants for conducting Audit of the Cost Records for the financial year 2013-14. The Cost Audit Reports for 2012-13 were filed in XBRL form, within due date, with the Ministry of Company Affairs on 26.9.2013 and even for 2013-14 also, the Report will be filed within the due date.

13.0.0 DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of section 217 (2AA) of the Companies Act, 1956, your Directors state that:

- i] in preparing the annual accounts, the applicable accounting standards have been followed;

- ii] the accounting policies adopted have been consistently applied and, wherever necessary, judgements and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit or loss of the Company for the year;

- iii] proper and sufficient care has been taken for maintaining adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of your Company and for preventing and detecting fraud and other irregularities; and

- iv] the annual accounts have been prepared on a going concern basis.

14.0.0 CORPORATE GOVERNANCE:

- 14.1.0 As per Clause 49 of the listing Agreement with the Stock Exchanges, a separate section on Corporate Governance along with a certificate of Compliance is annexed and forms part of this report.

14.2.0 COMPLIANCE OF CORPORATE GOVERNANCE GUIDELINES ISSUED BY DEPARTMENT OF PUBLIC ENTERPRISES

Government of India, Department of Public Enterprises, has laid down certain parameters for the purpose of grading the Central Public Sector Enterprises on the basis of their compliance of guidelines on Corporate Governance and this report needs to be submitted to the Government on quarterly/annual basis. Your Company has been complying with the Guidelines on Corporate Governance for Central Public Sector Enterprises laid down by DPE and regularly submits reports to the Government.

15.0.0 CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' and actual results may or may not be in accordance therewith. The Company's performance is dependent on several external factors such as performance of monsoon, significant changes in economic environment, Government Policies, fluctuations in prices of raw material and finished products and also their availability etc., which could adversely affect the operations of your Company.

16.0.0 AUDITORS:

The Comptroller and Auditor General of India (CAG) has appointed, M/s M.M. Nissim & Co. and M/s NBS & Co as Joint Statutory Auditors of your Company for the Financial Year 2013-14. The Auditors would be retiring at the conclusion of the Thirty sixth Annual General Meeting.

The Statutory Auditors for the Financial Year 2014-15 will be appointed by the CAG. However, their remuneration is to be fixed at the AGM by the members.

Shri S. D. Shenoy and M/s. V. J. Talati & Co., have been appointed, by the Board, as Cost Auditors for the year 2014-15 and the remuneration payable is to be approved at the AGM by the members.

17.0.0 DIRECTORS:

President of India appointed Prof. Damodar Acharya as Director of your Company w.e.f. 30.01.2014. Shri S.K. Lohani I.A.S, has been appointed as an Additional Director on 02.07.2014. Shri Suresh Warior has been appointed as an Additional Director on 18.07.2014, Shri Gautam Sen, Director (Finance) has demitted his Office on 31.01.2014 on attaining the age of superannuation. The contribution of Shri Gautam Sen to your Company has been immense. His guidance, suggestions and advice have greatly benefited the Company. Your Directors place on record their appreciation of the contribution of Shri Sen to your Company. Notice under section 160 of the Companies Act has been received proposing the candidature of Prof. Damodar Acharya, Shri S.K. Lohani and Shri Suresh Warior as Directors of the Company.

As per Section 152 of the Companies Act, Shri Ashok Ghasghase, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

18.0.0 ACKNOWLEDGMENT:

Your Directors wish to gratefully acknowledge the valuable guidance and continued support extended by Government of India and in particular, the Department of Fertilizers and the Office of Fertilizer Industry Co-ordination Committee (FICC), Railways, DPE, members of MOU Task force, and other Central Government departments and Agencies.

The Board also wishes to acknowledge with sincere gratitude, the help and unstinted support from the State Governments, MSEB, MIDC, various media, Municipal authorities, Maharashtra Pollution Control Board, Bankers to your Company, Financial Institutions, Dealers and Customers.

Your Board wishes to acknowledge gratefully, the confidence posed, unstinted support and suggestions made to the Board by the esteemed share Owners of the Company. The Board also wishes to place on record the positive suggestions and guidance provided by the Statutory Auditors, Cost Auditors and the Office of the Principal Director of Commercial Audit.

Last but not the least, your Directors take pleasure in placing on record their deep appreciation of the excellent contribution made by the employees of your Company at all levels, without which your Company would not have achieved such good performance.

By order of the Board of Directors

[R.G. Rajan]
Chairman and Managing Director.

Place : Mumbai
Date : 19.07.2014

ANNEXURE I TO THE DIRECTORS' REPORT 2013-14

FORM A

A PARTICULARS IN RESPECT OF CONSERVATION OF ENERGY

Sr. No.	Power and Fuel Consumption [Units]	2013-14			2012-13		
		Qty	Rate/unit	Amount	Qty	Rate/unit	Amount
			(₹)	(₹ crore)		(₹)	(₹ crore)
1	Electricity						
	(i) Purchased (million KWH)	264.28	7.61	201.15	290.61	6.84	198.86
	(ii) Own Generation (million KWH)	307.68	5.49	168.93	289.06	4.67	134.97
2	Associated Gas ('000 SM3) (Feed & Fuel)	2130923.09	13364.89	2847.96	2203726.45	11391.65	2510.41

B. CONSUMPTION PER UNIT OF PRODUCTION

Sr. No.	Product	2013-14		2012-13	
		Production MT	Power MWH/MT	Production MT	Power MWH/MT
1	Ammonia Trombay I	129,915	0.464	117,470	0.511
2	Ammonia Trombay V	307,755	0.140	353,735	0.131
3	Ammonia Thal	1,199,070	0.068	1,205,350	0.067
4	Urea Trombay V	352,910	0.061	384,110	0.057
5	Urea Thal	1,993,800	0.050	1,951,200	0.050
6	Suphala 20:20:0	184,125	0.152	135,329	0.145
7	Suphala 15:15:15	333,295	0.071	474,685	0.071
8	Methanol	77,660	0.564	76,830	0.517

FORM B

Disclosure particulars with respect to Technology absorption, Research & Development:

I Research & Development

1. Specific areas in which R & D carried out by the Company : Included in item No. 2.8.0 of the Directors' Report
2. Benefits derived as a result of the above R&D: Improvement in the quality of products manufactured by the Company.
3. Future plan of action : Setting up production units for the products developed by R&D.
4. Expenditure on R & D
 - (a) Capital : ₹ 19.58 lakh
 - (b) Recurring : ₹ 388.72 lakh
 - (c) Total : ₹ 408.30 lakh
 - (d) Total R &D expenditure as a percentage of total turn-over : 0.05%

II Technology absorption, adaption and innovation

1. Efforts in brief made towards technology, absorption, adaption and innovation : Included in item No.2.6.0 of the Directors' report
2. Benefits derived as a result of efforts e.g. product improvement, product development, import substitution etc. : Production improvement, Energy savings and optimum use of resources.
3. Technology imported during the last 5 years reckoned from the beginning of the financial years:

Sr. No	Technology Imported during last five years	Year of import	Has technology been fully absorbed	If not, area where this has not taken place, reasons thereof and future plan of action
1	Air products, USA for Argon Plant, Thal	2008	Yes	Not applicable
2	RBS Technology, Australia for manufacturing Wall Panels and other Building materials from Phospho-gypsum	2008	Yes	Not applicable
3	HTAS, Denmark for Methanol Plant, Trombay	2009	Yes	Not applicable
4	Incro, Spain for ANP Granulation Plant, Trombay	2009	Yes	Not applicable
5	HTAS, Denmark for Ammonia Revamp Thal	2012	Yes	Not applicable

FORM C

FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Activities relating to exports initiatives taken to increase exports, developments of new export markets for products and services and export plans : As stated in Item No. 2.2.3 of the Directors' report
2. Total foreign exchange used : ₹ 258.17 crore
3. Total foreign exchange earned : ₹ 1.68 crore

Statement showing the Employees of the Company who have received the Remuneration U/S 217(2A) of the Companies Act, 1956

Sl. No.	Employee Name	Designation	Qualification	Age (in years)	Total Experience in years	Date of commencement of employment in RCF (including training period)	Remuneration incl. PF & Pension (in ₹)	Immediate Previous Employment and Designation
1	2	3	4	5	6	7	8	9
1	Dilip Taharabdkar	Sr. Operator	SSC, Advance Course	60	43	30/4/1970	1,531,112	Nil
2	Satish Choudhari	Sr. Operator	SSC, Advance Course	60	43	30/4/1970	1,190,429	Nil
3	Purushottam Surewar	Asstt. Plant Manager	SSC	60	43	30/4/1970	2,502,018	Nil
4	Dilip Jambhale	Dy Chief Engineer (Chem)	SSC, ITI, DIP IN ELECT ENGG	60	43	29/4/1970	531,788	Nil
5	Lalit Bhatia	Jr. Engineer (Chem)	SSC, Advance Course	60	43	27/4/1970	590,382	Nil
6	Vasant Ukirde	Asstt. Plant Engineer (ME)	SSC, NCTVT	60	42	14/9/1970	987,888	Nil
7	Manuti Bhor	Sr. Tech (Mech)	SSC, NCTVT	60	42	14/9/1970	950,284	Nil
8	Vinod Sahore	Sr. Operator	SSC, NCTVT	60	42	3/3/1971	2,054,986	Nil
9	Deepak Tawade	Senior Manager(Corp Comm)	BA, MA, NCTVT	60	42	5/3/1971	691,867	Nil
10	Venkateswararao Puuvula	Accounts Officer Grade II	B.Com	60	41	15/3/1972	833,233	Nil
11	Dilip Kumar Bhargale	Jr. Engineer (Chem)	SSC, NCTVT	60	40	4/9/1972	1,762,345	Nil
12	Amrut Sonawane	Sr. Rigger	SSC, NCTVT	60	39	17/9/1973	505,637	Nil
13	Sudhakar Mahajan	Sr. Tech (Mech)	SSC, NCTVT	60	39	9/18/1973	989,814	Nil
14	Prakash Bhanushali	Sr. Operator	SSC, NCTVT	60	39	29/9/1973	617,494	Nil
15	Shrikishna Gadgil	Sr. Operator	B.Sc (Chemistry)	60	39	15/1/1974	1,968,304	Nil
16	Shankar Joshi	Addl. Chief Res Scientist	B.Sc(Hons) - Chemistry, M. Sc - Chemistry	60	39	17/1/1974	880,502	Nil
17	Sudhir Kulkarni	Sr. Operator	Dip. in Chemical	60	39	22/1/1974	2,631,293	Plant Operator, M/S. standard Alkali
18	Pradeep Jadhav	Manager (Mech)	SSC, NCTVT, Advance Course	56	38	17/9/1974	1,350,066	Nil
19	Devram Patil	Sr. Technician (Elect)	SSC, NCTVT	60	38	18/9/1974	552,242	Nil
20	Kashirao Sawai	Dy Chief Engineer (Mech)	Dip in Mechanical	60	38	18/9/1974	797,155	Nil
21	Amayur Ramankutty	Sr. Executive Asstt. (Ste)	SSC	60	38	18/9/1974	635,803	Nil
22	Jayant Kulkarni	Sr. Operator	B. Sc (Chemistry)	60	38	26/10/1974	782,063	Nil
23	Sudhakar Pathak	Dy Chief Engineer (Elect)	NCTVT, Dip. in Electrical, Dip. in Industrial Electronics	60	39	20/12/1974	2,450,506	Trade Apprentice, R H Windsor (India)
24	Mahadeo Patil	Dy Chief Engineer (INST)	Dip. in Electrical	60	40	4/1/1975	578,646	Assistant Instrument Mechanic Industrial Engg. Con
25	Dattatraya Darandale	Sr. Marketing Officer	Dip. in Agriculture Communication	60	37	13/6/1975	967,725	Nil

Statement showing the Employees of the Company who have received the Remuneration U/S 217(2A) of the Companies Act, 1956

Sl. No.	Employee Name	Designation	Qualification	Age (in years)	Total Experience in years	Date of commencement of employment in RCF (including training period)	Remuneration incl. PF & Pension (in ₹)	Immediate Previous Employment and Designation
26	Laxman Sawant	Senior Manager(Finance)	B. Com, LLB	60	38	30/9/1975	2,414,018	Accounts Assistant, DYES & DISPERSING AG
27	Shantaram Mahajan	Sr. Operator	SSC	60	37	22/10/1975	681,460	Mazdoor (dr), FCI Ltd.
28	Nashir Shaikh	Addl. Chief Engineer(Chem)	MSc - Chemistry	60	37	6/1/1976	538,379	Nil
29	Anna Gaikwad	Sr. Technician (Mh)	SSC	60	37	20/5/1976	834,680	Nil
30	Bhivasan Vanere	Asstt. Materials Officer	BA	60	37	26/5/1976	934,254	Unskilled Worker, L&T LTD
31	Sudhir Parkhi	Executive Director	BE (Mech.)	60	37	22/1/1976	998,833	Nil
32	Jivanrao Tayade	Addl. Chief Fire/Safety O	B.Sc, Diploma - Industrial Safety	60	36	19/7/1976	1,191,410	Nil
33	Kaka Kandesar	Dy Finance Manager	B. Com, M. Com	60	36	28/9/1976	1,036,307	Nil
34	Dilip Vishwasrao	Sr. Operator	B. Sc (Chemistry)	60	36	15/11/1976	1,045,575	Nil
35	Mahesh Bhatid	Dy General Manager	B. Tech (Chemical)	60	36	12/2/1977	628,673	Nil
36	Smita Mankar	Deputy Manager (Secretari)	BA	60	36	13/4/1977	955,151	Nil
37	Bhimrao Rajee	Sr. Operator	B. Sc (Hons) (Chemistry)	60	36	4/5/1977	1,154,310	Nil
38	Anna Pawar	Sr. Operator	B. Sc (Hons) (Chemistry)	60	36	4/5/1977	503,396	Nil
39	Nadim Shaikh	Sr. Operator	B. Sc (Hons) (Chemistry)	60	36	4/5/1977	510,822	Nil
40	Alex D'souza	Optr Gr I	VIII	60	35	6/8/1977	773,249	Mazdoor (dr), FCI Ltd.
41	Mirasaheb Jamadar	Sr. Executive Asstt. (STE)	BA, Dip. In Personnel Management	60	35	17/4/1978	544,913	Nil
42	Pramod Mahajan	Jr. Engineer (Chem)	B. Sc	60	35	25/4/1978	1,019,033	Teacher, Night School
43	Vikram Chavan	Rigger Gr II	SSC	60	38	1/7/1974	1,118,468	Nil
44	Arun Tiwade	Chief Manager (Marketing)	B. Sc, Dip. In IE	60	35	12/6/1978	903,038	Nil
45	Pandurang Powar	Dy Finance Manager	B. Com, M. Com	60	34	15/7/1978	981,642	Nil
46	Jagannath More	Sr. Tech (Mech)	SSC	60	34	26/8/1978	1,499,967	Chaser, Simon Carves Ltd.
47	Ankush Sankpal	Sr. Operator	B. Sc (Hons) (Physics)	60	34	22/8/1978	551,093	Trainee, HOC-LTD
48	Prakash Patil	Asstt. Finance Manager	M. Com	60	34	13/12/1978	515,008	Assistant II, THE STATE IND. INVT
49	Kashinath Kakade	Technician Gr. II (MH)	Nil	60	34	16/12/1978	654,641	Nil
50	Jeevan Kelkar	Manager (Secy)	B. Com, M. Com	60	33	1/9/1979	578,245	Nil
51	Prabhakar Joshi	Executive Secreary	B. Com, M. Com	60	33	3/10/1979	649,944	Primary Teacher, HOC School
52	Dilip Gharat	Manager (Secy)	BA, MA	60	35	15/11/1979	588,965	Clerk, JSM College

Statement showing the Employees of the Company who have received the Remuneration U/S 217(2A) of the Companies Act, 1956

Sl. No.	Employee Name	Designation	Qualification	Age (in years)	Total Experience in years	Date of commencement of employment in RCF (including training period)	Remuneration incl. PF & Pension (in ₹)	Immediate Previous Employment and Designation
53	Jayant Sudame	Chief Engineer (Civil)	BE (Civil)	60	34	15/12/1979	1,848,645	Satara Irrigation Project- Jr. Engineer
54	Vinay Jamkhindikar	Sr. Operator	B. Sc (Hons) (Chemistry)	60	33	31/3/1980	1,900,077	Nil
55	Ramesh Malaye	Chief Manager (Admn)	B. Sc	60	38	24/4/1980	500,519	Tourist Officer, MTDC
56	Charuhas Gharat	Senior Manager (Mech)	B. Sc (CHEM), LLB, 1st Class Boiler Prof, CERT, Certified Energy Manager & Auditor	60	34	28/5/1980	638,425	Laboratory Chemist, Wakefield Paints Pvt
57	Pashuram Patil	Leading Fireman	VII	60	31	1/10/1981	1,054,430	Nil
58	Sudanaand Mahakal	Equipment Opr. Gr. I	V	60	32	1/10/1980	756,007	Nil
59	Shashikant Salve	Chief Engineer (Chem)	B. Tech (Chemical)	57	32	2/27/1981	609,893	Nil
60	Vasundara K	Asstt. Accounts Officer	BA	60	32	6/3/1981	1,653,966	Nil
61	Shankar Latare	Sr. Boiler Operator	SSC, 2nd Class Boiler Cert.	60	31	4/12/1981	1,018,373	Chief Sln. Supdt
62	Bharat Thalkar	Asstt. Storekeeper	VIII	60	31	1/9/1981	668,642	Nil
63	Dattatraya Raut	Sr. Operator	SSC	60	31	1/12/1981	637,865	Clerk, Machimar Society
64	Vishnu Patil	General Manager	BE (Instrumentation)	60	35	20/4/1982	525,929	Jr. Engineer, National Rayon Corp. Ltd.
65	Ganapat Patil	General Manager	MBBS, MS	60	31	3/5/1982	1,022,340	Nil
66	Sitararam Patil	Technician Gr. II (Elect)	SSC, Cert. (Electrical)	60	30	1/5/1982	1,102,428	Welder and Electrician, Satish Mech. works
67	Sharad Warde	Optr Gr I	SSC	60	29	13/5/1983	1,193,230	Nil
68	Ravindra Zure	Executive Asstt. (Typist)	BA, MA	60	29	28/4/1984	732,586	Sr. Clerk, District Treasury Office
69	Laxman Baikar	Asstt Manager (Sports)	B. Com	60	28	20/9/1984	585,953	Nil
70	Sanjay Shipure	Sr. Operator	B. Sc (Chemistry)	48	28	8/10/1984	830,373	Nil
71	Raghendra Jewalikar	Sr. Operator	B. Sc (Mathematics)	60	28	8/10/1984	957,356	Nil
72	Virendra Kamble	Chief Manager (FIN)	B. Com, M. Com	60	37	9/7/1986	1,002,878	Indian Telephone Industries Ltd., Asstt Fin Officer
73	Manoj Kuttikat	Materials Manager	B. Com, MBA	48	26	1/8/1987	1,179,814	System Executive, BB Machines Ltd.
74	Prakash Asai	Executive Director	B. Tech (Chemical)	60	35	29/1/1987	3,415,712	Shift Engineer, NFL Ltd.
75	Gautam Sen	Director	B. Com, M. Com, ICWA, CA	60	34	14/7/2008	7,712,395	ED (Finance), Bharat Earth Movers Ltd.

NOTE ON CORPORATE GOVERNANCE

1.1.0 Company's Philosophy.

The Company believes that sound corporate governance is fundamental to the enhancement of the value of the Company and its long term growth. Based on the core principles of fairness, transparency and accountability, the Company strives to maintain a high standard of corporate governance through the establishment of a comprehensive and efficient framework of policies, procedures and systems and the promotion of a responsible corporate culture.

1.1.1 Compliance with Clause 49 of the Listing Agreement:

Your Company being a Public Sector Undertaking, the Directors are appointed/nominated by President of India. The Board presently consists of six Directors comprising of three Executive Directors including Chairman and Managing Director and three Non-executive Directors. Out of three Non-executive Directors, two Official (Govt.) Directors are non-independent and hence the composition of the Board is not as per the requirement of Clause 49 of the Listing Agreement with the Stock Exchanges. Except for this, the Company has complied with all the requirements of Clause 49 of the Listing Agreement. Your Company has been continuously following up with the Government for appointment of independent directors and it is given to understand that the Government is likely to appoint soon, requisite Independent directors. The present Non-executive Directors and Independent Director have been on the Board of other Companies and have rich experience in managing the business. The whole-time functional Directors are professionals in their respective fields having long and varied experience in varied Industries.

2.0.0 Board of Directors:

2.1.0 Composition of the Board:

Board comprises of the following members:

Sr. No	Name	Category
1	Shri R.G. Rajan	Whole-time Chairman and Managing Director (Chief Executive Officer)
2	Shri Sham Lal Goyal, IAS.	Non-Executive Director – Govt. Nominee.
3	Shri S.C. Gupta, IAS, [from 04.04.2013 to 02.07.2014]	Non-Executive Director – Govt. Nominee.

Sr. No	Name	Category
4	Shri Gautam Sen (upto 31.01.2014)	Whole-time Director [Finance]
5	Shri C.M.T. Britto	Whole-time Director [Technical]
6	Shri Ashok B. Ghasghase	Whole-time Director [Marketing]
7	Prof. Damodar Acharya [from 30.01.2014].	Non-Executive - Independent Director
8	Shri S.K. Lohani [from 02.07.2014]	Non-Executive - Director, Govt. Nominee
9	Shri Suresh Warior [from 18.07.2014]	Whole-time Director [Finance] and Chief Financial Officer

2.2.0 Appointment/Reappointment of Directors

2.2.1

Prof. Damodar Acharya, was nominated as Independent Director by President of India. He was appointed as an Additional Director by the Board w.e.f. 30.01.2014. He holds a Bachelor's degree in Science (Mechanical Engineering) from NIT Rourkela, Masters and Ph.D from IIT Kharagpur. Prof. Acharya has about thirty two years of diversified experience in teaching & research including as Director, at IIT Kharagpur, and in academic administration as Vice-Chancellor, Biju Patnaik University of Technology, Rourkela and Chairman, All India Council of Technical Education (AICTE), New Delhi. Prof. Acharya is a Director on the Central Board of Reserve Bank of India.

The Company has received declaration from Prof. Damodar Acharya confirming that he meets with the criteria of Independence as prescribed under Section 149(6) Companies Act, 2013.

2.2.2

Shri S.K. Lohani, IAS, was nominated as Government Director by President of India. He was appointed as an Additional Director by the Board w.e.f. 02.07.2014. Shri Lohani is an IAS officer and is presently Jt. Secretary, Department of Fertilizers, Ministry of Chemicals and Fertilizers. He has varied and rich experience in Government, in different positions, and has great managerial capabilities.

2.2.3

Shri Suresh Warior, was appointed as Director (Finance) by President of India. He was appointed as an Additional Director w.e.f. 18.07.2014. Shri Warior is a B.Com (Hons) from Delhi University and a Cost Accountant from Institute of Cost Accountants of India (ICAI). He joined the Company in August 1985 in the Finance Department. Prior to his elevation, he was General Manager (Corporate Finance). Shri Warior has a

very rich and varied experience in various facets of Financial Management. He was deputed by the Company as Consultant to Fertilizer Industry Co-ordination Committee, Ministry of Chemicals & Fertilizers, Department of Fertilizers for computing and fixing prices of fertilizers applicable to various fertilizer companies. He has been associated with FICC as a consultant for numerous pricing exercises and his efforts have been well appreciated by FICC.

2.2.4 Shri Ashok Ghasghase, Director retires by rotation and being eligible has offered himself for re-appointment. Shri Ashok Ghasghase has been Whole-time Director (Marketing) since 16th August, 2012. He holds a Bachelor's Degree in Chemistry (Honors) from Shivaji University, Law degree from Lucknow University, and M.B.A. in Marketing. He joined RCF in the year 1980 as Management Trainee in marketing discipline and, during his 34 years of distinguished career, he has handled several important assignments. Shri Ghasghase has been instrumental in increasing Company's business in the states like Maharashtra, Uttar Pradesh, Gujarat, Punjab and Haryana.

2.2.5 Shri Gautam Sen, on attaining the age of superannuation, demitted his office of Director (Finance) on 31.01.2014. Shri Suresh Warior, on his joining as Director (Finance), has been nominated

as Chief Financial Officer of the Company w.e.f. 18.07.2014. In the interim period, Shri R. H. Kulkarni, Executive Director (Finance) was nominated by the Board to act as CFO.

2.3.0 Board procedure:

2.3.1 As per the policy of your Company, apart from the matters which are required to be statutorily decided by the Board, all other major decisions involving investments and capital expenditure, mobilization of resources, Employee's Compensation etc., and major issues such as monthly performance, progress of projects, Industrial relations, market scenarios, budgets and plans etc., are discussed in the meetings as regular agenda items by the Board. All items which are obligatory as per the Corporate Governance code to be brought in the Board meetings are regularly discussed. Detailed agenda notes are circulated generally about a week in advance of the Board meetings. During the year under report, 14 [fourteen] meetings were held by the Board viz. on 04.04.13, 13.05.13, 30.05.13, 23.07.13, 05.08.13, 06.09.13, 17.10.13, 30.10.13, 08.11.13, 10.12.13, 30.01.14, 12.02.14, 20.02.14 and 28.02.14. The number of meetings attended by the Directors during the year are as under:

Name of Directors	Number of meet-ings required to attend	Number of meetings attended.	Whether attended last AGM	Directorship in other companies		Membership in Board's Committees (including this Company)	
				As Chairman	As Director	As Chairman	As Member
Shri R.G. Rajan [Executive]	14	14	Yes	1	2	1	–
Shri Sham Lal Goyal, I.A.S.	14	12	No	–	–	2	1
Shri S. C. Gupta, I.A.S.	14	10	No	–	2	–	–
Shri Gautam Sen [Executive - upto 31.1.2014]	11	11	Yes	–	2	–	–
Shri C.M.T. Britto [Executive]	14	14	No	–	3	–	2
Shri Ashok B. Ghasghase [Executive]	14	14	Yes	–	1	–	1
Prof. Damodar Acharya, Independent Director (From 30.1.2014)	04	04	NA	–	–	1	2

2.3.2 The Board has constituted the following Committees

[i] Audit Committee:

The Audit Committee comprises of Prof. Damodar Acharya, as Chairman with Shri Sham Lal Goyal, and Shri CMT Britto as other members. Director [Finance], Chief Vigilance Officer and Chief Internal Auditor are the permanent invitees. The Company Secretary is the Secretary of the

Committee. The constitution of the Audit Committee is not in accordance with Clause-49 of the Listing Agreement, which specifies that at least 2/3rd of members should be independent directors. The Statutory Auditors (after being appointed by CAG) and Cost Auditors are also invited for the meetings. Other Senior Executives are invited as and when required. The terms of reference to the Committee is in accordance with the requirement of Clause 49 of the Listing Agreement and include, inter-

alia, (i) overseeing of the Company’s financial reporting process and disclosure of information (ii) recommending the remuneration of Statutory Auditors (iii) reviewing the adequacy of internal control systems, compliance with accounting standards, guidelines and statutes (iv) reviewing the financial statements and performance of the Company. The Committee is entrusted with power to seek information from any employee, to investigate, with the assistance of Internal Auditors, any activities/functions and to seek any external assistance if required.

During the year 2013-14, the Committee reviewed the audits conducted by Internal Audit Department, gave directions and sought further investigations and examinations wherever necessary. The Committee also reviewed the financial statements before submitting to the Board and gave importance to the internal Control Systems. All the recommendations of the Audit Committee were accepted and implemented.

During the year, the Audit Committee met 4 [four] times on 13.05.13, 05.08.13, 08.11.13 and 12.02.14 and the attendance was as under:

Name of Director	Number of meetings held	Number of meetings attended.
Prof. Damodar Acharya	1	1
Shri Sham Lal Goyal	4	3
Shri C M T Britto	4	4
Shri Ashok B Ghasghase	1	1
Shri S. C. Gupta	3	2

[ii] Stakeholders Relations Committee:

The Stakeholders Relations Committee comprises of Shri Sham Lal Goyal, Chairman, Prof Damodar Acharya and Shri Ashok Ghasghase as Members and Company Secretary as Secretary. There have been no serious complaints made by any shareholder, during the year. A few routine letters received in connection with non-receipt of annual report, dividend warrants etc., have been attended to promptly and no complaint is pending with your Company. During the year, 26 complaints were received and all have been attended to. Regular reports have been sent to SEBI and Stock Exchanges in this respect.

[iii] Share Transfer Committee:

The Share Transfer Committee comprises of CMD and Shri K.C.Prakash, Company Secretary as member. This committee regularly met to effect transfer of shares, and there are no pending cases for transfer.

[iv] Remuneration Committee:

Your Company is a Public Sector Undertaking and its remuneration policies need to be in accordance with the directions and guidelines issued by the Government of India from time to time. Your Company has constituted the Committee when Independent Directors were on the Board. During the year 2013-14, as there were no independent directors, there were no meetings held by the Committee. The Committee has been reconstituted after Prof. Damodar Acharya has been inducted on the Board.

[v] Committee on Corporate Social Responsibility(CSR):

Your Board constituted a committee of CSR comprising of Shri Sham Lal Goyal as Chairman, Prof. Damodar Acharya, Independent Director and Shri C.M.T. Britto, Director [Technical] as members to formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company, recommend to the Board the amount of expenditure to be incurred on CSR activities and monitor the CSR policy of the Company from time to time. The Committee met 3 times on 8th July 2013, 10th December, 2013 and 11th March 2014.

2.3.3. Remuneration/Sitting fee :

Functional (Executive) Directors are appointed by President of India in accordance with Article 81(1) of the Articles of Association of your Company and their remuneration and other terms and conditions are governed by the terms of appointment as decided by the Government. While the Chairman and Managing Director is appointed in Schedule `A` scale i.e. ₹ 80,000-1,25,000/-, the other functional Directors are in Schedule `B` Scale i.e. ₹ 75,000-1,00,000/-. All the other terms and conditions of appointment such as accommodation, provision of car etc., are same for all and are specified in their respective appointment orders and any other terms not specified in the said order are in accordance with the rules applicable to the employees of your Company. Remuneration paid to the Directors during the year is as under:

Name	Amount (₹)
Shri R.G. Rajan	45,19,954
Shri Gautam Sen (upto 31.01.2014)	77,12,395
Shri C.M.T. Britto	35,68,255
Shri Ashok. B. Ghasghase	34,18,531

The Non-executive Independent Directors are not paid any remuneration. They are only paid sitting fee, for attending the Board Meetings/Committee meetings, as decided and approved by the Board.

During the year 2013-14, an amount of ₹ 50,000 was paid, as sitting fees, to Prof. Damodar Acharya.

The Government Nominee Directors are not paid any sitting fee for attending the meetings.

3.0.0 Code of Conduct for Directors and Senior Management Personnel:

All Directors and Senior Management Personnel have complied with the code and the compliance of the same and have been affirmed by them to that effect. A declaration signed by Chairman and Managing Director is given below:

This is to certify that in line with the requirement of Clause 49 of the Listing Agreement, all the Directors of the Board and Sr. Management personnel have affirmed that to the best of their knowledge and belief, they have complied with the provisions of the 'Code of Conduct for the Directors and Senior Management' during the financial year 2013-14.

R.G. Rajan

Chairman and Managing Director
15.05.2014

4.0.0 CEO/CFO Certification:

Chairman & Managing Director [CEO] and Executive Director [Finance] [CFO] have certified to the Board of Directors, after reviewing the financial statements and cash flow statements, as under:-

The Board of Directors
Rashtriya Chemicals and Fertilizers Limited
Priyadarshini, Eastern Express Highway
Sion, Mumbai - 400 022.

CEO/CFO CERTIFICATION FOR THE FINANCIAL YEAR ENDING ON 31ST MARCH, 2014.

This is to certify that:-

- a] We have reviewed the Company's Balance sheet as at 31st March, 2014, the Profit and Loss Account [Financial Statements] and the Cash Flow Statement as on that date and that to the best of our knowledge and belief:
- i] these statements do not contain any materially untrue statements or omit any

material fact or contain statements that might be misleading.

- ii] these documents together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b] there are to the best of our knowledge and belief, no transactions entered into by the Company during the financial year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c] we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to Financial Reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operations of such internal control, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- d] We have indicated to the Auditors and the Audit Committee:-
- i] significant changes in Internal Control for Financial Reporting during the Financial Year 2013-14;
- ii] significant changes in Accounting Policies during the year and that the same have been disclosed in the notes to the Financial Statements, and
- e] There have been no instances of significant fraud of which we have become aware of or any involvement therein, of the management or any employee having significant role in the Company's internal control system over Financial Reporting.

R.H. Kulkarni
Executive Director
[Finance]

Place : Mumbai
Date : 13.5.2014

R.G. Rajan
Chairman and
Managing Director

5.0.0 Annual General Meeting [AGM]:

The details of the last three AGMs held are as under:

Financial Year	Time and Date	Venue
2012-13	3 pm on 30.08.13	"Sivaswamy Auditorium", Fine Arts Society, Mumbai 400 071.
2011-12	3 pm on 31.08.12	"Sivaswamy Auditorium", Fine Arts Society, Mumbai 400 071.
2010-11	3 pm on 23.09.11	"Yogi Sabhagruh", Dadar (E), Mumbai 400 014

No special resolution was passed in the last three meetings. The company has also not put through any resolutions by postal ballot during the year.

6.0.0 Disclosures:

6.1.1 Materially significant related party transactions:

There are no related party transactions entered into by your Company with the promoters, Directors or Management and their subsidiaries or relatives etc., that may have a potential conflict with the interest of your Company.

6.1.2 Your Company has complied with all the provisions of the Companies Act, Listing Agreement with Stock Exchanges, SEBI guidelines, and other authorities on any matter related to capital markets during last 3 years.

6.1.3 Whistle blower policy:

The Company has instituted procedures for the receipt, retention and dealing with complaints. No person has been denied access to the Audit Committee.

6.1.4 The Company has complied with all mandatory requirements of Cl. 49 of the Listing Agreement, except to the extent of composition of Board and Audit Committee, due to non-appointment of independent directors on the Board, as stated in para 1.1.1.

6.1.5 Trading in your Company's shares by Directors and designated Employees:

None of the Directors holds shares in your Company.

7.0.0 Means of Communication

The un-audited quarterly, first half yearly (as reviewed by Chartered Accountants) as well as the audited annual financial results of your Company

were published in prominent newspapers on all India basis, as per the requirements of the Stock Exchanges/SEBI, though none of them were specifically sent to each house hold of shareholders. The information is also made available on Company's website (www.rcfltd.com). Notices required, as per Companies Act and the listing Agreements were also published in accordance with the requirements. During the year, your Company has not made any presentation to institutional investors or Financial Analysts.

8.0.0 Management Discussion & Analysis Report

Management discussion & Analysis Report forms part of the Directors' Report.

9.0.0 General Shareholder information:

9.1.0 Your Company has appointed M/s Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mill Compound, Bhandup, Mumbai 400 078, as the Registrar and Transfer agents. The Share Transfer Agents have also service centers at Delhi, Kolkata, Coimbatore, Ahmedabad, Pune and Vadodara where also the transfer deeds and other correspondence are accepted. All requests received for transfer through the investors' Depository Participants (DP) are processed through NSDL/CDSL and downloaded periodically by the Registrar and records updated. Requests for transfer in physical form received are effected within a fortnight.

9.2.0 During the year, your Company's shares were actively traded on BSE and NSE. The shares were traded in the range of a maximum of ₹ 43.20 [on 11th May, 2013] and minimum of ₹ 26.00 [on 6th August, 2013] at BSE. The monthly highest and lowest price of the shares is given below:

Sr. No	Month	BSE Ltd							National Stock Exchange				
		Sensex	BSE PSU	RCF-High (₹)	RCF-Low (₹)	Shares [cr]	Trades	Value [₹ cr]	Nifty	RCF High (₹)	RCF Low (₹)	Shares [cr]	Value [₹ cr]
1	April 13	19,504.18	6,864.61	41.50	36.30	0.25	19695	97.52	5930.20	41.50	36.20	0.55	21.47
2	May 13	19,760.30	6,655.84	43.20	38.10	0.28	24084	114.35	5985.95	43.20	38.05	0.67	27.28
3	June 13	19,395.81	6,162.99	41.35	30.55	0.18	21153	6.72	5842.20	41.40	30.50	0.46	16.81
4	July 13	19,345.70	5,449.81	35.50	27.25	0.16	19999	5.07	5742	35.25	27.15	0.44	14.18
5	Aug 13	18,619.72	4,989.82	32.50	26.00	0.30	28415	8.82	5471.80	32.55	25.60	0.88	25.92
6	Sept 13	19,379.77	5,446.02	33.25	29.05	0.29	26152	90.69	5735.30	33.20	28.60	0.80	24.95
7	Oct 13	21,164.52	5,804.19	34.15	30.55	0.23	19256	7.38	6299.15	34.15	30.50	0.62	19.92
8	Nov 13	20,791.93	5,809.31	35.40	30.65	0.29	24020	9.81	6176.10	35.40	30.65	0.72	24.09
9	Dec 13	21,170.68	5,909.74	37.05	32.35	0.37	28214	13.05	6304	37.10	32.50	1.01	35.16
10	Jan 14	20,513.85	5,554.94	36.80	30.70	0.39	28420	12.92	6089.50	36.80	30.60	1.19	39.55
11	Feb 14	21,120.12	5,514.88	33.55	30.15	0.24	18209	7.49	6276.95	33.70	30.20	0.73	23.04
12	Mar 14	22,386.27	6,354.61	34.00	31.05	2.18	16370	7.07	6704.20	33.95	31.00	0.66	21.45

9.3.0 Out of the total 55,16,88,100 equity shares, 55,06,43,227 shares, i.e. 99.81% are in demated segment and only 10,44,873 i.e., 0.19% are in physical.

9.4.0 Your Company's financial year is 1st April, 2013 to 31st March, 2014. The Share holding pattern as on 31st March, 2014 is as under:

Category	No. of Shares	% of Holding
Promoters (GOI)	44,13,53,888	80.00
Institutions		
Mutual Funds and UTI	23,347	0.00
Financial institutions, Banks etc.	6,35,50,361	11.52
FII's	1,49,996	0.03
Sub Total	6,37,23,704	11.55
Others		
Private Corporate Bodies	98,60,217	1.79
Indian Public	3,54,91,121	6.43
NRI's/OCBs	12,59,170	0.23
Sub Total	4,66,10,508	8.45
Grand Total	55,16,88,100	100.00

9.5.0 Your Company has not issued any GDRs/ADRs/Warrants or any convertible instruments so far.

9.6.0 Unclaimed Dividend

In case of non-receipt of dividend, shareholders may write to the Company Secretary or to M/s. Link Intime India Pvt. Limited [R&T Agent] furnishing the particulars of the dividend not received, quoting the folio number/client ID particulars in case of dematerialized shares. On verification of the records, if the dividend warrants remain unpaid in the records of the Company after expiry of the validity period, duplicate dividend warrants will be issued.

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, dividend for the financial year ended 31st March, 2014 which remains unclaimed on 11th August, 2014 will be transferred by the Company to the Investor Education and Protection Fund [IEPF] established by the Central Government. The information in respect of unclaimed and unpaid dividend declared for the past seven years is given below:

Sr. No	Financial Year	Date of declaration of dividend	Last date for claiming unpaid dividend
1	31.3.2007	6 th July, 2007	11 th August, 2014
2	31.3.2008	24 th September, 2008	30 th October, 2015
3	31.3.2009	25 th September, 2009	31 st October, 2016
4	31.3.2010	28 th June, 2010	3 rd August, 2017
5	31.3.2011	23 rd September, 2011	29 th October, 2018
6	31.3.2012	31 st August, 2012	6 th October, 2019
7	31.3.2013	30 th August, 2013	5 th October, 2020

9.7.0 Payment of dividend through National Electronic Clearing Service [NECS] facility:

In order to expedite the receipt of dividend payment, your Company transfers funds to the bank accounts of the members who have opted for NECS facility. However, some members are yet to furnish the details of their bankers. Investors holding shares in physical form may send their NECS mandate form, duly filled, to the Company or its R&TA.

9.8.0 The Registered and Corporate office of your Company is at "Priyadarshini", Eastern Express Highway, Sion, Mumbai 400 022. Your Company has two manufacturing complexes located at Mahul Road, Trombay, Mumbai-400 071 and at Alibag, Thal, Raigad District, Maharashtra. Your Company markets its products through various marketing offices located throughout the Country.

9.9.0 Registered Office/Address for Correspondence:

The Company Secretary
Rashtriya Chemicals and Fertilizers Limited
"Priyadarshini", 10th floor, Sion, Mumbai 400 022.
India. Tel. 022 25523114
e-mail: investorcommunications@rcfld.com

10.0.0 Calendar of events:

Sr. No.	Event	Likely date
(i)	Announcement of I Quarterly (unaudited) financial result for FY 2014-2015	11 th August, 2014
(ii)	Book Closure for the purpose of Dividend and AGM.	13.9.2014 to 19.9. 2014 (both days inclusive)
(iii)	(a) AGM for 2013-14 : (b) Venue: "Sivaswami Auditorium", Fine Arts Society, Mumbai 400 071.	19.9.2014 at 3 p.m.
(iv)	Announcement of unaudited half yearly result for FY 2014-15	10 th November, 2014
(v)	Announcement of III quarterly (unaudited) financial result for FY 2014-15	9 th February, 2015
(vi)	Announcement of Audited results for FY 2014-15	30 th May, 2015

11.0.0 Listing of Shares on Stock Exchanges:

11.1.0 Your Company's shares are presently listed on the following Stock Exchanges:

- BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 [Stock code 524230]
- National Stock Exchange of India Limited, (NSE), Exchange Plaza, Bandra-Kurla Complex, Bandra [E], Mumbai 400 051. [Stock code RCF]

11.2.0 Your Company has paid listing fee for the Financial Year 2013-14 to both BSE and NSE where the

securities are listed. There has been no default in the payment of listing Agreement fee. Your Company has also paid Annual Custody fee to NSDL and CDSL and there is no default in payment to the depositories.

11.3.0 Distribution of shareholding:

The shareholding distribution of equity shares of nominal value of ₹ 10/- each as on 31st March, 2014 is as under:-

Sr. No.	No. of Shares held	No. of share-holders	% of total	Share amount [₹]	% of total
1	1 - 500	64799	85.65	9936717	1.80
2	501 - 1000	5855	7.74	4885489	0.89
3	1001 - 2000	2649	3.50	4111252	0.74
4	2001 - 3000	821	1.09	2123234	0.38
5	3001 - 4000	331	0.44	1204706	0.22
6	4001 - 5000	374	0.49	1793122	0.33
7	5001 - 10000	464	0.61	3474461	0.63
8	10001 - and above	366	0.48	524156419	95.01
	Total	75659	100	551688100	100

11.4.0 Dividend policy.

Your Company has been paying dividend from its inception except in the years 1993-94 and 2002-03. Your Company endeavours to pay dividend ensuring, generally, that the payout is about 30% of its net profit after tax.

11.5.0 Performance in comparison to broad –based indices.

The relative performance of the shares with that of indices is as under:

	Sensex	Nifty	BSE-PSU Index	RCF Price (₹) (BSE)
April 2013	19504.18	5930.20	6864.61	38.85
March 2014	22386.27	6704.20	6354.61	33.10
Increase/(decrease)	2882.09	774	(510)	(5.75)
% of Increase / (decrease)	14.78	13.05	(7.43)	(14.80)

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENTS

To the Members of Rashtriya Chemicals and Fertilizers Limited

- We have examined the compliance of the conditions of Corporate Governance by Rashtriya Chemicals and Fertilizers Limited for the year ended 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.
- The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.
- (a) The Board of Directors, as on 31st March, 2014 comprises of Six Directors; One Independent Director (Appointed w.e.f. 30th January, 2014), two non-executives official Directors and three executive Directors. The two non-executive official Directors are non-independent. The Audit committee comprises of three Directors. Chairman of the Audit Committee is Independent Director and the other two Directors are non- independent as defined in Clause 49 of the Listing Agreement(s).The composition of the Board and Audit committee is not in accordance with the requirement of clause 49 of the Listing Agreement(s).

(b) Subject to 4(a) above, in our opinion and to the best of our information and according to the explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement(s) with the Stock Exchange(s) have been complied with by the Company.

For **Bhandari & Associates**
Company Secretaries

S.N. Bhandari
Proprietor
C.P. 366

Mumbai, 13th May, 2014

Independent Auditor's Report

TO THE MEMBERS OF RASHTRIYA CHEMICAL AND FERTILIZERS LIMITED

Report on the Financial Statements

We have audited the accompanying Financial Statements of Rashtriya Chemical and Fertilizer Limited ('the company') which comprise the Balance Sheet as at March, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and the Explanatory Information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- In the case of Statement of Profit and Loss, of the Profit for the year ended on that date; and

- In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to:

- Note No. 10(5) to the accounts regarding non-disclosure of cost and depreciation of assets leased to certain Public Sector Undertaking and others.
- Note No. 30 to the accounts which states that some of the Balances of Trade Receivables, Trade Payables, Current Liabilities and Loans and Advances are subject to confirmation, reconciliation and consequential adjustments, if any.
- Note No. 32 to the accounts regarding the claim of subsidy accounted on estimated basis, pending final settlement of such claims.
- Note No. 40 to the accounts regarding non provision for diminution in the value of investment and loans in respect of the Joint Venture Company, FACT – RCF Building Products Limited.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (the 'Act') we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by Section 227(3) of the Act, we report that:
 - We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of those books;
 - The Balance Sheet, Statement of Profit & Loss and Cash Flow statement dealt with by this report are in agreement with the books of account;
 - In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
 - Central Government has directed vide notification number G.S.R. 829(E) dated 21st October, 2003 of Clause (g); of sub section (1) of Section 274 of the Act is not applicable to a Government Company.

For **NBS & Co.**
Chartered Accountants
Firm Regn. No. 110100W

Devdas Bhat
Partner
Mem. No. 048094

Mumbai, May 14, 2014

For **M. M. NISSIM AND CO.**
Chartered Accountants
Firm Regn. No. 107122W

Dhiren Mehta
Partner
Mem. No.: 109883

**Annexure referred to in our report of even date
Re: Rashtriya Chemicals & Fertilizers Limited ('the Company')**

- | | |
|--|--|
| <p>i) a) The Company has maintained proper records showing particulars including quantitative details and situation of fixed assets with original cost and depreciation written off in respect of identifiable units of assets and where such information for identifiable units of assets is not available, the records show the cost and depreciation written off in respect thereof as a group or class. The items of assets in respect of which quantitative details are not linked with the cost or book value are of small value acquired prior to April 1978 and are fully depreciated particularly in respect of movable items acquired from Fertilizers Corporation of India Limited.</p> <p>b) As informed to us, the fixed assets have been physically verified by the management with the help of an independent outside agency at reasonable intervals. We have been informed that discrepancies noticed on physical verification of fixed assets as compared to the book records were not material.</p> <p>c) During the year, the Company has not disposed of a substantial part of its fixed assets.</p> | <p>Company and the same have been properly dealt with in the books of account.</p> |
| <p>ii) a) Physical verification of finished goods, packing materials and raw materials inside factory premises has been carried out by the management at reasonable intervals and the stocks of stores and spare parts has been conducted by them with the help of an independent outside agency in a phased programme so as to complete the verification of all items over a period. Finished goods and other inventory stored outside the factory premises are taken as per warehousing certificates and third party confirmation respectively.</p> <p>b) In our opinion and according to the information and explanations given to us, the procedures for the physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.</p> <p>c) The Company is maintaining proper records of inventory. In our opinion, discrepancies noticed on physical verification of stocks were not material in relation to the operations of the</p> | <p>iii) As per the information furnished, the Company has not granted or taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Hence reporting under clause iii (a) to (f) of the Order is not applicable to the Company.</p> <p>iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, with regard to purchase of inventories and fixed assets and for the sale of goods. In our opinion and according to the information and explanations given to us during the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.</p> <p>v) According to the information and explanations given to us, there are no transactions that need to be entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956 by the Company. Accordingly clause 4 (v) b of the Order is not applicable.</p> <p>vi) According to the information and explanations given to us, the Company has not accepted any deposit during the year from public within the meaning of the provisions of Section 58A and Section 58AA of the Companies Act, 1956 and the rules framed there under. Hence, clause 4(vi) of the Order is not applicable.</p> <p>vii) The Company has its own internal audit department which conducts the internal audit and in our opinion, the present internal audit system is commensurate with the size and the nature of its business.</p> <p>viii) We have broadly reviewed the books of account maintained by the Company in respect of its products pursuant to the order of Central Government for maintenance of cost records prescribed under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.</p> <p>ix) a) <i>In our opinion, the procedure followed as per Note No 50 to the accounts in respect of deduction and payment of income tax results</i></p> |

into delays in certain cases. The exact delays are not ascertained. Except the above, the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other undisputed statutory dues have been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding, at the year end, for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, the dues of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute and the forum where the dispute is pending are as follows:

Name of the statute	Nature of dues	Amount (₹ in Crore)	Years to which the amount relates	Forum where dispute is pending
Customs Act 1962	Demand of Customs duty and penalty (Trombay Unit)	16.35	2004-05	Central Excise, Service Tax Appellate Tribunal
Customs Act, 1962	Demand of Differential Customs Duty on import of Urea, MOP & DAP (Marketing)	80.77	2009-10	Assistant Commissioner of Customs, Dharamtar, Alibaug
Customs Act, 1962	Demand of differential custom duty on import of Potash (Marketing)	0.16	2012-13	Commissioner of Customs, Mangalore
Income Tax Act, 1961	Disallowance of additional depreciation claimed	0.49	A.Y. 2009-10	Income Tax Appellate Tribunal
Sales Tax, Maharashtra	Disallowance/errors in calculation of set off etc., in the Assessment Order Passed	6.58	A. Y. 2009-10	Joint Commissioner of Sales Tax
		18.24	A. Y. 2006-07	Joint Commissioner of Sales Tax (Appeals)

Name of the statute	Nature of dues	Amount (₹ in Crore)	Years to which the amount relates	Forum where dispute is pending	
Income Tax Act, 1961	Demand of Tax for Short Deduction/non deduction of TDS	2.47	A. Y. 2008-09 to 2011-12	Commissioner of Income Tax (Appeals)	
Central Excise Act, 1944	Demand of Central Excise duty, Interest & Penalty in respect of Naphtha procured at concessional rates used for products which are not exempted (Thal Unit)	2.67	1996-2001	Supreme Court	
		3.54	March, 2005 to October, 2005	Central Excise, Service Tax Appellate Tribunal	
		18.61	November, 1996 to February, 2005 (Interest)	Supreme Court	
Central Excise Act, 1944	Demand of Central Excise duty in respect of Low Sulphur High Stock/ Furnace Oil procured at concessional rates used for other than fertilizer products (Trombay Unit)	18.76	Prior to 1997 to March 2006	Central Excise, Service Tax Appellate Tribunal	
			2.90	August 1986 to February 2000	Commissioner of Central Excise (Appeals)
Service Tax	Demand of Service Tax on supply of wagons to Central Railway	1.54	April, 2008 to December, 2011	Commissioner of Central Excise, Customs, & Service Tax	
		0.18	January, 2012 to December, 2014	Assistant Commissioner, Central Excise, Customs & Service Tax	
Service Tax	Demand of Service Tax on Handling by Transporter Service	0.01	2006-07 & 2007-08	Superintendent, (S. T. Special Cell), Aurangabad	

Name of the statute	Nature of dues	Amount (₹ in Crore)	Years to which the amount relates	Forum where dispute is pending
Service Tax	Demand of Service Tax on fees received for Operation & maintenance of HWP (Thal Unit)	15.21	October, 2006 to December, 2014	
Service Tax	Service Tax on rent on BTAL Wagons	0.14	2008-09 to June, 2011	Additional Commissioner, Central Excise & Service Tax, Mumbai

- x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a bank. The company has not issued any debentures and has not obtained any loan from Financial Institution.
- xii) Based on our examination of documents and records and as per information and explanations given, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
- xiv) According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- xv) According to the information and explanations given to us, the Company has given a corporate guarantee

for loan from bank taken by its joint venture company viz. FACT RCF Building Products Ltd., the terms and conditions whereof in our opinion, are not prima-facie prejudicial to the interests of the Company.

- xvi) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained other than funds temporarily invested pending utilization for the intended use.
- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company we report that no funds raised on short-term basis have been used for long-term investment.
- xviii) The Company has not made any allotment of shares during the year.
- xix) The Company has not issued any debentures during the year.
- xx) The Company has not raised any money by public issue during the year.
- xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For NBS & Co.
Chartered Accountants
Firm Regn. No. 110100W

For M. M. NISSIM AND CO.
Chartered Accountants
Firm Regn. No. 107122W

Devdas Bhat
Partner
Mem. No. 048094

Dhiren Mehta
Partner
Mem. No.: 109883

Mumbai, May 14, 2014

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED FOR THE YEAR ENDED 31ST MARCH, 2014

The preparation of financial statements of Rashtriya Chemicals and Fertilizers Limited for the year ended 31st March, 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Standards on Auditing prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 14th May, 2014.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a Supplementary Audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of Rashtriya Chemicals and Fertilizers Limited for the year ended 31st March, 2014. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to the inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report under Section 619(4) of the Companies Act, 1956.

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

Y.N. THAKARE
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board-I, Mumbai

Place : Mumbai

Date : 26th June, 2014



FINANCIAL STATEMENTS



BALANCE SHEET AS AT 31st MARCH, 2014

₹ in Crore

PARTICULARS	Note no.	AS AT 31.03.2014	AS AT 31.03.2013
I. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS :			
a) Share Capital	1	551.69	551.69
b) Reserves and Surplus	2	1956.70	1803.60
		2508.39	2355.29
2. NON-CURRENT LIABILITIES			
a) Long term Borrowings	3	332.11	216.37
b) Deferred Tax Liabilities(Net)	4	257.00	243.05
c) Other Long term liabilities	5	55.20	43.84
d) Long Term Provisions	6	103.20	103.85
		747.51	607.11
3. CURRENT LIABILITIES			
a) Short term Borrowings	7	1334.98	1456.84
b) Trade Payables	8	492.97	738.07
c) Other Current Liabilities	9	331.39	475.57
d) Short term Provisions	6	199.61	191.47
		2358.95	2861.95
TOTAL		5614.85	5824.35
II. ASSETS			
1. NON CURRENT ASSETS :			
(a) FIXED ASSETS :	10		
(i) Tangible Fixed Assets		1616.40	1415.04
(ii) Intangible Assets		3.27	1.67
(iii) Capital Work in Progress		77.19	184.25
(b) Non-Current Investments	11	17.86	18.04
(c) Long Term Loans and advances	12	131.49	128.88
(d) Other non-current assets	13	30.96	18.96
		1877.17	1766.84

BALANCE SHEET AS AT 31st MARCH, 2014

PARTICULARS	Note no.	₹ in Crore	
		AS AT 31.03.2014	AS AT 31.03.2013
2. CURRENT ASSETS :			
(a) Inventories	14	802.54	1205.06
(b) Trade Receivables	15	2769.09	2579.21
(c) Cash and Cash Equivalents	16	70.95	175.74
(d) Short term loans and advances	12	37.08	67.25
(e) Other current assets	13	58.02	30.25
		3737.68	4057.51
TOTAL		5614.85	5824.35
Statement of Significant Accounting Policies	A		
Explanatory Information on Financial Statements	25-53		

As per our report of even date attached

For **M. M. NISSIM AND CO.**
Chartered Accountants

For **NBS & Co.**
Chartered Accountants

(R.G. Rajan)
Chairman and Managing Director

(Dhiren Mehta)
Partner

(Devdas Bhat)
Partner

(C.M.T. Britto)
Director (Technical)

Dated : 14.05.2014
Place : Mumbai

(R.H. Kulkarni)
Executive Director (Finance)

(K.C. Prakash)
Company Secretary

Dated : 14.05.2014
Place : Mumbai

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

₹ in Crore

PARTICULARS	Note No.	Year ended March 2014	Year ended March 2013
I Revenue from Operations	17	6587.60	6773.84
II Other Income	18	74.04	92.99
III Total Revenue (I+II)		6661.64	6866.83
IV Expenses:			
Cost of Materials Consumed	19	2646.11	2599.87
Purchases of Stock in Trade	20	284.12	900.37
Changes in Inventories of Finished Goods/Work in Progress and Stock in Trade	21	309.61	(7.02)
Employee Benefits Expense	22	442.00	449.40
Finance Costs	23	131.29	127.16
Depreciation/Impairment	10	141.75	173.15
Other Expenses	24	2339.44	2243.78
Total Expenses		6294.32	6486.71
V Profit before tax (III-IV)		367.32	380.12
VI Tax Expense			
(1) Current tax		103.50	104.75
(2) Deferred tax		13.93	28.94
(3) Taxation adjustment of earlier years Excess (-) / Short (+)		-	(34.47)
XI Profit / (Loss) for the period from continuing operations (IX-X)		249.89	280.90
XII Profit / (Loss) for the period from discontinuing operations		-	-
XIII Tax Expense of discontinuing operations		-	-
XIV Profit / (Loss) from discontinuing operations (after tax) (XII-XIII)		-	-
VII Profit for the year		249.89	280.90

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

₹ in Crore

PARTICULARS	Note No.	Year ended March 2014	Year ended March 2013
VIII Earnings per equity share			
Basic and Diluted Earnings per share	38.	4.53	5.09
Statement of Significant Accounting Policies	A		
Explanatory Information on Financial Statements	25-53		

As per our report of even date attached

For **M. M. NISSIM AND CO.**
Chartered Accountants

For **NBS & Co.**
Chartered Accountants

(R.G. Rajan)
Chairman and Managing Director

(Dhiren Mehta)
Partner

(Devdas Bhat)
Partner

(C.M.T. Britto)
Director (Technical)

Dated : 14.05.2014
Place : Mumbai

(R.H. Kulkarni)
Executive Director (Finance)

(K.C. Prakash)
Company Secretary

Dated : 14.05.2014
Place : Mumbai

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2014

₹ in Crore

PARTICULARS	Year ended March 2014	Year ended March 2013
A Cash Flow From Operating Activities		
Net Profit before tax	367.32	380.12
Adjustments for :		
Depreciation/Loss on impairment of Assets	141.94	173.57
Profit(-) / Loss on sale of Assets	1.75	0.04
Profit(-) / Loss on Sale/MTM of Equity Investments	0.18	-
Interest Income	(11.39)	(29.16)
Dividend Income	(0.12)	(5.26)
Interest and Finance Charges	131.29	127.16
Provision for Bad/Doubtful debts	6.61	14.60
Unrealised Foreign Exchange (Gain) /Loss	(13.70)	(18.09)
	256.56	262.86
Operating Profit before Working Capital Changes	623.88	642.98
Adjustments for :		
Trade and Other Receivables	(241.63)	(589.51)
Inventories	402.52	(27.35)
Trade Payables and Other Liabilities	(393.99)	(497.42)
	(233.10)	(1114.28)
Cash Generated from Operations	390.78	(471.30)
Direct Taxes Paid	(77.05)	(77.47)
Net Cash from Operating Activities ----- A	313.73	(548.77)
B Cash Flow from Investing Activities		
Additions to Fixed Assets (Net of trade credit)	(221.96)	(172.81)
Sale of Fixed Assets	(0.07)	0.14
Interest Received	11.45	31.48
Dividend Received	0.12	5.26
Fixed Deposit more than 3 months maturity	128.58	365.00
	(81.88)	229.07
Net Cash from Investing Activities ----- B	(81.88)	229.07

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2014

₹ in Crore

PARTICULARS	Year ended March 2014	Year ended March 2013
C Cash Flow from Financing Activities		
Net Proceeds /Repayment of Working capital facilities and short term loans	(97.87)	557.12
Proceeds from Term loans	210.34	36.00
Repayments of Term loans	(90.89)	(109.71)
Interest paid	(133.10)	(125.47)
Dividend paid (including Dividend Distribution tax)	(96.73)	(89.78)
	(208.25)	268.16
Net Cash from Financing Activities ----- C	(208.25)	268.16
Net Increase/Decrease(-) in Cash and Cash Equivalent (A+B+C)	23.60	(51.54)
Cash and Cash Equivalents as at 1st April (Opening Balance)	45.63	97.17
Cash and Cash Equivalents as at 31st March (Closing Balance)	69.23	45.63
Components of Cash and Cash Equivalents		
Cash on hand	0.02	0.03
Cheques in hand	1.45	0.00
Balance With Scheduled Banks		
in Current and Cash Credit Accounts	67.22	45.17
in Term Deposits	0.03	—
in Unpaid Dividend Account *	0.51	0.43
	69.23	45.63

* These balances are not available for use by the Company as they represent corresponding unpaid dividend liability.

Cash Flow Statement has been prepared based on Indirect Method prescribed under Accounting Standard - 3 (Revised) "Cash Flow Statements".

As per our report of even date attached

For **M. M. NISSIM AND CO.**
Chartered Accountants

For **NBS & Co.**
Chartered Accountants

(R.G. Rajan)
Chairman and Managing Director

(Dhiren Mehta)
Partner

(Devdas Bhat)
Partner

(C.M.T. Britto)
Director (Technical)

Dated : 14.05.2014
Place : Mumbai

(R.H. Kulkarni)
Executive Director (Finance)

(K.C. Prakash)
Company Secretary

Dated : 14.05.2014
Place : Mumbai

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Crore

NOTE NO. 1	“SHARE CAPITAL”	AS AT 31.03.2014	AS AT 31.03.2013
Authorised			
80,00,00,000 Equity Shares of ₹ 10/- each.		800.00	800.00
Issued, Subscribed and Paid Up			
55,16,88,100 Equity shares of ₹ 10/- each fully paid up.		551.69	551.69
TOTAL		551.69	551.69

RECONCILIATION OF SHARES OUTSTANDING AT THE BEGINNING AND END OF THE REPORTING PERIOD

	31.03.2014		31.03.2013	
	No.	₹ in Crore	No.	₹ in Crore
EQUITY SHARES				
At the beginning of the year	551688100	551.69	551688100	551.69
Issued during the year	–	–	–	–
Outstanding at the end of the year	551688100	551.69	551688100	551.69

Terms/Rights Attached to Equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each share holder is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY

	31.03.2014		31.03.2013	
	No.	% age of share holding	No.	% age of share holding
EQUITY SHARES				
Government of India	441353888	80.00%	441353888	80.00%
Life Insurance Corporation of India	35566427	6.45%	35566427	6.45%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Crore

NOTE NO. 2 “RESERVES AND SURPLUS”	AS AT	AS AT
	31.03.2014	31.03.2013
General Reserve		
Balance as per last Balance Sheet.	1803.44	1619.35
Add : Transferred from Statement of Profit and Loss	153.10	184.09
	1956.54	1803.44
Closing Balance	1956.54	1803.44
RCF - EEC Asset Management Reserve		
Balance as per last Balance Sheet.	0.16	0.16
Additions during the year	–	–
Closing Balance	0.16	0.16
Surplus in the Statement of Profit and Loss		
Profit for the year	249.89	280.90
Less: Appropriations		
Proposed Dividend	82.75	82.75
Tax on Dividend	14.04	14.06
Transfer to General Reserve	153.10	184.09
Total Appropriations	249.89	280.90
Net Surplus in the Statement of profit and Loss	–	–
TOTAL	1956.70	1803.60

₹ in Crore

NOTE NO. 3 “LONG TERM BORROWINGS”	NON CURRENT		CURRENT MATURITIES	
	AS AT 31.03.2014	AS AT 31.03.2013	AS AT 31.03.2014	AS AT 31.03.2013
SECURED				
Term Loan from Banks				
1 Rupee Loan from Banks				
a. State Bank of Bikaner and Jaipur (SBBJ)	–	19.34	–	21.10
A term Loan facility aggregating to ₹ 106.41 crore sanctioned by SBBJ availed by the Company are secured by hypothecation with first charge on project assets of Con.Nitric Acid Plant at Trombay & Argon recovery Plant at Thal and pari passu first charge basis on the project assets of Rapidwall Plant at Trombay. The rate of interest is the Bank's base rate plus 0.25% margin per annum and during the year the rate remained at around 10.5%. The said term loan has been fully prepaid during the year.				

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Crore

NOTE NO. 3	NON CURRENT		CURRENT MATURITIES	
	AS AT 31.03.2014	AS AT 31.03.2013	AS AT 31.03.2014	AS AT 31.03.2013
b. Kotak Mahindra Bank	–	18.75	–	18.75
A loan of ₹ 75 crore sanctioned by and availed from Kotak Mahindra Bank is secured by first pari passu charge by way of hypothecation on all movable fixed assets of the Methanol Plant with a minimum security cover of 1.25 times of the amount borrowed from this bank. The loan carries a floating rate of interest benchmarked to the Bank's PLR with a discount of 6.85% per annum and during the year the rate of interest varied around 11.65% per annum. The said term loan has been fully prepaid during the year				
c. Kotak Mahindra Bank	75.00	–	25.00	–
A loan of ₹ 100 crore sanctioned by and availed from Kotak Mahindra Bank is secured by first pari passu charge by way of hypothecation on movable fixed assets (machinery and equipments) of the Ammonia and Urea Plants situated at Thal with a minimum security cover of 1.25 times of the amount borrowed from this bank. 50% of the loan carries a fixed rate of interest of 10.35% pa and the remaining 50% of the loan carries a floating rate of interest benchmarked to the Bank's PLR plus margin of 0.90% per annum and during the year the rate of interest varied around 10.65% per annum. Repayment of the said loan will fall due for ₹ 25.00 crore in F.Y. 2014-15, ₹ 33.33 crore in F.Y. 2015-16, ₹ 33.33 crore in F.Y. 2016-17 and ₹ 8.34 crore in F.Y. 2017-18.				
d. Hongkong and Shanghai Banking Corporation (HSBC)	6.00	18.00	12.00	12.00
A loan of ₹ 36 crore availed from Hongkong Shanghai Banking Corporation consequent to the conversion of a portion of loan availed in Euro under FCNR(B) arrangement with the said Bank. The said loan is secured by first pari passu charge by way of hypothecation on all movable fixed assets of Ammonium Nitrophosphate Plant at Trombay. The rate of interest is 10% per annum. The repayment of the term loan would be ₹ 12 crore in F.Y. 2014-15 and ₹ 6 crore in F.Y. 2015-16.				
	<u>81.00</u>	<u>56.09</u>	<u>37.00</u>	<u>51.85</u>
2 Foreign Currency Loan / External Commercial Borrowings				
a. Calyon Credit Agricole CIB Singapore (Calyon)	–	–	–	0.95
Term Loan of JPY 109,176,141 availed by the Company from Calyon, is secured by hypothecation on pari passu first charge basis on the project assets of Rapidwall Plant at Trombay Unit. The rate of interest on the loan is 6 months JPY LIBOR plus margin of 0.65% per annum. The said loan has been fully repaid during the year.				

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Crore

NOTE NO. 3	NON CURRENT		CURRENT MATURITIES	
	AS AT 31.03.2014	AS AT 31.03.2013	AS AT 31.03.2014	AS AT 31.03.2013
b. HSBC Bank (Mauritius) Limited	140.77	135.97	8.35	–
Term loan of USD 25 Million availed by the Company from HSBC Bank (Mauritius) Limited, under RBI Loan Registration No.2011561, is secured by first pari passu charge by way of hypothecation on all current and future plant and machinery of the revamped Ammonia and Urea Plants situated at Thal. The rate of interest is 6 months USD LIBOR plus margin of 2.50% per annum. Repayment of the said loan would fall due for ₹ 8.35 crore in F.Y. 2014-15, ₹ 23.26 crore in F.Y. 2015-16, ₹ 53.09 crore in F.Y. 2016-17 and ₹ 64.42 crore in F.Y. 2017-18.				
c. Capital Expenditure Buyers credit from HSBC Mauritius	–	24.31	26.66	–
Capex Buyers credit amounting to USD 4469125 availed from Hongkong Shanghai Banking Corporation for purchase of plant and machinery from abroad , with bullet repayment after 3 years , secured by first pari passu charge by way of hypothecation on all movable properties forming part of existing Ammonia and Urea plants at Thal Unit with a minimum security cover of 1.25 times of the outstanding amount under this arrangement. The buyer's credit arrangement carries an interest at USD LIBOR plus margin of 1.30% per annum. The repayment of buyer's credit would fall due for ₹ 26.66 crore in F.Y. 2014-15.				
d. HSBC Bank (Mauritius) Limited	110.34	–	–	–
Term loan of USD 18.50 Million availed by the Company from HSBC Bank (Mauritius) Limited, under RBI Loan Registration No.201303177, is secured by first pari passu charge by way of hypothecation on the movable fixed assets of the revamped Ammonia and Urea Plants situated at Thal with a minimum security cover of 1.25 times of the outstanding amount under this arrangement. The rate of interest is 6 months USD LIBOR plus margin of 2.50% per annum. Repayment of the said loan would fall due for ₹ 110.34 crore in F.Y. 2016-17 .				
	<u>251.11</u>	<u>160.28</u>	<u>35.01</u>	<u>0.95</u>
Amount disclosed under the head "OTHER CURRENT LIABILITIES" (Refer Note No. 9)			(72.01)	(52.80)
TOTAL	<u>332.11</u>	<u>216.37</u>	<u>–</u>	<u>–</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Crore

NOTE NO. 4	“DEFERRED TAX LIABILITIES (NET)”	AS AT 31.03.2014	AS AT 31.03.2013
a.	Deferred Tax Liability:-		
	Depreciation	335.14	316.75
	Total	335.14	316.75
b.	Deferred Tax Asset:		
	Provision for doubtful debts/claims	6.43	6.79
	Provision for obsolescence of stores	1.60	1.42
	Expenditure allowable on payment basis	62.61	62.14
	Other timing differences	7.50	3.35
	TOTAL	78.14	73.70
	Net Deferred Tax Liability	257.00	243.05

₹ in Crore

NOTE NO. 5	“OTHER LONG TERM LIABILITIES”	AS AT 31.03.2014	AS AT 31.03.2013
A)	Trade Payables -Non current	-	1.18
B)	Others		
	Security Deposit from Vendors	6.60	6.42
	Standing Deposit from Customers	47.68	34.99
	Deposit from Employees	0.92	1.25
	TOTAL	55.20	43.84

₹ in crore

NOTE NO. 6	“PROVISIONS”	LONG TERM		SHORT TERM	
		AS AT	AS AT	AS AT	AS AT
		31.03.2014	31.03.2013	31.03.2014	31.03.2013
A)	Provision for Employee Benefits				
	Leave Salary Encashment	66.77	70.65	96.43	89.43
	Post Retirement Medical Benefits	36.43	33.20	2.92	2.70
	Others (Refer Note No. 37)	-	-	2.53	2.53
		103.20	103.85	101.88	94.66
B)	Other Provisions				
	Proposed Dividend	-	-	82.75	82.75
	Tax on Dividend	-	-	14.06	14.06
	Provision for Taxation less Advance tax	-	-	0.92	-
		-	-	97.73	96.81
	TOTAL	103.20	103.85	199.61	191.47

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Crore

NOTE NO. 7	“SHORT TERM BORROWINGS”	AS AT 31.03.2014	AS AT 31.03.2013
SECURED:			
A. Working Capital facilities from Bank			
	Cash Credit from banks	26.18	3.98
	Working Capital Demand Loan (includes an amount of ₹ 491.64 crores (P.Y. ₹ 127.52 crores) under a special banking arrangement secured by hypothecation of specific subsidy claims to be settled by DOF/FICC)	751.64	817.52
B. Rupee Term Loans			
	Rupee loan from New India Co-operative Bank (Secured by hypothecation on Plant and Machinery of Methanol Plant situated at Trombay)	18.75	–
	Total Secured	796.57	821.50
UNSECURED:			
	Foreign currency loans from banks-Buyers Credit	518.41	515.34
	Rupee loans from banks	20.00	120.00
	Total Unsecured	538.41	635.34
	TOTAL	1334.98	1456.84

Cash Credit and Working capital Demand loan from banks is secured by hypothecation of entire stocks of raw materials and finished goods, stock in transit, and book debts and consumable stores and spares. The said arrangement carries a rate of interest which varied between 9% to 11% per annum during the year.

₹ in Crore

NOTE NO. 8	“TRADE PAYABLES”	AS AT 31.03.2014	AS AT 31.03.2013
	Trade Payables (Refer Note No. 33)	492.97	738.07
	TOTAL	492.97	738.07

₹ in Crore

NOTE NO. 9	“OTHER CURRENT LIABILITIES”	AS AT 31.03.2014	AS AT 31.03.2013
	Current maturities of long term borrowings (Refer Note No. 3)	72.01	52.80
	Interest accrued but not due on borrowings	5.66	7.47
	Interest accrued but due on borrowings	–	–
	Income received in advance	28.90	31.66
	Unclaimed dividend (*)	0.51	0.43
	Sub Total	107.08	92.36

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Crore

NOTE NO. 9	"OTHER CURRENT LIABILITIES"	AS AT 31.03.2014	AS AT 31.03.2013
Other Payables			
	Creditors on Capital Account	46.82	51.96
	Trade Deposit from Customers	42.63	47.72
	Earnest Money Deposit & Security Deposit from Vendors	33.78	37.34
	Subsidy on unsold stock	37.11	189.12
Statutory Dues:			
	Withholding taxes	5.27	5.53
	VAT/ Sales tax	4.80	5.25
	Other taxes	4.08	3.28
Other Liabilities:			
	Ex-gratia & employee benefits	27.45	27.67
	Overdrawn balances in Current Account	0.02	1.57
	Others (Refer Note No. 33)	22.35	13.77
	Sub Total	224.31	383.21
	TOTAL	331.39	475.57

* No amounts are due & payable to Investor Education & Protection Fund

₹ in Crore

NOTE No. 10		FIXED ASSETS										
FIXED ASSETS	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTISATION					NET BLOCK		
	Description	AS AT 31.03.2013	Of Addi- tions/ Adjust- ments	Of Deduc- tions/ Adjust- ments	AS AT 31.03.2014	UPTO 31.03.2013	Provided during the year	On items Sold/ Dis- carded/ Ad-justed	UPTO 31.03.2014	Impair- ment Loss	AS AT 31.03.2014	AS AT 31.03.2013
Tangible Assets:												
	Land (Freehold)	10.79	0.00	0.00	10.79	0.00	0.00	0.00	0.00	0.00	10.79	10.79
	Land (Leasehold)	14.11	0.00	0.00	14.11	2.55	0.47	0.00	3.02	0.00	11.09	11.56
	Roads & Culverts	14.15	0.21	0.00	14.36	4.04	0.22	0.00	4.26	0.00	10.10	10.11
	Buildings	170.69	17.26	1.96	185.99	111.84	3.39	1.52	113.71	0.00	72.28	58.85
	Railway sidings	50.22	1.67	0.00	51.89	39.59	0.76	0.00	40.35	0.00	11.54	10.63
	Plant & Machinery	3241.84	308.79	17.48	3533.15	1931.07	120.61	16.24	2035.44	68.43	1429.28	1248.82
	Water System, Sewerage & Drainage	22.61	0.00	0.00	22.61	19.49	0.28	0.00	19.77	0.00	2.84	3.12
	Miscellaneous Equipments	91.55	5.03	0.04	96.54	54.54	3.39	0.03	57.90	0.00	38.64	37.01
	Furniture, Fixtures & Office Appliances	51.56	10.09	1.16	60.49	30.70	4.31	1.21	33.80	0.00	26.69	20.86
	Transport Vehicles	5.91	0.33	0.15	6.09	3.34	0.43	0.11	3.66	0.00	2.43	2.57
Intangible Assets												
	Computer Software	11.05	3.20	0.00	14.25	9.38	1.60	0.00	10.98	0.00	3.27	1.67
	Assets held for disposal *	0.72	0.00	0.00	0.72	0.00	0.00	0.00	0.00	0.00	0.72	0.72
	TOTAL	3685.20	346.58	20.79	4010.99	2206.54	135.46	19.11	2322.89	68.43	1619.67	1416.71
	Previous Year Figures	3492.68	193.33	0.81	3685.20	2074.25	132.92	0.63	2206.54	61.95	1416.71	

* Refer Note no. 43

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Crore

NOTE No. 10	FIXED ASSETS	Year ended March 2014	Year ended March 2013
Notes :			
1.	Depreciation/Impairment on tangible assets provided during the year	140.34	172.18
	Amortisation on intangible assets during the year	1.60	1.39
		141.94	173.57
2.	Charged to Statement of Profit & Loss:		
	Depreciation/Impairment Provided During the year	141.75	173.15
	Under Research and Development	0.05	0.04
	As net adjustment relating to Prior Years	0.14	0.38
		141.94	173.57
3.	Land at Thal included in Gross Block (at cost) at ₹ 2.33 crores is subject to final revision in price.		
		Year ended March 2014	Year ended March 2013
4.	Additions/Adjusments include the following		
	Exchange Differences	10.92	18.04
	Borrowing Costs	1.21	0.52
		12.13	18.56
5.	The Company is charging rent to certain Public Sector Undertakings & other parties for utilising part of its Land & Buildings. It is not feasible to segregate Cost & Depreciation amount in respect of Fixed Asset so utilised & hence has not been disclosed separately		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Crore

NOTE NO. 11	“NON-CURRENT INVESTMENTS”	AS AT 31.03.2014	AS AT 31.03.2013
Unquoted Trade Investments (Fully paid up):			
a Subsidiary			
	Rajasthan Rashtriya Chemicals and Fertilizers Ltd. (25500 equity shares of ₹ 10 each)	–	0.03
	Less:- Provision for Diminution in the value of investment	–	(0.03)
		–	–
b Joint Ventures			
	FACT-RCF Building Products Ltd. (176,90,000 equity shares (P.Y.176,90,000) of ₹ 10 each) (Under lock in period upto 31st March 2018)	17.69	17.69
	Urvarak Videsh Ltd. (1,80,000 equity shares(P.Y.1,80,000) of ₹ 10 each)	0.18	0.18
	Less:- Provision for Diminution in the value of investment	(0.18)	–
		–	0.18
	RCF HM Construction Solutions Pvt.Ltd. (50,000 equity shares of ₹ 10 each) (Under lock in period upto 5th April 2014)	–	0.05
	Less:- Provision for Diminution in the value of investment	–	(0.05)
		–	–
c Others		0.17	0.17
	Indian Potash Limited (3,36,600 equity shares of ₹ 10 each)		
TOTAL		17.86	18.04
Aggregate Provision for diminition in the value of investments (Refer Note No. 40)		0.18	0.08

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in crore

NOTE NO. 12	“LOANS AND ADVANCES”	NON CURRENT		CURRENT	
		AS AT 31.03.2014	AS AT 31.03.2013	AS AT 31.03.2014	AS AT 31.03.2013
	Capital Advances - Unsecured Considered good	7.04	14.20	–	–
	Considered Doubtful	1.13	1.13	–	–
	Less:Provision	(1.13)	(1.13)	–	–
		<u>7.04</u>	<u>14.20</u>	<u>–</u>	<u>–</u>
	Security Deposits-Unsecured Good (*)	17.06	17.09	1.41	1.34
	Considered Doubtful	0.18	0.18		
	Less:Provision	(0.18)	(0.18)		
		<u>17.06</u>	<u>17.09</u>	<u>1.41</u>	<u>1.34</u>
	Loans and Advances to other State Controlled Enterprises				
	Unsecured -Considered Good	1.76	1.43	–	2.39
	Considered Doubtful	–	0.02	–	–
	Less:Provision	–	(0.02)	–	–
		<u>1.76</u>	<u>1.43</u>	<u>–</u>	<u>2.39</u>
	Loans:				
	– Employees				
	Secured Considered Good (Incl. accrued interest C.Y. ₹ 6.51 crore P.Y. ₹ 8.14 crore)	5.96	7.60	0.87	1.18
	ADVANCES RECOVERABLE IN CASH OR IN KIND.				
	Unsecured -Considered Good				
	Contractors	0.03	–	21.20	51.44
	Employees	0.02	1.38	1.78	2.00
	VAT Receivable	97.69	59.23	–	–
	Others	0.14	0.15	7.12	5.04
		<u>97.88</u>	<u>60.76</u>	<u>30.10</u>	<u>58.48</u>
	Considered Doubtful -Others	8.38	10.77		
	Less:Provision for doubtful advances	(8.38)	(10.77)		
		<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
	Advance Income Tax (Net of Provision)	0.02	25.55	–	–
	Deposits with Customs,Port Trust etc.	0.81	0.85	0.20	0.23
	Prepaid expenses	0.96	1.40	4.50	3.63
	TOTAL	<u>131.49</u>	<u>128.88</u>	<u>37.08</u>	<u>67.25</u>

* Refer Note No. 25.6

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Crore

NOTE NO. 13	“OTHER ASSETS”	NON CURRENT		CURRENT	
		AS AT 31.03.2014	AS AT 31.03.2013	AS AT 31.03.2014	AS AT 31.03.2013
UNSECURED-CONSIDERED GOOD, UNLESS OTHERWISE STATED					
	Unamortized Premium on Forward contracts	–	–	8.54	0.18
	Interest Accrued	–	–	0.11	0.17
	Other Receivables	16.09	13.78	49.37	29.90
	Other Receivables - Considered Doubtful	0.47	2.82	–	–
	Less: Provision for doubtful Receivables	(0.47)	(2.82)	–	–
		<u>16.09</u>	<u>13.78</u>	<u>49.37</u>	<u>29.90</u>
	Advance against Equity Pending allotment	14.87	5.69	–	–
	Less: Provision towards diminution in value (Refer Note No. 40)	–	(0.51)	–	–
		<u>14.87</u>	<u>5.18</u>	<u>–</u>	<u>–</u>
	TOTAL	<u>30.96</u>	<u>18.96</u>	<u>58.02</u>	<u>30.25</u>

₹ in Crore

NOTE NO. 14	“INVENTORIES”	AS AT 31.03.2014	AS AT 31.03.2013
	Raw materials	151.66	274.48
	Finished Goods	176.57	307.76
	Stock in Trade/Bought out Products	29.57	207.80
	Intermediary Products	27.54	26.53
	By products	8.70	9.51
	Stores & Spares, packing materials and Petroleum products	412.32	382.82
	Less: Provision for Obsolescence etc./Loss under Investigation *	(4.70)	(4.19)
		<u>407.62</u>	<u>378.63</u>
	Certified Emission Reduction Credits (Refer Note No. 42) (No. of Units C.Y. 841425 , P.Y. 276223)	0.88	0.35
	TOTAL	<u>802.54</u>	<u>1205.06</u>

* (Refer Note No. 36)

Inventory Includes:

i) In Transit		
Raw Materials	–	–
Finished Goods	54.33	52.70
ii) Stores and Spares		
a) Under inspection	1.93	3.62
b) Platinum & Rhodium stolen in earlier year and under investigation which is not available for verification	0.21	0.21
c) With fabricators	11.67	20.75

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Crore

NOTE NO. 15	“TRADE RECEIVABLES”	NON CURRENT		CURRENT	
		AS AT 31.03.2014	AS AT 31.03.2013	AS AT 31.03.2014	AS AT 31.03.2013
Overdue for a period exceeding six months					
Secured-considered good					
	Debtors	–	–	4.56	0.26
	Subsidy Receivables	–	–	–	–
		–	–	4.56	0.26
Unsecured-considered good					
	Debtors	–	–	14.92	–
	Subsidy Receivables	–	–	1019.05	308.29
		–	–	1033.97	308.29
Other Debts					
Secured-considered good					
	Debtors	–	–	8.03	57.88
	Subsidy Receivables	–	–	–	–
		–	–	8.03	57.88
Unsecured-considered good					
	Debtors	–	–	220.89	385.72
	Subsidy Receivables (*)	–	–	1501.64	1827.06
		–	–	1722.53	2212.78
	Debtors Unsecured Considered Doubtful	2.35	0.04		
	Debtors Unsecured Considered Bad	–	–		
	Less: Provision for doubtful debts	(2.35)	(0.04)		
	Less: Provision for bad debts	–	–		
		–	–		
	Claims - Considered Doubtful	8.74	5.02		
	Less: Provision for doubtful	(8.74)	(5.02)		
		–	–		
	Sub Total - Sundry Debtors	–	–	248.40	443.86
	Sub Total - Subsidy Receivables (*)	–	–	2520.69	2135.35
	TOTAL	–	–	2769.09	2579.21

* Includes an amount of ₹ 491.64 crores (P.Y. ₹ 127.52 crores) received under special banking arrangement also stated in Note no. 7)

₹ in Crore

NOTE NO. 16	“CASH AND CASH EQUIVALENTS”	AS AT 31.03.2014	AS AT 31.03.2013
Cash and Cash Equivalents			
	Cash on hand	0.02	0.03
	Cheques in hand	1.45	–
	Deposits with original maturity less than 3 months	0.03	–
	In Current and Cash Credit accounts	67.22	45.17
	In unpaid Dividend Account	0.51	0.43
		69.23	45.63
Other Bank Balances			
	Deposits with original maturity more than 3 months but less than 12 months	1.42	130.00
	Margin money deposit	0.30	0.11
		1.72	130.11
	TOTAL	70.95	175.74

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Crore

NOTE NO. 17	“REVENUE FROM OPERATIONS”	Year ended March 2014	Year ended March 2013
1. Sales			
A. Manufactured Products	17A		
Fertilizers		2114.70	2090.82
Industrial Products		987.47	1080.89
		<u>3102.17</u>	<u>3171.71</u>
Less: Excise duty		(135.59)	(144.17)
		<u>2966.58</u>	<u>3027.54</u>
B. Bought-out Products	17A		
Fertilizers		330.01	685.97
Net Sales		<u>3296.59</u>	<u>3713.51</u>
2. Other Operating Revenues			
Subsidy on Urea & Complex Fertilizers	17B	3270.87	3041.45
Sale of Scrap		10.16	6.48
Management Fees - For Services rendered		9.98	12.40
TOTAL		<u>3291.01</u>	<u>3060.33</u>
Revenue from Operations (Net)		<u>6587.60</u>	<u>6773.84</u>

₹ in Crore

NOTE No. 17A	“SALES - PRODUCT WISE BREAK-UP”	Year ended March 2014	Year ended March 2014	Year ended March 2013	Year ended March 2013
		Quantity (M.T)	Value	Quantity (M.T)	Value
1	Manufactured				
	A. Fertilizers				
	Urea	1,807,938	935.58	1,811,499	938.35
	Suphala 15 : 15 : 15	359,225	527.95	446,666	645.77
	Suphala 20 : 20 : 0 (Ammonium Nitrate Phosphate)	188,286	280.99	135,075	202.14
	Neem coated Urea	606,851	330.88	475,327	258.91
	Boronated Suphala	1,714	2.55	15,453	23.95
	Others	—	36.75	—	21.70
		<u>2,964,014</u>	<u>2114.70</u>	<u>2,884,020</u>	<u>2090.82</u>
	B. Industrial Products				
	Methanol	54,862	184.97	52,994	129.31
	Ammonia	74,576	274.66	105,429	409.21
	Dilute Nitric Acid	16,389	22.87	14,278	19.93
	Concentrated Nitric Acid	30,941	47.57	33,031	51.97
	Ammonium Bi-carbonate	26,937	32.70	27,621	41.65

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Crore

NOTE No. 17A “SALES - PRODUCT WISE BREAK-UP”	Year ended March 2014	Year ended March 2014	Year ended March 2013	Year ended March 2013
	Quantity (M.T)	Value	Quantity (M.T)	Value
Sodium Nitrate	1,690	5.56	1,680	5.58
Sodium Nitrite	2,624	9.82	2,778	9.82
Methylamines	9,887	80.67	11,889	78.54
Ammonium Nitrate Melt	99,741	230.36	100,232	227.19
Dimethyl Formamide	2,670	20.07	3,549	24.15
Dimethyl Acetamide	2,674	23.03	3,020	24.06
Argon	7,985	11.79	9,039	15.52
Formic Acid	5,692	26.96	6,587	28.03
Others	–	16.44	–	15.93
		<u>987.47</u>		<u>1080.89</u>
2. Bought-out Products				
A. Fertilizers				
Imported Di Ammonium Phosphate	100,501	230.83	113,503	247.39
Imported Muriate of Potash	12,220	18.68	142,363	219.68
Imported Urea	30,518	15.81	83,612	43.36
Single Super Phosphate	46,674	29.96	39,230	25.70
Imported NPK 20:20:0	739	1.12	20,423	29.35
Imported DAP Lite	–	0.00	–	0.00
Ammonium Sulphate	3,192	3.74	10,527	11.39
Traded DAP	2,716	6.03	36,524	85.22
Others	–	23.84	–	23.88
		<u>330.01</u>		<u>685.97</u>
		<u>3432.18</u>		<u>3857.68</u>

*Sales are net of trade rebates and discounts (C.Y. ₹ 92.05 crore, P.Y. ₹ 120.65 crore)

₹ in Crore

NOTE NO. 17B	“SUBSIDY”	Year ended March 2014	Year ended March 2013
Manufactured Fertilizers			
Price		2671.98	2216.12
Freight		424.30	349.22
		<u>3096.28</u>	<u>2565.34</u>
Bought-out Fertilizers			
Price		153.73	435.12
Freight		20.86	40.99
		<u>174.59</u>	<u>476.11</u>
TOTAL		<u>3270.87</u>	<u>3041.45</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Crore

NOTE NO. 18	“OTHER INCOME”	Year ended March 2014	Year ended March 2013
Interest Income			
	On Loans to Employees	0.03	0.05
	On Deposits with Bank and Others	5.70	25.91
	From Customers	5.46	0.61
	On Income Tax Refunds	–	2.43
	From Others	0.20	0.16
	TOTAL	11.39	29.16
Other Income			
	Lease rent for railway wagons	1.41	–
	Dividend from Trade Investment	0.08	0.08
	Dividend from other than Trade Investment	0.04	5.18
	Profit on sale of fixed assets (Net)	0.04	0.06
	Bad debts recovered	0.63	0.84
	Provisions for Doubtful debts/advances/obsolescence no longer required	6.66	0.82
	Liabilities/Provisions for expenses of earlier years no longer required	5.48	3.04
	Rent received, recovery of electricity etc.	21.55	20.52
	Lease compensation of railway siding	–	8.90
	Miscellaneous Income	26.76	24.39
		62.65	63.83
	Less: Transfer to Research and Development Expenses (Refer Note No. 24C) (C.Y. ₹ 51021, P.Y. ₹ 15265)	–	–
		74.04	92.99

₹ in Crore

NOTE NO. 19	“COST OF MATERIALS CONSUMED”	Year ended March 2014	Year ended March 2013
	Raw Materials	2531.09	2490.82
	Packing Materials	115.02	109.05
	TOTAL	2646.11	2599.87

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Crore

NOTE No. 19A	“ITEMWISE BREAKUP OF MATERIALS CONSUMED”	Year ended	Year ended	Year ended	Year ended
		March 2014	March 2014	March 2013	March 2013
		Quantity (M.T)	Value	Quantity (M.T)	Value
RAW MATERIALS					
	Rock Phosphate	186,196	198.62	224,269	272.10
	Di-Ammonium Phosphate	535	1.49	–	–
	Mono-Ammonium Phosphate	86,574	232.64	84,487	251.74
	Muriate of Potash	88,653	228.21	121,647	357.64
	Sulphur	21,450	22.02	24,220	27.62
	Soda Ash	3,339	6.53	3,695	7.37
	Sulphuric Acid	–	–	7,017	2.81
	Associated Gas (Quantity in ‘000 M3) (Non APM)	42,528	49.69	–	–
	Associated Gas (Quantity in ‘000 M3) (APM)	89,369	74.14	92,022	75.64
	Natural Gas (Quantity in ‘000 M3) (PMT/RIL)	814,378	1,108.39	950,724	1,151.94
	Natural Gas (Quantity in ‘000 M3) (RLNG-spot/Mid Term Gas)	138,449	567.69	86,438	297.90
	Others	–	41.67	–	46.06
	TOTAL		2,531.09		2,490.82

₹ in Crore

NOTE No. 20	“PURCHASES OF STOCK IN TRADE”	Year ended	Year ended	Year ended	Year ended
		March 2014	March 2014	March 2013	March 2013
		Quantity (M.T)	Value	Quantity (M.T)	Value
	Imported Urea	29,600	19.97	62,401	44.23
	Imported Di Ammonium Phosphate	71,400	232.77	122,857	423.89
	Imported Muriate of Potash	–	–	121,792	349.80
	Sulphur Betonite	1,852	3.10	–	–
	Single Super Phosphate	39,098	23.03	21,819	13.54
	Ammonium Sulphate	3,192	3.65	10,527	11.08
	NPK 10:26:26	5,335	9.94	–	–
	Others	–	6.74	–	99.00
	TOTAL		299.20		941.54
	Less: Transferred to Plant for internal consumption				
	Imported Muriate of Potash	5,193	15.08	13,734	41.17
	TOTAL		284.12		900.37

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Crore

NOTE NO. 21	“CHANGES IN INVENTORIES”	Year ended March 2014	Year ended March 2013	
Opening Stock				
	Finished Goods	21A	307.76	180.07
	Intermediary Products		26.53	18.26
	By-Products		9.51	11.63
	Stock in trade	21A	207.80	334.21
	Carbon Credits		0.35	0.28
	Sub-Total		551.95	544.45
Closing stock				
	Finished Goods	21B	176.57	307.76
	Intermediary Products		27.54	26.53
	By-Products		8.70	9.51
	Stock in trade	21B	29.57	207.80
	Carbon Credits		0.88	0.35
	Sub-Total		243.26	551.95
Changes in Inventories			308.69	(7.50)
	Differential Excise duty on stocks of Finished goods		0.92	0.48
	TOTAL		309.61	(7.02)

₹ in Crore

NOTE No. 21A	“OPENING STOCK - PRODUCT WISE BREAK-UP”	Year ended March 2014	Year ended March 2014	Year ended March 2013	Year ended March 2013
		Quantity (M.T)	Value	Quantity (M.T)	Value
Finished Goods					
1. Manufactured					
A. Fertilizers					
	Urea (Trombay)	16,725	21.58	15,650	17.33
	Urea (Thal)	111,229	124.61	64,708	61.09
	Complex Fertilizers	54,111	126.25	42,505	80.79
	Others	–	29.12	–	12.68
B. Industrial Products					
	Methanol	1,301	3.11	1,788	3.61
	Concentrated Nitric Acid	34	0.05	149	0.20
	Ammonium Bi-carbonate	158	0.17	66	0.06
	Sodium Nitrate	103	0.34	31	0.11
	Sodium Nitrite	100	0.35	43	0.16
	Methylamines	47	0.11	292	1.33
	Ammonium Nitrate Melt	45	0.07	43	0.07
	Dimethyl Formamide	44	0.30	93	0.54
	Dimethyl Acetamide	8	0.05	25	0.16
	Argon	54	0.08	78	0.13
	Formic Acid	176	0.79	309	1.14
	Others	–	0.78	–	0.67
			307.76		180.07

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Crore

NOTE No. 21A	“OPENING STOCK - PRODUCT WISE BREAK-UP”	Year ended	Year ended	Year ended	Year ended
		March 2014	March 2014	March 2013	March 2013
		Quantity (M.T)	Value	Quantity (M.T)	Value
2. Bought-out Products					
Fertilizers					
Imported Di Ammonium Phosphate		37,091	127.81	25,552	101.76
Imported Muriate of Potash		17,297	51.56	52,065	138.66
Imported Urea		1,085	0.90	22,593	18.68
Single Super Phosphate		14,529	11.65	9,555	7.41
Water Soluble Fertilizers		1,282	7.23	1,600	9.24
Imported NPK 20:20:0		741	1.82	21,172	50.68
Sulphate of Potash		229	0.80	1,438	5.01
Traded DAP		2,716	6.03	–	–
Others		–	–	–	2.77
			207.80		334.21
	TOTAL		515.56		514.28

₹ in Crore

NOTE No. 21B	“CLOSING STOCK - PRODUCT WISE BREAK-UP”	Year ended	Year ended	Year ended	Year ended
		March 2014	March 2014	March 2013	March 2013
		Quantity (M.T)	Value	Quantity (M.T)	Value
Finished Goods					
1. Manufactured					
A. Fertilizers					
Urea (Trombay)		17,144	24.73	16,725	21.58
Urea (Thal)		41,761	55.41	111,229	124.61
Complex Fertilizers		22,244	51.22	54,111	126.25
Others		–	31.59	–	29.12
B. Industrial Products					
Methanol		2,309	6.32	1,301	3.11
Concentrated Nitric Acid		56	0.08	34	0.05
Ammonium Bi-carbonate		167	0.18	158	0.17
Sodium Nitrate		20	0.07	103	0.34
Sodium Nitrite		74	0.32	100	0.35
Methylamines		169	1.23	47	0.11
Ammonium Nitrate Melt		10	0.02	45	0.07
Dimethyl Formamide		206	1.50	44	0.30
Dimethyl Acetamide		1	0.01	8	0.05
Argon		158	0.23	54	0.08
Formic Acid		250	1.22	176	0.79
Others		–	2.44	–	0.78
			176.57		307.76
2. Bought-out Products					
Fertilizers					
Imported Di Ammonium Phosphate		5,101	18.14	37,091	127.81
Imported Muriate of Potash		–	–	17,297	51.56
Imported Urea		1	–	1,085	0.90
Single Super Phosphate		6,931	5.25	14,529	11.65
Water Soluble Fertilizers		961	4.95	1,282	7.23
Imported NPK 20:20:0		–	–	741	1.82
Sulphate of Potash		–	–	229	0.80
Traded DAP		–	–	2,716	6.03
Others		–	1.23	–	–
			29.57		207.80
	TOTAL		206.14		515.56

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Crore

NOTE NO. 22	“EMPLOYEE BENEFITS EXPENSE”	Year ended March 2014	Year ended March 2013
	Salaries, Wages and Bonus	382.08	378.51
	Contribution to Provident Fund and other funds	40.45	37.97
	Contribution to Gratuity Fund	(6.62)	10.21
	Workmen and Staff Welfare Expenses	47.46	44.33
		463.37	471.02
Less :	Salaries, Wages, Bonus and contribution to Provident Fund & Other funds Included in :		
	Research and Development (Refer Note No. 24C)	(3.22)	(2.89)
	Share recoverable from Thal Ammonia Extension and Others	(18.15)	(18.73)
		(21.37)	(21.62)
	TOTAL	442.00	449.40

₹ in Crore

NOTE NO. 23	“FINANCE COSTS”	Year ended March 2014	Year ended March 2013
	On Term Loans-From Banks	25.49	19.83
	On Working capital from Banks	65.42	60.65
	On other loans and deposits	3.17	2.77
	Applicable net gain/loss on foreign currency transactions and translation in respect of borrowings	29.86	38.91
	Interest on taxes	3.47	0.16
	On Other Borrowing & Finance Costs	3.88	4.84
	TOTAL	131.29	127.16

₹ in Crore

NOTE NO. 24	“OTHER EXPENSES”	Year ended March 2014	Year ended March 2013
	Stores and Spares	49.60	36.71
	Power and fuel	1247.03	1180.19
	Water Charges	71.89	56.45
	Repairs and Maintenance	191.71	174.82
	Freight and Handling Charges	549.34	597.64
	Rent	9.42	11.94
	Rates and Taxes	7.51	6.08
	Insurance	14.25	9.19
	Cash Discounts and Other Rebates	28.26	22.60
	Miscellaneous Expenses	170.58	148.25
	Less: Transferred to Research & Development Expenses (Refer Note No. 24C)	(0.15)	(0.09)
		2339.44	2243.78

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Crore

NOTE NO. 24A	“REPAIRS AND MAINTENANCE”	Year ended March 2014	Year ended March 2013
	Plant and Machinery	131.93	107.57
	Buildings	34.63	38.35
	Other Assets	25.28	28.97
		191.84	174.89
	Less: Transferred to Research & Development Expenses (Refer Note No. 24C)	(0.13)	(0.07)
	TOTAL	191.71	174.82

₹ in Crore

NOTE NO. 24B	“MISCELLANEOUS EXPENSES”	Year ended March 2014	Year ended March 2013
	Security expenses-Factory and Others	27.09	25.45
	Electricity Charges-Township and Offices	5.61	5.37
	Advertisement	4.92	9.73
	Bank Charges	1.27	2.25
	Promotion and Publicity	3.53	4.99
	Hire Charges for vehicles	4.75	4.09
	Travelling expenses	6.95	7.50
	Miscellaneous expenses *	36.49	37.10
	Entertainment Expenses	0.11	0.08
	Donations	1.14	–
	Research and Development expenses 24C	3.90	3.52
	Loss on Fixed Assets Sold /Discarded	1.79	0.10
	Losses/ Damages and other amounts written off	0.40	2.23
	Foreign exchange Loss/(Gain)	71.16	25.47
	Loss on sale/ Mark To Market valuation of Equity Investments	0.18	–
	Corporate Social Responsibility expenses * *	14.82	9.05
	Duties and Taxes	–	12.04
	Provision for Doubtful Debts/ Claims/ Advances	6.61	14.60
	Provision for obsolescence of stores	1.27	1.37
	Bad debts written off	0.81	0.80
	Prior period Items -Debit(+)/Credit(-) 24D	(0.38)	0.36
	Adjustment towards share of common expenses recoverable from TAE/TDP	(21.84)	(17.85)
	TOTAL	170.58	148.25

* Includes Directors' sitting fees C.Y. ₹ 60,000, P.Y. ₹ Nil

* * Refer Note No. 44

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Crore

NOTE NO. 24C	“RESEARCH & DEVELOPMENT EXPENSES”	Year ended March 2014	Year ended March 2013
	Salaries and Staff Welfare Expenses	3.22	2.89
	Repairs and Maintenance	0.13	0.07
	Depreciation	0.05	0.04
	Other Expenses	0.47	0.50
	Handling charges	0.03	0.02
	Sub Total	3.90	3.52
	Less: Transferred from Other Income (C.Y. ₹ 51021, P.Y. ₹ 15265)	–	–
	TOTAL	3.90	3.52

₹ in Crore

NOTE NO. 24D	“PRIOR PERIOD ITEMS”	Year ended March 2014	Year ended March 2013
	Debits / Credits (-)		
	Interest	–	(0.02)
	Materials Consumed	0.67	–
	Repairs and Maintenance	(0.99)	–
	Depreciation	0.14	0.38
	Others	(0.20)	–
	TOTAL	(0.38)	0.36

A. Statement of Significant Accounting Policies forming Part of Accounts for the year ended 31st March, 2014

1. Basis of Preparation of Financial Statements:

Accounting Convention:

The financial statements have been prepared in conformity with generally accepted accounting principles to comply in all material respects with the notified Accounting Standards(AS) under Companies (Accounting Standard) Rules 2006 and the relevant provisions of the Companies Act 1956("the Act"). The financial statements have been prepared under the historical cost convention, on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

Presentation and disclosure of financial statements

As per criteria set out in the revised Schedule VI notified under the Act, all assets and liabilities have been classified as current or non-current which are as under:

Based on the nature of products and the time taken between the acquisition of assets or processing and their realization in cash and cash equivalents, company has ascertained its operating cycle. The Normal operating cycle as determined by the Company is 6 months.

The threshold for classification as current or non-current assets is determined either by the realization of such assets within the normal operating cycle or if such asset is expected to be realized within twelve months after the reporting date. Thus classification of an asset either current or non-current has been made applying the criteria of realization of such assets within a period of 12 months after the reporting date.

Where assets have been fully provided for as doubtful, the same are classified as non-current.

Similarly in case of liabilities the same is classified as current where it is expected to be settled within 12 months after reporting date and where the company does not have an unconditional right to defer settlement of the liability for at least twelve months after reporting date.

2. Use of Estimates:

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the results of operations

during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revisions to accounting estimates are recognized prospectively when revised, in current and future periods.

3. Fixed Assets

3.1 Fixed assets comprise of tangible assets and intangible assets, and are stated at their original cost of acquisition (net of Cenvat and VAT) less accumulated depreciation/amortization and impairment loss. Cost for this purpose includes all costs attributable for bringing the asset to its present location and condition. Assets held for disposal, are stated at lower of net book value and net estimated realizable value.

3.2 The Government/Institutional grants of capital nature are adjusted to the gross block of relevant Fixed Assets.

3.3 From accounting periods commencing on after 01-4-2011, the Company adjusts exchange differences on translation / settlement of long term monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset.

4. Depreciation/Amortization

Depreciation on Fixed Assets other than on intangible assets (software applications) is provided for under STRAIGHT LINE METHOD (SLM) at the rates prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on additions/deductions to Gross Block is calculated on pro-rata basis from the date of such additions/and up to the date of such deductions.

Intangible assets (software applications) are amortized over their respective individual estimated useful lives on a STRAIGHT-LINE BASIS, pro-rata from the date the asset is available to the Company for its use. Management estimates the useful life of software applications identified as intangible assets as three years. Any expenses incurred on intangible assets up to ₹ 1 lakh in each case are being charged off in the year of incurrence.

Leasehold land is amortized equally over the lease period pro-rata from the month the asset is available to the Company.

Depreciation on Catalyst capitalized upon commissioning is provided on the estimated useful life as technically assessed.

Depreciation on railway wagons purchased is provided on its estimated useful life.

Impairment of Assets:

The carrying amounts of assets are reviewed at each Balance Sheet date for identifying an impairment based on internal/external factors. Loss on impairment is provided to the extent the carrying amount of assets exceeds its recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. After recognition of impairment loss, the revised carrying amount less residual value of the impaired asset would be depreciated on systematic basis over its remaining useful life. A previously recognized loss on impairment is increased or reversed depending on the change in the circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

5. Expenditure during Construction (EDC)

All pre-operative costs (net of income) incidental to new projects undertaken are accumulated as EDC and apportioned appropriately among the various plants/facilities during the year of capitalization.

6. Borrowing Costs:

Interest and other costs in connection with the borrowing of the funds to the extent related/attribution to the acquisition/ construction of qualifying assets are accumulated and capitalized up to the date when such assets are ready for their intended use. All other borrowing costs are charged to statement of Profit and Loss.

7. Foreign Currency Transactions

Transactions in Foreign currency are recorded in the reporting currency by applying the currency rate as at the date of transaction.

Monetary items denominated in foreign currency are translated at the rates of exchange prevalent on the Balance Sheet date. The resultant exchange differences are recognized in the Statement of Profit and Loss. Non-monetary items are recorded at the rates prevalent on the date of the transaction.

Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed

asset are capitalized and depreciated over the remaining useful life of the asset. For this purpose, the company treats a foreign currency monetary items as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its obligation.

All other exchange differences (gains or losses) are recognized in the Statement of Profit and Loss in the period in which they arise.

8. Derivative Instruments

The Company uses derivative financial instruments such as forward contracts and options to hedge its exposure associated with foreign currency fluctuations. These derivative instruments are accounted as follows:-

- a) For forward contracts (including instruments which are in substance forward contracts) which are not intended for trading or speculative purposes, the premium or discount on such contracts i.e. (difference between the contract rate and the spot rate on the date of the contract) is recognized as expense or income in the Statement of Profit and Loss over the life of the contract.
- b) Outstanding Derivative contracts, other than those covered under Accounting Standard-11 as at the Balance sheet date are marked to market and loss on valuation is recognized in the Statement of Profit and Loss. Gains if any are ignored in line with the principle of prudence enunciated in Accounting Standard-1, Disclosure of Accounting policies as per the announcement of Institute of Chartered Accountants of India.

9. Investments

Current Investments are valued at lower of cost and fair value. Long term investments are stated at cost and provision is made for any diminution in such value, which is other than temporary in nature.

10. Inventory

10.1 Assessment of Inventory

Raw Materials, Intermediary Products, By-Products and Finished Products inside factory premises are assessed by survey method on a date as close as possible to the Balance Sheet date and the shortages /excesses in the quantities as compared to book stocks are adjusted in the books. Finished goods and other inventory stored outside the factory premises are taken as per warehousing certificates and third party confirmation respectively.

10.2 Mode of Valuation

Inventory is valued at lower of cost and net realizable value except in case of by-products, which are valued at, net realizable value. Gases and slurries, if any, in pipelines at different stages of process are not valued as the same is not practicable.

10.3 Basis of Cost:

- 10.3.1 The cost of manufactured finished goods, bought out products and intermediary products are arrived at based on weighted average cost. Bifurcation of cost of joint products is made on technical estimates.
- 10.3.2 Cost of raw materials, petroleum products, packing materials, stores and spares, and loose tools is determined on weighted average cost basis.
- 10.3.3 Used loose tools are treated as consumed and hence not valued.
- 10.3.4 Project surplus stores and spares of old plants not in use are brought in the books at nominal estimated value/technical estimate or carried in memorandum records.
- 10.3.5 Provision is made in respect of raw materials, packing materials, stores and spares and petroleum products, wherever appropriate, based on technical estimates, to reflect the impact of obsolescence, damage or other diminution in value.

10.4 Measurement of Cost / Realisable Value

10.4.1 Cost of Purchases

Cost of purchase includes duties, taxes (net of those recoverable) freight and other expenses net of trade discounts, rebates and price adjustments.

10.4.2 Cost of Manufactured goods

Cost of Manufactured Goods comprises of direct cost, variable production overheads and fixed production overheads on absorption costing method. Catalysts issued are charged off over their estimated useful lives as technically assessed. Variable production overheads are allocated based on actual production. Variable overheads related to movement of finished products are allocated based on actual dispatches. Fixed overheads are allocated based on higher of the actual production level or normal production level. Average freight incurred is included in valuing stocks in field warehouses and in transit.

10.4.3 Cost of Traded Fertilizers

It comprises of Cost of Purchases as defined under 10.4.1, plus bagging, handling and transportation costs incurred to bring the material in its present location and condition.

10.4.4 Net-Realizable Value

Price of urea is administered by the Government of India by which selling price is fixed for the buyer. The net realizable value for manufactured urea is taken at retention price (selling price net of dealers' margin plus subsidy from Government of India) net of variable selling and distribution cost. Net realizable value of off-spec urea is taken at 40% of MRP excluding subsidy.

The net realizable value of phosphatic and potassic fertilizers is taken at the applicable selling prices expected to be realized, net of dealers' margin and variable selling and distribution costs plus the concession as fixed/ to be fixed by Government. Net realizable value of off-spec phosphatic and potassic fertilizers is taken at selling price net of dealers' margin and estimated cost of re-processing including transportation cost to factory. The net realizable value of off traded phosphatic and potassic out fertilizers is at 30% of MRP excluding subsidy.

The Net realizable value of imported Urea is the selling price and other entitled compensation as contracted with the Government net of variable selling and distribution cost.

The net realizable value of off-spec imported Urea is taken at 40% of MRP excluding subsidy.

Average freight incurred on despatches from silo/factory/ port to godown is reduced for arriving at the net realizable value in respect of stocks of fertilizers in silo/factory/port.

The net realizable value of non-fertilizer products is taken at the year-end lowest selling prices net of variable selling and distribution cost.

11. Trade receivables, other debts, loans and advances are provided for as doubtful upon review on case to case basis.

Subsidy receivable from Government overdue over 3 years are provided for as doubtful.

12. Leases

Assets acquired on leases wherein a significant portion of the risks and rewards of ownership are retained by the

lessors are classified as operating leases. Lease rentals paid for such leases are recognized as an expense as per the lease terms, which is more representative of the time pattern of the benefit.

Rental income on leases is accounted for an accrual basis in accordance with the terms of the contract. This is more representative of the time pattern in which benefit derived from the use of the leased asset is diminished.

13. Taxation

Provision for Current Income Tax is made in accordance with the Income Tax Act 1961.

Deferred Tax resulting from "timing difference" between book profit and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be adjusted in future and for unabsorbed depreciation or carry forward of losses where there is a virtual certainty of their adjustment in future.

14. Cash and Cash Equivalents

Cash and cash equivalents in the cash flow statement comprises of cash in hand, cash at bank and short term investments with an original maturity of three months or less.

15. Segment Information

The Company has recognized its factory at Trombay, factory at Thal and Trading, as geographical segments based on location of assets (primary segments) and its activities of manufacture and sale of fertilizers, and manufacture and sale of industrial products as business segments (secondary segments). This is based on its internal reporting, review of performance, decision making relating to future allocation of resources, policy parameters influencing business etc. by the Company's management.

16. Employee Benefits

- 16.1.1 Contribution to Provident Fund is accounted for on accrual basis. The Provident Fund contributions are made to a Trust administered by the Company. The interest rate payable to the members of the Trust shall not be lower than statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. Such shortfall on account of interest, if any, is recognized in the Statement of Profit and Loss.

- 16.1.2 Company's defined Contribution made to its Super-annuation scheme is charged off to Statement of Profit and Loss on accrual basis.

- 16.1.3 Defined Benefit plans comprising of gratuity, leave encashment on retirement, Post retirement medical benefits and long term service award are recognized based on the present value of Defined Benefit Obligation based on actuarial valuation carried out as on the date of the Balance Sheet. The actuarial valuation is done as per Projected Unit Method.

- 16.1.4 Actuarial gains and losses are recognized in full in the Statement of Profit and Loss for the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value scheme of assets, wherever applicable.

17. Earnings per Share (EPS)

Basic earnings per share is calculated by dividing net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted EPS, net profit or loss after tax for the year attributable to equity shareholders are divided by the weighted average number of equity shares outstanding during the year and are adjusted for the effects of all dilutive potential equity shares.

18. Research and Development Expenditure

Revenue Expenditure on Research activity is recognized separately and charged to Statement of Profit and Loss. Expenditure on development activities is capitalized when its future economic benefits can reasonably be regarded as assured.

19. Revenue Recognition

- 19.1 Sales are recognized on an accrual basis when all significant risks and rewards of ownership are transferred to the buyer and the Company retains no effective control of the goods transferred.
- 19.2 Gross Sales (net of returns) include excise duty, wherever applicable.
- 19.3 Subsidy income is accounted on the quantity sold during the year.
- 19.4 Recognition of Subsidy is generally made on

the basis of in principle recognition/approval/settlement of claims from Government of India / Fertilizer Industry Co-ordination Committee.

- 19.5 Other Income is recognized on an accrual basis.
- 19.6 Dividend income is recognized when right to receive dividend is established.
- 19.7 Interest Income is recognized when no significant uncertainty as to its realization exists and is accounted on time proportion basis at contracted rates.
- 19.8 Scrap, salvaged/waste materials and sweepings are accounted for on realization.
- 19.9 Insurance and other miscellaneous claims are recognized on receipt/acceptance of claim.
- 19.10 Income from sale of Certified Emissions Reductions (CER's)/Voluntary Emissions Reductions (VER's) is recognized on delivery and confirmation of the same by the concerned authorities.
- 19.11 **Debits/Credits Relating to Prior period**
Income and expenditure pertaining to earlier period and up to ₹ 1,00,000/- in each case, are not being classified as relating to "prior period".
- 19.12 **Prepaid Expenses**
Individual expense up to ₹ 25,000 is not considered in classifying prepaid expenses.

20. Government Grants

Government grants are recognized when there is a reasonable assurance that the same will be received and conditions stipulated for its entitlement are complied with. Revenue grants are recognized in the Statement of Profit and Loss. They are adjusted to the related item of expense. Capital grants are reduced from the Gross Value of the respective assets. Other capital grants in the nature of Promoter's contribution are credited to capital reserve.

21. Contingent Liabilities and Provisions

Claims against the Company not acknowledged as debts relating to normal business transactions and show cause notices and demands disputed by the Company are treated as Contingent Liabilities after careful evaluation of facts. Provision in respect of contingent liabilities if any, is made when it is probable that a liability may be incurred and the amount can be reasonably estimated.

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

Explanatory Information on Financial Statements for the Year ended 31st March, 2014

25. CONTINGENT LIABILITIES NOT PROVIDED FOR:

25.1 Claims against the Company not acknowledged as debts to the extent ascertainable (Interest cannot be estimated reliably) aggregates to ₹ 23.50 crore (P.Y. ₹ 23.62 crore) which include the following:

- Claims preferred by local Authorities amounting to ₹ 8.34 crore (net of payment made/liability provided of ₹ 3.95 crore). The Capitalization of land at Kurul Township and factory at Thal Unit has been made subject to Arbitration awards/Court decisions in this behalf.
- SCADA charges claimed by M/s GAIL (I) Ltd. ₹ 1.47 crore (P.Y. ₹ 1.47 crore)
- Water charges claimed by Municipal Corporation of Greater Mumbai. ₹ 0.67 crore (P.Y. ₹ 0.41 crore).
- Claims before arbitrators/courts, are ₹ 13.03 crore (P.Y. ₹ 13.41 crore).

25.2 Corporate Guarantee executed by the Company on behalf of its Joint Venture Company, FACT-RCF Building Products Ltd aggregates to ₹ 37.66 crore (P.Y. ₹ 17.50 crore).

25.3 Claims against the Company not acknowledged as debts.

(₹ in crore)

In respect of matters under dispute with various authorities	As at 31 st March, 2014	As at 31 st March, 2013
Excise Duty (D)	21.66	21.66
Excise Duty (S)	131.03	131.03
Sales Tax (D)	32.01	0.00
Income Tax (D) *	18.24	21.56
Service Tax (D)	17.09	15.20
Custom Duty (D)	97.28	80.93

(D) (Demands raised)/(S) (Show cause notice issued).

* Against which an amount of ₹ 4.03 crore has been deposited with Tax authorities.

25.4 The amount of claims in respect of legal cases filed against the Company for labour matters and not acknowledged as debts is not ascertainable.

25.5 CESTAT vide its order No.A/270-271/12/EB/C-II dated 27.03.2012 confirmed the demand of excise duty as per the Order in Original issued by Commissioner Excise LTU amounting to ₹ 9.66 crore, interest at appropriate rate and a reduced penalty of ₹ 4.67 crore in respect of Naphtha purchased by the company at concessional rate of excise duty for the purposes other than mentioned in the exemption notification for the period November 1996 to February 2005. Company's appeal against the above order was set aside by Bombay High Court consequent to which the demand was enforced for payment. Company has deposited an amount of ₹ 9.66 crore towards duty demanded. Company has appealed against the order of CESTAT and also filed a Stay application against demand of interest and penalty in Hon'ble Supreme Court. While granting the Stay, Hon'ble Supreme Court directed the Company to deposit an amount of ₹ 2.00 crore towards penalty as against ₹ 4.67 crore originally demanded, which has since been deposited. The said amount of ₹ 11.66 crore has been charged off to statement of profit and loss in the previous year. The appeal is yet to be heard.

During the year, intimation was received from excise authorities seeking payment of ₹ 18.61 crore towards interest in the said matter. Company has disputed the same since the matter is already resting with Hon'ble Supreme Court.

For the period from March 2005 to October 2005, show cause notice is served for ₹ 1.77 crore for the same reason. Commissioner of excise passed an order for payment of excise duty of ₹ 1.77 crore and penalty of ₹ 1.77 crore plus interest at an appropriate rate. Company filed an appeal cum Stay application before CESTAT. Stay on recovery has been granted by CESTAT; however the appeal is yet to be heard.

25.6 Demand of ₹ 33.48 crore raised by Municipal Corporation of Greater Mumbai (BMC) towards additional sewerage charges levied from 5-4-1987 are disputed by the Company in a Writ Petition filed in Bombay High Court. The Honorable High Court vide its interim Order dated 10-11-92 has granted stay on recovery of the demand for the period up to the date of the Order and directed the Company to pay sewerage charges from the date of the order which is being paid by

the Company. The matter has been disposed off by the High Court and the Company approached Supreme Court. Supreme Court has now directed the Bombay High Court to hear the matter and decide on merits based on facts of the case. The Stay granted on the said matter continues.

As a part of an agreement entered into with BMC for obtaining raw sewerage, the Company has paid an interest free deposit of ₹ 16 crore to BMC (included in Note no.12) representing approximately 50% of the disputed demand which would be adjustable against the disputed demand in case the Court rules in favor of BMC. No provision is considered necessary for the disputed demand of ₹ 33.48 crore as the claim of BMC is not tenable.

- 25.7 The Company had entered into a lumpsum turn key contract with M/s Uhde India Ltd (UDL) for revamp of its Old Nitric Acid plant at Trombay Unit .During 2004-05, Commissioner of Customs (Imports) Mumbai had allowed clearance of the Air Compressor package consignment under provisional assessment after payment of applicable custom duties, furnishing of Bank guarantees towards demand and a revenue deposit of ₹ 5.75 crore.

Thereafter Commissioner of Customs passed an Order for payment of Custom Duty and penalty aggregating to ₹ 25.62 crore against the above matter. Company has paid ₹ 9.27 crore against provisional assessment including Countervailing Duty (CVD) and Cenvat credit amounting to ₹ 4.49 crore has been availed on the CVD paid. On furnishing of bank guarantees amounting to ₹ 29.07 crore the said revenue deposit was returned.

The Order has been challenged before CESTAT / High Court and by an Order dated 20th June 2007, Bombay High Court stayed the order passed by the Commissioner of Customs and also against invoking the bank guarantees. The Company has renewed the Bank guarantees amounting to ₹ 29.07 crore. Bombay High Court has now ordered CESTAT to hear the Appeal filed by RCF and the Appeal before bench of CESTAT is expected to be heard. Company has been advised by solicitors and advocates that the demand is not sustainable and no provision is considered necessary.

- 25.8 Company has received invoices amounting to ₹ 50.34 crore from GAIL (India) Ltd. towards increase in transmission charges on account of Petroleum and Natural Gas Regulatory Board (PNGRB) order revising the tariffs of ONGC pipeline for supply of gas to Trombay unit. As opined by Company's legal consultants there is no privity of contract between ONGC and RCF and thus such an increase cannot be passed by GAIL (India) Ltd to RCF. As advised by Company's legal consultants this demand is not tenable and therefore no provision has been made towards the same.

- 25.9 Company has a contract with GAIL (India) Ltd for supply of APM gas to its Trombay and Thal units. The price of this gas has been defined under Article 10 of the contract where GAIL (India) Ltd. has the right to revise gas price at any time in future as per the directives of Government of India issued from time to time which clearly connotes that such revision would be prospective in nature. GAIL (India) Ltd had intimated to the Company in November 2013, in view of dwindling supply of APM gas, any additional gas supplied over and above the available gas under APM allocation would be market determined. GAIL (India) Ltd had accordingly preferred invoices for supply of such gas from November 2013. Company accepted the contention of GAIL (India) Ltd and made payments accordingly.

However Company is now in receipt of invoices from GAIL (India) Ltd., amounting to approximately ₹ 98 crore for the period February 2012 to November 2013 for supply of such gas. As mentioned above any revision should be prospective and any retrospective revision is against the spirit of Article 10 of the contract with GAIL (India) Ltd. Company has challenged the unilateral decision of GAIL to revise gas prices with them and has not agreed for the increase. Company has also represented this matter to Department of Fertilizers, Government of India.

As advised by Company's legal consultants this retrospective price increase has no sanctity in law and is not tenable and accordingly no provision has been made in the accounts.

26. Capital Commitments

(₹ in crore)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Capital Expenditure Commitments	22.89	130.36
Commitment Towards Investments	0.31	-

27. Company has acquired entire wagons (416 wagons) originally under lease from SBI Leasing Group. Further, under the "Own Your Wagons Scheme" of Indian Railways, these wagons have been sub-leased to Indian Railways. The estimated future revenue on this account is ₹ 4.24 crore (P.Y. ₹ 4.94 crore). Period wise classifications is as below.

(₹ in crore)

	Year ended 31-3-2014	Year ended 31-3-2013
Not Later than one year	0.71	0.71
Later than one year but not later than 5 years	2.82	2.82
Later than 5 years	0.71	1.41
Total	4.24	4.94
Lease rent (Income) recognized in Statement of Profit and Loss	1.41	0.00

28. Formalities relating to transfer of certain immovable and other properties from Fertilizers Corporation of India Limited to the Company on reorganization of the former in 1978 are not yet completed. Out of property cards for a total area of 3097278 sq. meter, property cards for 409582 sq. meter (P.Y.409582) are yet to be transferred in the name of the Company.
29. Out of total area of 5052476 Sq. meter area at Thal Unit, the title deeds relating to area of 3203543 Sq. meter area are in the name of the Company. The capitalization of Freehold land at Thal Unit includes land at Kihim having carrying Cost of ₹ 0.02 crore, pending execution of documents and transfer of title deeds in the name of Company, due to dispute.
30. Some of the balances of Trade Receivable, Trade Payable, Current Liability and Loans and advances are subject to confirmation, reconciliation and consequential adjustments if any. In the opinion of the management, such adjustments would not be material.
31. Inventory includes stores and spares costing ₹ 6.73 crore (P.Y. ₹ 6.70 crore) declared as surplus. The amount

includes stores/spares valued at ₹ 4.29 crore (P.Y. ₹ 4.18 crore) identified as disposable surplus which on disposal may not fetch full book value and accordingly, provision of ₹ 4.08 crore (P.Y. ₹ 3.97 crore) has been made on account of estimated loss on disposal thereof.

32. The Company is eligible to receive subsidy from Fertilizer Industry Co-Ordination Committee (FICC) / Department of Fertilizers (DOF) on Urea, Phosphatic and Potassic (P & K) Fertilizers at the rates notified from time to time.

For the rates yet to be notified, due to escalations/de-escalations in the cost of inputs and other costs, subsidy has been accounted on estimated basis.

The details of subsidy accounted on estimated basis are as under:-

(₹ in crore)

Particulars	2013-14			2012-13		
	Urea	P & K Fertilizers*	Imported Urea	Urea	P & K Fertilizers*	Imported Urea
For the Year	552.27	(5.94)	0.47	400.65	(18.29)	0.27
Total	552.27	(5.94)	0.47	400.65	(18.29)	0.27

* (Subsidy refundable)

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

(₹ in crore)

Sr. No.	Particulars	2013-14	2012-13
1	Principal amount remaining unpaid as on 31 st March	3.70	0.09
2	Interest due thereon 31 st March	NIL	NIL
3	Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	NIL	NIL
4	Interest due and payable for the period of delay making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL
5	Interest accrued and remaining unpaid as on 31 st March.	NIL	NIL

(₹ in crore)

Sr. No.	Particulars	2013-14	2012-13
6	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL

Dues to Micro and small enterprises have been determined to the extent such parties have been identified on the basis of information given by such parties/available with the company. This has been relied upon by the auditors.

34. Company has recognized its factory at Trombay, factory at Thal and Trading, as geographical segments (primary segments) and its activities of manufacture and sale of fertilizers, and manufacture and sale of industrial products as business segments (secondary segments) in accordance with Accounting Standard – 17 on Segment reporting prescribed under the Companies (Accounting Standard) Rules, 2006. The segment wise revenue, expenses and capital employed are given in Annexure-1.

35. Information as per Accounting Standard (AS-18) on Related Party Disclosures is given below:-

Company is under the administrative control of Ministry of Chemicals and Fertilizers, Government of India and is within the meaning of state controlled enterprise as per para 10.13 of Accounting Standard-18.

1) Key Management Personnel

Whole time Directors:-

- (i) Shri. R.G. Rajan, Chairman and Managing Director
- (ii) Shri. C.M.T. Britto, Director (Technical)
- (iii) Shri. Ashokkumar Ghasghase, Director (Marketing)
- (iv) Shri. Gautam Sen, Director (Finance) upto 31st January 2014.

2) Details relating to parties referred in above.

Remuneration: -

(₹ in crore)

Particulars	2013-14	2012-13
Shri. R.G. Rajan	0.45	0.42
Shri. C.M.T. Britto	0.36	0.47
Shri. Ashokkumar Ghasghase	0.34	0.34
Shri. Gaujam-Sen	0.77	0.37
Total	1.92	1.60

The above amount includes salaries and allowances, contribution to Provident fund, pension etc. and actual payments towards leave encashment, if any. In addition to the above they are eligible for non-monetary perquisites as per Government of India guidelines.

There have been no outstanding loans and advances from the above referred parties as at year end.

36. As per requirements of Accounting Standard -28, Company has carried out impairment testing of its Cash Generating Units/Fixed Assets at the year end. Such a test of impairment is carried out considering an estimated useful life of 10 Years for arriving at the value in use. Accordingly, a provision for impairment has been made towards the Rapidwall and Sodium Nitrate plants at Trombay unit and Argon Plant at Thal unit since the expected value in use as arrived at of the said plants are lower than their carrying amount. A provision of ₹ 6.48 crore has been made towards impairment.

The status of provision made towards impairment is as under:-

(₹ in crore)

Sr. No.	Particulars	2013-14				2012-13			
		Sodium Nitrate/Nitrite	Chik-ton	Rapid wall	Argon	Sodium Nitrate/Nitrite	Chik-ton	Rapid wall	Argon
1	Provision for Impairment made during the year	0.66	-	2.72	3.10	-	-	28.31	12.37
2	Reversal of Provision during the year	-	-	-	-	-	-	-	-
3	Balance in Provision A/C	0.66	0.84	51.46	15.47	-	0.84	48.74	12.37

Consequent to making full provision for impairment towards its Rapidwall and Sodium Nitrate /Nitrite plants, Company has also provided for an amount of ₹ 0.41 crore towards the inventory of specific spares relating to the said plants.

36. Disclosure as per Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets" as on 31st March, 2014.

(₹ in crore)

Particulars	Balance as on 31.3.2013	Addition	Utilization	Reversal	Balance as on 31.3.2014
Disputes and Claims, Legal Matters (*)	2.53 (0.53)	- (2.00)	-	-	2.53 (2.53)

Figures in brackets are in respect of previous year

(*) Disputes, Claims and Others represent estimates made mainly for probable claims arising out of litigations / disputes pending with authorities / Trade Payable. Deferred Tax Benefit of ₹ 0.86 crore (Previous year ₹ 0.86 crore) has been recognized on above. The timing and probability of outflow with regard to these matters depends on the ultimate settlement /conclusions with relevant authorities.

38. Earnings Per Share

Particulars	31.3.2014	31.3.2013
Net profit after tax as per Statement of Profit and loss (₹ in crore) (A)	249.89	280.90
Weighted Average Numbers of Equity Shares for calculating basic EPS (B)	55,16,88,100	55,16,88,100
Basic earnings per Share (in Rupees) (Face Value of ₹ 10/- per share) (A)/(B)	4.53	5.09

39. In compliance with Accounting Standard 27 on "Financial Reporting of Interests in Joint Ventures". The required information is as under:-

JOINT CONTROLLED ENTITIES

Name of the Company	Country of Incorporation	Percentage of ownership interest as on	
		31-3-2014	31-3-2013
1) FACT-RCF BUILDING PRODUCTS LTD.	India	50.00	50.00
2) URVARAK VIDESH LTD.	India	33.33	33.33

- A) **FACT-RCF BUILDING PRODUCTS LTD:-** A Joint venture Company with Fertilizers and Chemicals Travancore Ltd. (FACT) for manufacture of rapid building materials from Gypsum at Kochi.
- B) **URVARAK VIDESH LTD:-** A joint venture with National Fertilizers Ltd. and KRIBHCO for revival of closed Fertilizer Units of FCI/HFC group of companies has been formed. Since the company has made full provision for diminution in the value of

investment, accounts of the Joint Venture entity is not consolidated.

The Company's share in assets, liabilities, income, expenditure, contingent liabilities and capital commitments compiled on the basis of audited/un-audited financials received from the joint venture entity FACT-RCF BUILDING PRODUCTS LTD is as follows:-

(₹ in crore)

Sr. No.	Particulars	31/3/2014 (Unaudited)	31/03/2013 (Audited)
1	Non-Current Assets	56.84	59.22
2	Current Assets	3.18	3.30
3	Non-Current Liabilities	42.76	44.32
4	Current Liabilities	1.31	1.10
5	Income	0.85	0.30
6	Expenditure	9.75	8.48
7	Contingent Liability	2.36	4.11
8	Capital Commitments	2.06	2.05

40. Investments in Joint Ventures and Subsidiary

The company has made a full provision for diminution in value of investment in respect of its Joint Venture Urvarak Videsh Ltd as under.

(₹ in crore)

Particulars	Urvarak Videsh Ltd
Investment in Equity	0.18

The Corporate Debt Restructuring program of the Joint Venture Company FACT RCF Building Products Ltd. (FRBL) has been approved during the year and as per the same, Company has to subscribe additional equity capital in the Joint venture entity. During the year, Company has contributed to additional equity of ₹ 9.69 crore pending allotment and further, as given in the note no.25.2 a corporate guarantee has been executed in favor of the bankers. Being the initial years of operations FRBL has reported losses. However sales have started picking up and thus there is tremendous potential for growth and the company is expected to turnaround.

Considering the above fact and taking into account the long term and strategic nature of the investment, in the opinion of the management the diminution in the value of the investment is temporary.

Winding up proceedings in respect of Company's subsidiary Rajasthan Rashtriya Chemicals and Fertilizers Ltd has been initiated. Further the joint venture company RCF-HM Construction Solutions Pvt. Ltd. has been wound up. Accordingly investment in said companies,

which were fully provided for earlier amounting to ₹ 0.59 crore have fully been written off during the year.

41. Miscellaneous expenses include auditors' remuneration as per details given below:-

(₹ in crore)

Sr. No.	Particulars	2013-14	2012-13
1	Audit fees for the year (incl. service tax)	0.18	0.17
2	Audit fees for Limited review	0.02	0.02
3	Audit fees for Consolidated Financial Statement (incl. service tax)	0.01	0.01
4	For Certificate and other expenses	0.07	0.07
5	For travelling and out of pocket expenses	0.00*	0.01

* ₹ 30082/-

42. The position of (Net) Certified Emission Reductions (CER's) or Carbon Credits allotted and held by the company is as under:-

Particulars	2013-14	2012-13
No. of CER's at the beginning of the year	276223	152013
No. of CER's Alloted	565202	174211
No. of CER's Sold	0	50000
No. of CER's held at year end	841425	276223

Pending disposal, the said carbon credits are valued (at cost) as inventory.

43. Company has handed over possession of land measuring 48849.74 sq.mtrs adjacent to the company's township at Chembur, Mumbai, to MMRDA (Mumbai Metropolitan Region Development Authority) (a statutory body under Government of Maharashtra) for the construction of public road. However formalities pertaining to transfer of ownership and consideration for exchange of land are yet to be completed, pending which company has classified the same as assets held for disposal under Note No.10 to financial statements.

44. During the year Company has incurred expenditure towards Corporate Social Responsibility (CSR) related activities amounting to ₹ 14.82 crore (P.Y. ₹ 9.05 crore) which is reported under Note no. 24B "Miscellaneous expenses".

The functional classification of the same is as under:-

(₹ in crore)

Particulars	2013-14	2012-13
Employee welfare (School and sports expenses)	3.76	2.91
Repairs and maintenance	1.45	1.16
Water charges	0.89	0.48
Miscellaneous expenses	8.72	4.50
TOTAL	14.82	9.05

45. Disclosure under Clause 32 of Listing Agreement

(₹ in crore)

Particulars	As on 31-3-2014	Maximum Amount during Year Ended 31-3-2014	As on 31-3-2013	Maximum Amount during Year Ended 31-3-2013
Loans and advances in the Nature of Loans				
To Joint venture Company Fact RCF Building Products Ltd. (Rate of interest @ 14% p.a.) *	Nil	Nil	2.20	2.20
Investment by Subsidiary company in the shares of Rashtriya Chemicals and Fertilizers Ltd.	Nil	Nil	Nil	Nil

* The said loan along with interest stands converted into equity.

46. Employee Benefits:-

The required disclosure under the Revised Accounting Standard 15 is given below.

General Description of Defined Benefit Plan

1) Provident Fund:-

The Provident Fund contributions are made to a Trust administered by the Company. The interest rate payable to the members of the Trust shall not be lower than statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952.

During the year an amount of ₹ 29.20 crore (P.Y. ₹ 28.71 crore) has been charged of to statement of Profit and loss towards contribution by the Company.

In terms of the guidance on implementing the revised AS-15 issued by the Accounting Standard

Board of the Institute of Chartered Accountants of India, the Provident Fund Trust set up by the Company is treated as Defined Benefit Plan since the Company has to meet the shortfall in the fund assets, if any. However, as at the year end, no shortfall remains un provided for. Further, having regard to the assets of the Fund and the Return on the Investments, the Company does not expect any deficiency in the foreseeable future. In terms of the guidance note issued by the Institute of Actuaries of India, the actuary has provided a valuation of provident fund liability based on the assumptions listed below and determined that there is no shortfall as at 31st March, 2014.

The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:

- a) Projection is restricted to five years or earlier, if retirement occurs
- b) Expected guaranteed interest rate 8.75 %
- c) Discount rate 9.03 %

The total plan liabilities under the RCF Ltd. Employees Provident Fund Trust as at 31st March 2014 as per the unaudited financial statement for the year then ended is ₹ 806.64 crore (P.Y. ₹ 729.61 crore) as against total plan assets of ₹ 806.64 crore (P.Y. ₹ 729.61 crore). The funds of the trust have been invested under various securities as prescribed by regulatory authorities.

2) Gratuity:-

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service depending upon the date of joining. The same is payable on death, separation from service, or retirement, whichever is earlier. The benefit vests after five years of continuous service. During the year Company has settled ₹ 15.50 crore

towards gratuity of which ₹ 6.62 crore is receivable from the Trust.

3) Leave Encashment:-

The company has been accounting for provision on account of leave encashment on retirement based on actuarial valuation carried out as at the Balance date.

The liability for the leave encashment on retirement as at 31st March 2014 is ₹ 163.20 crore (P.Y. ₹ 160.08 crore)

4) Post Retirement Medical Benefits:-

The company has been accounting for provision on account of post-retirement medical benefits based on actuarial valuation carried out as at the Balance Sheet date. Employees of the company upon retirement/separation under Voluntary Retirement Scheme are entitled to medical benefits as per the scheme in force.

5) Long Term Service Award

As a part of cordial relation and appreciation of long dedicated service, Company is honouring its employees with a memento on completion of 25 years of service.

General Description of Defined Contribution Plan

Contributory Superannuation Scheme:- The scheme is a defined contribution scheme. Employees are required to exercise their option to be a part of the scheme and make a contribution equivalent to the amount contributed by the company to the fund, upon becoming the member of the scheme. Under the scheme the employee shall be eligible for pension provided they have put in at least 15 years of service in the company and superannuate from the company which is as per Govt. of India guideline. During the year company has paid an amount of ₹ 11.15 crore as contribution towards the said scheme.

The following table shows the impact of actuarial valuation as recognized in the financial statements, in respect of Gratuity and Post-retirement medical benefits.

(₹ in crore)

	As at 31 st March, 2014		As at 31 st March, 2013	
	Gratuity (Funded)	Post Retirement Medical Benefits (Non-Funded)	Gratuity (Funded)	Post Retirement Medical Benefits (Non-Funded)
1) Components of Employer expenses				
Service Cost	2.36	0.85	7.24	3.90
Interest Cost	14.75	2.90	14.71	2.54
Expected Return on Plan Assets	(16.45)	–	(14.89)	–
Actuarial (gain)/Loss	(7.28)	2.76	7.83	1.99
Net expense/(gain) recognized in the statement of Profit and Loss				
* Excess funding (₹ 4.68 crore)	(6.62)	6.50	14.89 *	8.43
2) Changes in Benefit Obligations				
Present value of Obligation at year beginning	184.39	36.26	173.11	29.90
Service Cost	2.36	0.85	7.24	3.90
Interest Cost	14.75	2.90	14.71	2.54
Actuarial(gain)/Loss	(6.63)	2.76	4.22	1.99
Benefits paid	(15.50)	(2.85)	(14.89)	(2.07)
Present value of Obligation at year end	179.37	39.92	184.39	36.26
3) Changes in Plan Assets				
Fair value of Plan Assets , at year beginning	189.12	–	173.11	–
Expected return on Plan Assets	16.45	–	14.89	–
Employer's contributions	(0.97)	2.85	19.62	2.07
Benefits paid	(15.50)	(2.85)	(14.89)	(2.07)
Actuarial gain/(Loss)	0.64	2.76	(3.61)	1.99
	189.74	–	189.12	–
Excess Plan assets over Obligation	10.37	–	4.73	–
Category of Plan Assets				
GOI securities	2.28%	–	3.32%	–
PSU/ State Government Securities	3.54%	–	3.85%	–
SBI Life Insurance Company Ltd.	34.98%	–	39.13%	–
Life Insurance Corporation of India	48.56%	–	43.94%	–
HDFC SL	10.64%	–	9.76%	–
Total	100.00%		100.00%	
Experience Adjustments				
a) On Plan Liability(Gains) / Losses	7.82	3.12	–	–
b) On Plan Assets (Losses) / Gains	0.64	–	–	–
Actuarial Assumptions				
Discount Rate (per annum)	9.03%	9.03%	8.00%	8.00%
Expected Rate of Return on Assets (per annum)	8.70%	–	8.70%	–
Salary Escalation/Annual increase in health care cost	5.50%	–	4.00%	–

Gratuity :-

(₹ in crore)

Year	Present Value of Obligation	Fair Value of Plan Assets
2009-10	144.34	144.34
2010-11	158.63	158.63
2011-12	173.11	173.11
2012-13	184.39	189.12
2013-14	179.37	189.74

Estimates of future salary increase considered in the actuarial valuation take into account inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market.

47. The position of Foreign currency exposures are as under:-

(₹ in crore)

Particulars	Hedged Exposure	Cross Currency	31-3-2014	31-3-2013
Foreign Currency exchange contracts	Buyer's credit/ Supplier's credit availed for import of raw materials	USD	646.18	281.69
	Long Term Borrowings		26.78	0.00

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under:-

(₹ in crore)

Particulars	31-3-2014	31-3-2013
Foreign currency term loans	259.35	161.23
Buyer's credit/Suppliers credit for import of raw materials and others	53.97	589.75
Advances/receivable from suppliers	2.37	9.59

48. In line with the principle of prudence enunciated in Accounting Standard-1, Disclosure of Accounting policies as per the announcement of Institute of Chartered Accountants of India, Company has not recognized an amount of ₹ 0.30 crore (P.Y. ₹ 1.01) being the mark to market gains on outstanding derivative contracts as at 31st March 2014.

49. Company had entered into an arrangement for manufacture of Single Super Phosphate (SSP) on job work basis with a third party. Owing to party's failure to fulfill contractual obligations, the said agreement

was terminated by the Company and an amount of ₹ 5.84 crore receivable from the party was provided for as doubtful during the previous year. Company has initiated arbitration proceedings against the said party during the year. Inventory amounting to ₹ 2.01 crore stands recovered from the said party. Thus the amount of provision stands reduced to ₹ 3.83 crore as on 31st March 2014.

50. Since implementation of SAP, creation of liability for expenses takes place in two stages and Income tax is deducted at the second stage. According to the legal opinion obtained by the Company and as per the practice followed by other companies using SAP the process of deduction and remittance of Tax at source is correctly followed.
51. During the year 2012-13 a fire occurred in the stores department of Trombay Unit consequent which Company received an ad-hoc payment of ₹ 3.00 crore towards the same. Company had recognized an amount of ₹ 0.48 crore as income during the said year matching revenues with costs. An insurance claim of ₹ 7.95 crore has been provisionally accepted towards the amounts claimed by the Company during the year of which an amount of ₹ 2.50 crore was further settled. Company has recognized an amount of ₹ 7.47 crore as income towards the same during the year. The expenditure/losses claimed have been appropriately dealt in the books. C.Y. ₹ 8.39 crore (P.Y. ₹ 2.02 crore)

52. Additional Information:

Additional information in respect of goods manufactured, value of imports calculated on CIF basis, expenditure in foreign currency during the year on account of royalty, know-how etc., consumption of raw material, spare parts and components during the year, earnings in foreign exchange, etc. is as follows:

A. QUANTITATIVE INFORMATION IN RESPECT OF EACH CLASS OF GOODS MANUFACTURED DURING 2013-2014

Sr. No.	Products	Metric Tonnes	
		Annual Production Without Adjustment for Shortages/Excesses	
		2013-2014	2012-2013
1	Ammonia	129,915	117,470
2	Ammonia (Trombay-V)	307,755	353,735
3	Ammonia (Thal)	1,199,070	1,205,350
4	Urea (Trombay-V)	352,910	384,110
5	Urea (Thal)	1,993,800	1,951,200
6	Suphala 15:15:15 -Complex Fertilizer	333,295	474,685
7	Suphala 20:20:0 -Ammonium Nitro phosphate	184,125	135,329
8	Methanol	77,660	76,830

A. QUANTITATIVE INFORMATION IN RESPECT OF EACH CLASS OF GOODS MANUFACTURED DURING 2013-2014			
Metric Tonnes			
Sr. No.	Products	Annual Production Without Adjustment for Shortages/Excesses	
		2013-2014	2012-2013
9	Ammonium Bicarbonate	26,946	27,712
10	Argon (million NM3)	1.53	2.06
11	Argon (million NM3) Thal	3.1	3.0
12	Nitric Acid (100%)-(HPNA)	89,545	103,055
13	Nitric acid (100%)(MPNA)	222,724	239,500
14	Sulphuric Acid (98%)	65,376	73,633
15	Phosphoric Acid	17,779	21,571
16	Dilute Sulphuric Acid	77,067	93,023
17	Sodium Nitrate/Nitrite	4,204	4,587
18	Concentrated Nitric Acid	20,015	24,419
19	Methylamines - (Trombay)	3,140	4,206
20	Methylamines - (Thal)	10,394	11,493
21	Ammonium Nitrate (100%)	99,706	100,234
22	Dimethyl formamide	2,832	3,500
23	Di Methyl Acetamide	2,667	3,003
24	Carbon Monoxide Plant (million NM3)	4.0	4.5
25	Biola (Bio Fertilizer)	00.00	68.60
26	Biola (Liquid) (Ltrs)	107,340	60,720
27	Microla (Ltrs)	263,530	144,585
28	Formic Acid	5,769	6,455
29	Sujala 19:19:19	3,860	3,411

B. VALUE OF IMPORTS CALCULATED ON COST, INSURANCE, FREIGHT BASIS			
₹ in crore			
	Particulars	2013-2014	2012-2013
i)	Raw materials *	476.13	673.50
ii)	Components and Spare parts	29.09	14.32
iii)	Capital Goods	65.28	53.87

* Includes in transit as at year end ₹ Nil (Previous year ₹ Nil crore) and excludes imports through Indian agencies ₹ 30.42 crore (Previous year ₹ 105.15 crore)

C. EXPENDITURE IN FOREIGN CURRENCY			
₹ in crore			
	Particulars	2013-2014	2012-2013
i)	On account of Purchase of Traded goods, Royalty, know-how, professional consultancy fees, interest, license fees and other matters	257.49	821.41
ii)	Expenditure on foreign-tours	0.45	1.06
iii)	Subscription to journals	0.23	0.18

D. EARNINGS IN FOREIGN EXCHANGE			
₹ in crore			
	Particulars	2013-2014	2012-2013
i)	Export of Goods calculated on FOB basis	1.68	-
ii)	Technical manpower fees	0.00	0.01
iii)	Sale of CER/VER	0.00	1.30
iv)	Others -(Export of stores)	0.00	0.37

E. CONSUMPTION OF RAW MATERIALS, SPARES AND COMPONENTS					
₹ in crore					
	Particulars	2013-2014		2012-2013	
		Value Estimated	Total Consumption %	Value Estimated	Total Consumption %
A.	Raw Materials				
	Imported	681.49	26.92	909.10	36.50
	Indigenous	1849.60	73.08	1581.73	63.50
	Total	2531.09	100.00	2490.83	100.00
B.	Spares and Components				
	Imported	21.98	13.46	22.18	21.75
	Indigenous	141.30	86.54	79.79	78.25
	Total	163.28	100.00	101.97	100.00

53. Previous year figures have been re-arranged and regrouped wherever necessary and/or practicable to make them comparable with those of the current year.

As per our report of even date attached

For and Behalf of
RASHTRIYA CHEMICALS AND FERTILIZERS LTD.

(R.G. Rajan)
Chairman and Managing Director

(C.M.T. Britto)
Director (Technical)

(R.H. Kulkarni)
Executive Director (Finance)

(K.C. Prakash)
Company Secretary

Dated : 14.05.2014
Place : Mumbai

For **M. M. NISSIM AND CO.**
Chartered Accountants

(Dhiren Mehta)
Partner

Dated : 14.05.2014
Place : Mumbai

For **NBS & Co.**
Chartered Accountants

(Devdas Bhat)
Partner

SEGMENTWISE REVENUE & RESULTS FOR THE YEAR ENDED 31.03.2014

Annexure-1
₹ in Crore

Sr. No	Particulars	TROMBAY			THAL			TRADING			TOTAL			
		Ferti-lizers	Industrial Products	Total	Ferti-lizers	Industrial Products	Total	Ferti-lizers	Industrial Products	Total	Ferti-lizers	Industrial Products	Unallo-cated	Total
SEGMENT REVENUE														
i.	Sales (Incl. Subsidy wherever applicable)	1995.01	630.55	2625.56	3201.26	246.20	3447.46	504.60	0.00	504.60	5700.87	876.75	9.98	6587.60
ii.	Inter Segment Revenue			-										
	Total Revenue	1995.01	630.55	2625.56	3201.26	246.20	3447.46	504.60	0.00	504.60	5700.87	876.75	9.98	6587.60
SEGMENT RESULT														
i.	Segment Results	82.54	140.14	222.68	325.19	29.00	354.19	(26.90)		(26.90)	380.83	169.14	0.00	549.97
ii.	Less: Other Unallocable Expenditure			20.36	20.17			7.08					15.52	63.13
iii.	(Net of Unallocable Income)													131.29
iv.	Interest Expense													11.39
v.	Interest Income													366.94
vi.	Operating Profit													(0.38)
vii.	Prior Period Expenses / (Income)													367.32
viii.	Profit before Tax													103.50
ix.	Tax - Current													13.93
x.	Deferred Tax Liability / (Asset)													0.00
xi.	Excess Provision of Tax written Back													249.89
	Net Profit													249.89
OTHER INFORMATION														
i.	Segment Assets	1860.06	239.34	2099.40	2880.15	125.39	3005.54	175.92		175.92	4916.13	364.73	332.95	5280.86
ii.	Unallocated Corporate Assets													332.95
iii.	Total Assets	1860.06	239.34	2099.40	2880.15	125.39	3005.54	175.92	0.00	175.92	4916.13	364.73	332.95	5613.81
iv.	Segment Liabilities	496.58	38.91	535.49	254.10	15.20	269.30	32.05		32.05	782.74	54.10	344.50	836.84
v.	Unallocated Corporate Liabilities													344.50
vi.	Total Liabilities	496.58	38.91	535.49	254.10	15.20	269.30	32.05	0.00	32.05	782.74	54.10	344.50	1181.34
vii.	Capital Employed	1363.48	200.43	1563.91	2626.04	110.20	2736.24	143.87	0.00	143.87	4133.39	310.63	(11.55)	4432.47
viii.	Capital Expenditure			116.98	98.89			1.43						231.93
ix.	Depreciation			69.48	66.82			3.27						141.75
	Other Non Cash Expenses			3.32	1.49									8.08

SEGMENTWISE REVENUE & RESULTS FOR THE YEAR ENDED 31.03.2013

Annexure-1
₹ in Crore

Sr. No	Particulars	TROMBAY		THAL		TRADING			TOTAL		
		Ferti-lizers	Industrial Products	Total	Ferti-lizers	Industrial Products	Total	Ferti-lizers	Industrial Products	Unallo-cated	Total
SEGMENT REVENUE											
i.	Sales (Incl. Subsidy wherever applicable)	2142.75	598.47	2741.22	362.21	2858.16	1162.08	0.00	960.68	12.40	6773.86
ii.	Inter Segment Revenue	-	-	-	-	-	-	-	-	-	-
	Total Revenue	2142.75	598.47	2741.22	362.21	2858.16	1162.08	0.00	960.68	12.40	6773.86
SEGMENT RESULT											
i.	Segment Results	133.11	125.76	258.87	73.05	282.30	25.45	-	367.81	-	566.62
ii.	Less: Other Unallocable Expenditure	-	-	37.07	-	19.87	3.23	-	-	-	88.14
iii.	(Net of Unallocable Income)	-	-	-	-	-	-	-	-	-	127.16
iv.	Interest Expense	-	-	-	-	-	-	-	-	-	29.16
v.	Interest Income	-	-	-	-	-	-	-	-	-	380.48
vi.	Operating Profit	-	-	-	-	-	-	-	-	-	0.36
vii.	Prior Period Expenses / (Income)	-	-	-	-	-	-	-	-	-	380.12
viii.	Profit before Tax	-	-	-	-	-	-	-	-	-	104.75
ix.	Tax - Current	-	-	-	-	-	-	-	-	-	28.94
x.	Deferred Tax Liability / (Asset)	-	-	-	-	-	-	-	-	-	(34.47)
xi.	Excess Provision of Tax written Back	-	-	-	-	-	-	-	-	-	280.90
	Net Profit	-	-	-	-	-	-	-	-	-	5427.52
OTHER INFORMATION											
i.	Segment Assets	2013.59	233.89	2247.48	135.89	2455.55	724.49	0.00	5057.74	-	5427.52
ii.	Unallocated Corporate Assets	-	-	-	-	-	-	-	-	-	402.80
iii.	Total Assets	2013.59	233.89	2247.48	135.89	2455.55	724.49	0.00	5057.74	402.80	5830.32
iv.	Segment Liabilities	526.33	37.44	563.77	18.05	379.13	387.58	0.00	1274.99	228.24	1330.48
v.	Unallocated Corporate Liabilities	-	-	-	-	-	-	-	-	-	228.24
vi.	Total Liabilities	526.33	37.44	563.77	18.05	379.13	387.58	0.00	1274.99	228.24	1558.72
vii.	Capital Employed	1487.26	196.45	1683.71	117.84	2076.42	336.91	0.00	3782.75	174.56	4271.60
viii.	Capital Expenditure	-	-	76.84	-	118.79	6.20	-	-	3.98	205.82
ix.	Depreciation	-	-	97.69	-	71.13	6.52	-	-	4.33	173.15
x.	Other Non Cash Expenses	-	-	4.09	-	2.64	-	-	-	0.00	13.25

Independent Auditor's Report

TO THE BOARD OF DIRECTORS OF RASHTRIYA CHEMICAL AND FERTILIZERS LIMITED

We have audited the accompanying Consolidated financial statements of RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED ("the Company"), and jointly controlled entities (the Company and jointly controlled entities constitute "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2014, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing

an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the unaudited financial information of the joint venture company as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) In the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to:

- a) Note No. A (1.5) read with Note No. A(1.2) to the financial statements stating that Rajasthan Rashtriya Chemicals & Fertilizer Limited, a subsidiary company, wherein the company holds 51% of ownership, has not been considered for the purpose of preparation of consolidated financial statements, as it is individually not considered to be material to the group activity. Further, entire investment has been written off and winding up procedure has been initiated.
- b) Note No. A (1.5) read with Note No. A(1.3) to the financial statements stating that proportionate consolidation in respect of investments in RCF HM Construction Solutions Private Limited, a joint venture company, has not been considered for the purpose of preparation of consolidated financial statements, as it is individually not considered to be material to the group activity. Further, entire investment has been written off and the company has been wound up.
- c) Note No. A (1.5) read with Note No. A(1.4) to the financial statements stating that proportionate consolidation in respect of investments in Urvarak

Videsh Limited, a joint venture company, has not been considered for the purpose of preparation of consolidated financial statements, as it is individually not considered to be material to the group activity. Further, entire investment has been written off by the company.

- d) Note No. 10(5) to the financial statements regarding non-disclosure of cost and depreciation of assets leased to certain Public Sector Undertakings and others.
- e) Note No. A (9) to the financial statements which states that some of the Balances of Trade Receivables, Trade Payables, Current Liabilities and Loans and Advances are subject to confirmation, reconciliation and consequential adjustments, if any.
- f) Note No. A (10) to the accounts regarding the claim of subsidy accounted on estimated basis, pending final settlement of such claims.

Our opinion is not qualified in respect of these matters.

Other Matter

We did not audit the financial statement of Joint Venture Company, namely FACT RCF Building Products Ltd whose financial statements reflect the Group's share of total assets (net) of ₹ 41.64 Crores as at March 31, 2014, total revenues of ₹ 0.96 Crores and net cash outflows amounting to ₹ 0.34 Crores for the year then ended, and are incorporated in the Consolidated Financial Statements based on management's estimates and are not audited by other auditors. Our opinion is not qualified in respect of this matter.

For **NBS & Co.**
Chartered Accountants
Firm Regn. No. 110100W

For **M.M. NISSIM AND CO.**
Chartered Accountants
Firm Regn. No. 107122W

Deydas Bhat
Partner
Mem. No. 048094

Dhiren Mehta
Partner
Mem. No.: 109883

Mumbai, May 14, 2014

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2014

₹ in Crore

PARTICULARS	Note No.	AS AT 31.03.2014	AS AT 31.03.2013
I. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS :			
a) Share Capital	1	551.69	551.69
b) Reserves and Surplus	2	1938.32	1794.02
TOTAL		2490.01	2345.71
2. NON-CURRENT LIABILITIES			
a) Long term Borrowings	3	372.98	258.93
b) Deferred Tax Liabilities (Net)	4	257.00	243.05
c) Other Long term liabilities	5	57.09	45.60
d) Long Term Provisions	6	103.20	103.85
		790.27	651.43
3. CURRENT LIABILITIES			
a) Short term Borrowings	7	1335.01	1456.84
b) Trade Payables	8	493.40	738.47
c) Other Current Liabilities	9	332.24	476.27
d) Short term Provisions	6	199.61	191.47
		2360.26	2863.05
TOTAL		5640.54	5860.19
II. ASSETS			
1. NON CURRENT ASSETS :			
(a) FIXED ASSETS :			
	10		
(i) Tangible Fixed Assets		1673.05	1474.25
(ii) Intangible Assets		3.27	1.67
(iii) Capital Work in Progress		77.37	184.26
(b) Non-Current Investments	11	0.17	0.35
(c) Long Term Loans and advances	12	129.73	127.45
(d) Other Non-Current Assets	13	16.09	13.78
		1899.68	1801.76



CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2014

PARTICULARS	Note No.	₹ in Crore	
		AS AT 31.03.2014	AS AT 31.03.2013
2. CURRENT ASSETS :			
(a) Inventory	14	803.90	1206.28
(b) Trade Receivables	15	2769.10	2579.21
(c) Cash and Cash Equivalents	16	72.01	177.14
(d) Short Term Loans and Advances	12	37.79	65.54
(e) Other Current Assets	13	58.06	30.26
		3740.86	4058.43
TOTAL		5640.54	5860.19
Statement of Significant Accounting Policies and Explanatory Information on Consolidated Financial Statements	A		

As per our report of even date attached

For and on behalf of the Board of Directors

For **M. M. NISSIM AND CO.**
Chartered Accountants

For **NBS & Co.**
Chartered Accountants

(R.G. Rajan)
Chairman and Managing Director

(Dhiren Mehta)
Partner

(Devdas Bhat)
Partner

(C.M.T. Britto)
Director (Technical)

Dated : 14.05.2014
Place : Mumbai

(R.H. Kulkarni)
Executive Director (Finance)

(K.C. Prakash)
Company Secretary

Dated : 14.05.2014
Place : Mumbai

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

₹ in Crore

PARTICULARS	Note No.	Year Ended March 2014	Year Ended March 2013
I Revenue from Operations	17	6588.09	6773.98
II Other Income	18	74.40	93.15
III Total Revenue (I+II)		6662.49	6867.13
IV Expenses:			
Cost of Materials Consumed	19	2646.24	2600.09
Purchases of Stock in Trade	20	284.12	900.44
Changes in Inventories of Finished Goods/Work in Progress and Stock in Trade	21	309.56	(7.23)
Employee Benefits Expense	22	443.17	450.32
Finance Costs	23	135.97	131.35
Depreciation and Amortization	10	144.59	175.58
Other Expenses	24	2340.32	2244.53
Total Expenses		6303.97	6495.08
V Profit before tax (III-IV)		358.52	372.05
VI Tax Expense			
(1) Current tax		103.50	104.75
(2) Deferred tax		13.93	28.94
(3) Adj of tax provision of earlier years Excess(-)/Short(+)		-	(34.47)
VII Profit/(Loss) for the year (V-VI)		241.09	272.83



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

₹ in Crore

PARTICULARS	Note No.	Year Ended March 2014	Year Ended March 2013
VIII Earnings per equity share			
Basic and Diluted Earnings per share		4.37	4.95
Statement of Significant Accounting Policies	A		
Explanatory Information on Consolidated Financial Statements			

As per our report of even date attached

For and on behalf of the Board of Directors

For **M. M. NISSIM AND CO.**
Chartered Accountants

For **NBS & Co.**
Chartered Accountants

(R.G. Rajan)
Chairman and Managing Director

(Dhiren Mehta)
Partner

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Director (Technical)

Dated : 14.05.2014
Place : Mumbai

(R.H. Kulkarni)
Executive Director (Finance)

(K.C. Prakash)
Company Secretary

Dated : 14.05.2014
Place : Mumbai

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

₹ in Crore

PARTICULARS	Year Ended March 2014	Year Ended March 2013
A Cash Flow From Operating Activities		
Net Profit before tax	358.52	372.05
Adjustments for :		
Depreciation/Loss on impairment of Assets	144.78	176.00
Profit(-) / Loss on sale of Assets	1.75	0.04
Profit(-) / Loss on Sale/MTM of Equity Investments	0.18	-
Interest Income	(11.51)	(29.18)
Dividend Income	(0.12)	(5.26)
Interest on Borrowings	131.29	127.16
Provision for Bad/Doubtful debts	6.61	14.60
Unrealised Foreign Exchange (Gain) /Loss	(13.70)	(18.09)
SUB TOTAL	259.28	265.27
Operating Profit before Working Capital Changes	617.80	637.32
Adjustments for :		
Trade and Other Receivables	(235.49)	(585.78)
Inventories	402.38	(28.04)
Trade Payables and Other Liabilities	(392.23)	(501.80)
SUB TOTAL	(225.34)	(1115.62)
Cash Generated from Operations	392.46	(478.30)
Direct Taxes Paid	(77.05)	(77.47)
Cash Flow before Extraordinary Items	315.41	(555.77)
Net Cash from Operating Activities ----- A	315.41	(555.77)
B Cash Flow from Investing Activities		
Additions to Fixed Assets (Net of trade credit)	(222.42)	(176.93)
Sale of Fixed Assets	(0.07)	0.14
Interest Received	11.58	31.49
Dividend Received	0.12	5.26
Fixed Deposit Maturity more than 3 months	128.58	365.00
SUB TOTAL	(82.21)	224.96
Net Cash from Investing Activities ----- B	(82.21)	224.96

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

₹ in Crore

PARTICULARS	Year Ended March 2014	Year Ended March 2013
C Cash Flow from Financing Activities		
Net proceeds/(Repayment) of Working capital facilities and short term loans	(97.87)	557.12
Proceeds from Borrowings	208.65	48.36
Repayments of Borrowings	(90.89)	(109.71)
Interest paid	(133.10)	(125.47)
Dividend paid (including Dividend Distribution Tax)	(96.73)	(89.78)
	<u>(209.94)</u>	<u>280.52</u>
Net Cash from Financing Activities ----- C	(209.94)	280.52
Net Increase/Decrease(-) in Cash and Cash Equivalent (A+B+C)		
Cash and Cash Equivalents as at 1 st April 2013 (Opening Balance)	23.26	(50.29)
Cash and Cash Equivalents as at 31 st March 2014 (Closing Balance)	47.03	97.32
Components of Cash and Cash equivalents	70.29	47.03
Cash on hand	0.02	0.03
Cheques in hand	1.45	0.00
Balances with Banks		
Deposits with original maturity less than 3 months	0.98	1.30
In Current and Cash Credit accounts	67.33	45.27
In unpaid Dividend Account	0.51	0.43
	<u>70.29</u>	<u>47.03</u>

Cash Flow Statement has been prepared based on Indirect Method prescribed under Accounting Standard-3 (Revised) "Cash Flow Statements".

As per our report of even date attached

For and on behalf of the Board of Directors

For **M. M. NISSIM AND CO.**
Chartered Accountants

For **NBS & Co.**
Chartered Accountants

(R.G. Rajan)
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Dated : 14.05.2014
Place : Mumbai

(R.H. Kulkarni)
Executive Director (Finance)

(K.C. Prakash)
Company Secretary

Dated : 14.05.2014
Place : Mumbai

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Crore

NOTE NO. 1. "SHARE CAPITAL"	AS AT 31.03.2014	AS AT 31.03.2013
Authorised		
80,00,00,000 (Previous Year 80,00,00,000) Equity Shares of ₹ 10/- each	800.00	800.00
Issued, Subscribed and Paid Up		
55,16,88,100 (Previous Year 55,16,88,100) Equity shares of ₹ 10/- each fully paid up. (Of the above 11,25,28,100 shares were allotted as fully paid-up pursuant to a contract without payment being received in cash)	551.69	551.69
TOTAL	551.69	551.69

RECONCILIATION OF SHARES OUTSTANDING AT THE BEGINNING AND END OF THE REPORTING YEAR

	31.03.2014		31.03.2013	
	No.	₹ in Crore	No.	₹ in Crore
EQUITY SHARES				
At the beginning of the year	551688100	551.69	551688100	551.69
Issued during the year	-	-	-	-
Outstanding at the end of the year	551688100	551.69	551688100	551.69

Terms / Rights Attached to Equity shares

The Group has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share.

DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE GROUP

	31.03.2014		31.03.2013	
	No.	% age of share holding	No.	% age of share holding
Equity Shares of ₹ 10 each fully paid up				
Promoters (Government of India)	441353888	80.00%	441353888	80.00%
Life Insurance Corporation of India	35566427	6.45%	35566427	6.45%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Crore

NOTE NO. 2 “RESERVES AND SURPLUS”	AS AT	AS AT
	31.03.2014	31.03.2013
General Reserve		
Balance as per last Balance Sheet.	1793.86	1617.84
Add : Transferred from Statement of Profit and Loss	144.30	176.02
Closing Balance	1938.16	1793.86
RCF - EEC Asset Management Reserve		
Balance as per last Balance Sheet.	0.16	0.16
Additions during the year	–	–
Closing Balance	0.16	0.16
Surplus in the Statement of Profit and Loss	–	–
Profit for the year	241.09	272.83
Less: Appropriations		
Proposed Dividend	82.75	82.75
Tax on Dividend	14.04	14.06
Transfer to General Reserve	144.30	176.02
Total Appropriations	241.09	272.83
Net Surplus in the Statement of profit and Loss	–	–
TOTAL	1938.32	1794.02

₹ in Crore

NOTE NO. 3 “LONG TERM BORROWINGS”	NON CURRENT		CURRENT MATURITIES	
	AS AT 31.03.2014	AS AT 31.03.2013	AS AT 31.03.2014	AS AT 31.03.2013
SECURED				
Term Loan from Banks				
1 Rupee Loan from Banks				
a. Loan from State Bank of Bikaner and Jaipur (SBBJ)	–	19.34	–	21.10
A term Loan facility aggregating to ₹ 106.41 crore sanctioned by SBBJ availed by the Company are secured by hypothecation with first charge on project assets of Con.Nitric Acid Plant at Trombay & Argon recovery Plant at Thal and pari passu first charge basis on the project assets of Rapidwall Plant at Trombay. The rate of interest is the Bank’s base rate plus 0.25% margin per annum and during the year the rate remained at around 10.5%. The said term loan has been fully prepaid during the year.				

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Crore

NOTE NO. 3	NON CURRENT		CURRENT MATURITIES	
	AS AT 31.03.2014	AS AT 31.03.2013	AS AT 31.03.2014	AS AT 31.03.2013
b. Kotak Mahindra Bank	–	18.75	–	18.75
A loan of ₹ 75 crore sanctioned by and availed from Kotak Mahindra Bank is secured by first pari passu charge by way of hypothecation on all movable fixed assets of the Methanol Plant with a minimum security cover of 1.25 times of the amount borrowed from this bank. The loan carries a floating rate of interest benchmarked to the Bank's PLR with a discount of 6.85% per annum and during the year the rate of interest varied around 11.65% per annum. The said term loan has been fully prepaid during the year				
c. Loan from Kotak Mahindra Bank	75.00	–	25.00	–
A loan of ₹ 100 crore sanctioned by and availed from Kotak Mahindra Bank is secured by first pari passu charge by way of hypothecation on movable fixed assets (machinery and equipments) of the Ammonia and Urea Plants situated at Thal with a minimum security cover of 1.25 times of the amount borrowed from this bank. 50% of the loan carries a fixed rate of interest of 10.35% pa and the remaining 50% of the loan carries a floating rate of interest benchmarked to the Bank's PLR plus margin of 0.90% per annum and during the year the rate of interest varied around 10.65% per annum. Repayment of the said loan will fall due for ₹ 25.00 crore in F.Y. 2014-15, ₹ 33.33 crore in F.Y. 2015-16, ₹ 33.33 crore in F.Y. 2016-17 and ₹ 8.34 crore in F.Y. 2017-18.				
d. Loan from Hongkong and Shanghai Banking Corporation (HSBC)	6.00	18.00	12.00	12.00
A loan of ₹ 36 crore availed from Hongkong Shanghai Banking Corporation consequent to the conversion of a portion of loan availed in Euro under FCNR(B) arrangement with the said Bank. The said loan is secured by first pari passu charge by way of hypothecation on all movable fixed assets of Ammonium Nitrophosphate Plant at Trombay. The rate of interest is 10% per annum. The repayment of the term loan would be ₹ 12 crore in F.Y. 2014-15 and ₹ 6 crore in F.Y. 2015-16.				
e. (i) Loan from State Bank of India(SBI) (Amount sanctioned ₹ 20.05 crore)	7.68	7.98	–	–
e. (ii) Loan from Dena Bank (Amount sanctioned ₹ 44.00 crore)	20.60	21.61	–	–
e. (iii) Loan from New India Co-operative Bank (Amount sanctioned ₹ 24 crore) As per multi Banking loan agreement, secured	12.59	12.97	–	–

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Crore

NOTE NO. 3	“LONG TERM BORROWINGS”	NON CURRENT		CURRENT MATURITIES	
		AS AT 31.03.2014	AS AT 31.03.2013	AS AT 31.03.2014	AS AT 31.03.2013
The above loans by SBI, Dena Bank and New India Co-operative Bank are secured by					
a) First charge on all movable and immovable asset present and future leasehold land of Joint Venture entity ranking pari passu with other term lenders.					
b) Based on our request the said loans were referred for Corporate Debt Restructuring (CDR). As per approval received vide CDR (ATR) No. 1125/2012-13, the term loans were restructured with the following major terms and conditions					
i) As per terms of Corporate Debt Restructuring (CDR) as approved by the Lead Bank the loan balances are inclusive of funding towards interest.					
ii) Rate of interest is 11% p.a. with re-set option annually after three years.					
iii) The principal portion of the loan balance is repayable in twenty structured quarterly installments commencing from 31 st December 2015.					
iv) The funding towards interest on the above loans is to be repaid in twelve structured quarterly installments commencing from December 2015.					
v) As a common security for Term Loan and Working Capital finance, Corporate guarantees from Promoter Companies on a equal share is required to be given. (₹ 37.66 crore) being 50% share, P.Y. (₹ 17.50 crore)					
SUB TOTAL (i)		121.87	98.65	37.00	51.85
SECURED					
2 Foreign Currency Loan / External Commercial Borrowings					
a. Loan from Calyon Credit Agricole CIB Singapore (Calyon)		-	-	-	0.95
Term Loan of JPY 109,176,141 availed by the Company from Calyon, is secured by hypothecation on pari passu first charge basis on the project assets of Rapidwall Plant at Trombay Unit. The rate of interest on the loan is 6 months JPY LIBOR plus margin of 0.65% per annum. The said loan has been fully repaid during the year.					

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Crore

NOTE NO. 3	NON CURRENT		CURRENT MATURITIES	
	AS AT 31.03.2014	AS AT 31.03.2013	AS AT 31.03.2014	AS AT 31.03.2013
b. Loan from HSBC Bank (Mauritius) Limited	140.77	135.97	8.35	–
Term loan of USD 25 Million availed by the Company from HSBC Bank (Mauritius) Limited, under RBI Loan Registration No.2011561, is secured by first pari passu charge by way of hypothecation on all current and future plant and machinery of the revamped Ammonia and Urea Plants situated at Thal. The rate of interest is 6 months USD LIBOR plus margin of 2.50% per annum. Repayment of the said loan would fall due for ₹ 8.35 crore in F.Y. 2014-15, ₹ 23.26 crore in F.Y. 2015-16, ₹ 53.09 crore in F.Y. 2016-17 and ₹ 64.42 crore in F.Y. 2017-18.				
c. Capital Expenditure Buyers credit from HSBC Mauritius	–	24.31	26.66	–
Capex Buyers credit of amounting to USD 4469125 availed from Hongkong Shanghai Banking Corporation for purchase of plant and machinery from abroad, with bullet repayment after 3 years, secured by first pari passu charge by way of hypothecation on all movable properties forming part of existing Ammonia and Urea plants at Thal Unit with a minimum security cover of 1.25 times of the outstanding amount under this arrangement. The buyer's credit arrangement carries an interest at USD LIBOR plus margin of 1.30% per annum. The repayment of buyer's credit would fall due for ₹ 26.66 crore in F.Y. 2014-15.				
d. Loan from HSBC Bank (Mauritius) Limited	110.34	–	–	–
Term loan of USD 18.50 Million availed by the Company from HSBC Bank (Mauritius) Limited, under RBI Loan Registration No. 201303177, is secured by first pari passu charge by way of hypothecation on the movable fixed assets of the revamped Ammonia and Urea Plants situated at Thal with a minimum security cover of 1.25 times of the outstanding amount under this arrangement. The rate of interest is 6 months USD LIBOR plus margin of 2.50% per annum. Repayment of the said loan would fall due for ₹ 110.35 crore in F.Y. 2016-17.				
SUB TOTAL (ii)	251.11	160.28	35.01	0.95
Amount disclosed under the head "OTHER CURRENT LIABILITIES" (Refer Note No. 9)	–	–	(72.01)	(52.80)
TOTAL (i + ii)	372.98	258.93	–	–

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

₹ in Crore

NOTE NO. 4	“DEFERRED TAX LIABILITIES (NET)”	AS AT	AS AT
		31.03.2014	31.03.2013
A)	Deferred Tax Liability:		
	Depreciation	335.14	316.75
	Total	335.14	316.75
B)	Deferred Tax Asset:		
	Provision for doubtful debts/claims	6.43	6.79
	Provision for obsolescence of stores	1.60	1.42
	Expenditure allowed on payment basis	62.61	62.14
	Other Timing Differences	7.50	3.35
	TOTAL	78.14	73.70
	Net Deferred Tax Liability	257.00	243.05

₹ in Crore

NOTE NO. 5	“OTHER LONG TERM LIABILITIES”	AS AT	AS AT
		31.03.2014	31.03.2013
A)	Trade Payables	–	1.18
B)	Others		
	Security Deposit from Vendors	6.60	6.42
	Standing Deposit from Customers	47.68	34.99
	Deposit from Employees	0.92	1.25
	Other Liabilities	1.89	1.76
	TOTAL	57.09	45.60

₹ in crore

NOTE NO. 6	“PROVISIONS”	LONG TERM		SHORT TERM	
		AS AT	AS AT	AS AT	AS AT
		31.03.2014	31.03.2013	31.03.2014	31.03.2013
A)	Provision for Employee Benefits				
	Provision for EL Encashment	66.77	70.65	96.43	89.43
	Provision for Post Retirement Medical Benefits	36.43	33.20	2.92	2.70
	Others (Refer Note No. A. 14)	–	–	2.53	2.53
		103.20	103.85	101.88	94.66
B)	Other Provisions				
	Proposed Dividend	–	–	82.75	82.75
	Tax on Dividend	–	–	14.06	14.06
	Provision for Taxation less Advance Tax	–	–	0.92	–
		–	–	97.73	96.81
	TOTAL	103.20	103.85	199.61	191.47

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Crore

NOTE NO. 7	“SHORT TERM BORROWINGS”	AS AT 31.03.2014	AS AT 31.03.2013
SECURED:			
A. Working Capital facilities from Bank			
	Cash Credit from banks	26.18	3.98
	Working Capital Demand Loan (includes an amount of ₹ 491.64 crore (P.Y. ₹ 127.52 crore) under a Special Banking Arrangement secured by hypothecation of specific subsidy claims to be settled by DOF/FICC.)	751.64	817.52
B. Rupee term loans			
	Rupee Loans from New India Co-operative Bank (Secured by hypothecation on Plant and Machinery of Methanol Plant situated at Trombay)	18.75	–
	Total Secured	796.57	821.50
UNSECURED:			
	Foreign currency loans from banks-Buyers Credit	518.41	515.34
	Rupee loans from banks	20.03	120.00
	Total Unsecured	538.44	635.34
	TOTAL	1335.01	1456.84

Cash Credit and Working capital Demand loan from banks is secured by hypothecation of entire stocks of raw materials and finished goods, stock in transit, book debts and consumable stores and spares. The said arrangement carries a rate of interest which varied between 9% to 11% per annum during the year.

NOTE NO. 8	“TRADE PAYABLES”	AS AT 31.03.2014	AS AT 31.03.2013
	Trade Payables (Refer Note No. A.16)	493.40	738.47
	TOTAL	493.40	738.47

₹ in Crore

NOTE NO. 9	“OTHER CURRENT LIABILITIES”	AS AT 31.03.2014	AS AT 31.03.2013
	Current maturities of long term debt (Refer Note No.3)	72.01	52.80
	Interest accrued but not due on borrowings	5.73	7.47
	Income received in advance	28.90	31.66
	Unclaimed dividend (**)	0.51	0.43
	Sub Total	107.15	92.36
Other Payables			
	Creditors on Capital Account	46.82	51.96
	Deposit from Customers	42.63	47.72
	EMD & Security Deposit from Vendors	33.84	37.35
	Subsidy on unsold stock	37.11	189.12
Statutory Dues:			
	Withholding taxes	5.27	5.53
	VAT/ Sales tax	4.80	5.25
	Other taxes	4.17	3.34
Other Liabilities:			
	Ex-gratia & employee benefits	27.45	27.67
	Others (Refer Note No.A.16)	22.98	14.40
	Overdrawn balances in Current Account	0.02	1.57
	Sub Total	225.09	383.91
	TOTAL	332.24	476.27

** No amounts are due and payable to Investor Education and Protection Fund

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Crore

NOTE No. 10											
FIXED ASSETS											
FIXED ASSETS	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTISATION					NET BLOCK	
	Description	AS AT 31.03.2013	Of Additions/ Adjustments	Of Deductions/ Adjustments	AS AT 31.03.2014	UPTO 31.03.2013	Provided during the year	Op items Sold/Dis-carded/ Adjusted	UPTO 31.03.2014	Impairment Loss	AS AT 31.03.2014
Tangible Assets:											
Land (Freehold)	10.79	–	–	10.79	–	–	–	–	–	10.79	10.79
Land (Leasehold)	20.15	–	–	20.15	3.80	0.78	–	4.58	–	15.57	16.35
Roads & Culverts	14.15	0.21	–	14.36	4.04	0.22	–	4.26	–	10.10	10.11
Buildings	178.46	17.26	1.96	193.76	112.03	3.60	1.52	114.11	–	79.65	66.43
Railway sidings	50.22	1.67	–	51.89	39.59	0.76	–	40.35	–	11.54	10.63
Plant & Machinery	3290.72	309.07	17.49	3582.30	1933.13	122.94	16.24	2039.82	68.43	1474.05	1295.64
Water System, Sewerage & Drainage	22.61	–	–	22.61	19.49	0.28	–	19.77	–	2.84	3.12
Miscellaneous Equipments	91.55	5.03	0.04	96.54	54.54	3.39	0.03	57.90	–	38.64	37.01
Furniture, Fixtures & Office Appliances	51.59	10.09	1.16	60.52	30.70	4.31	1.21	33.80	–	26.71	20.88
Transport Vehicles	5.91	0.33	0.15	6.09	3.34	0.43	0.12	3.66	–	2.44	2.57
Intangible Assets											
Computer Software	11.05	3.20	–	14.25	9.38	1.60	–	10.98	–	3.27	1.67
Assets held for disposal	0.72	–	–	0.72	–	–	–	–	–	0.72	0.72
TOTAL	3747.92	346.86	20.80	4073.98	2210.04	138.31	19.12	2329.23	68.43	1676.32	1475.92
Previous Year Figures	3501.09	247.63	0.81	3747.92	2075.34	135.35	0.64	2210.05	61.95	1475.92	
Share of Joint Venture Assets included in above	62.72					2.84		6.34			

₹ in Crore

Notes :

1. Depreciation/Impairment on tangible assets provided during the year
Amortisation on intangible assets during the year

2. Charged to Statement of Profit & Loss:
Depreciation/Impairment Provided During the year
Under Research and Development
As net adjustment relating to Prior Years
Total

3. Land at Thal included in Gross Block (at cost) at ₹ 2.33 crores is subject to final revision in price.

4. Additions/Adjustments include the following
Exchange Differences
Borrowing Costs

5. The Company is charging rent to certain Public Sector Undertakings and other parties for utilising part of its Land and Buildings. It is not feasible to segregate Cost and Depreciation amount in respect of Fixed assets so utilised and hence has not been disclosed separately.

	Year Ended March 2014	Year Ended March 2013
	143.18	174.61
	1.60	1.39
	144.78	176.00
	144.59	175.58
	0.05	0.04
	0.14	0.38
	144.78	176.00
	Year Ended March 2014	Year Ended March 2013
Item of Asset		
Plant & Machinery	10.92	18.04
	1.21	0.52
	12.13	18.56

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Crore

NOTE NO. 11 "NON-CURRENT INVESTMENTS"	AS AT 31.03.2014	AS AT 31.03.2013
Unquoted Trade Investments (Fully paid up):		
a Subsidiary		
Rajasthan Rashtriya Chemicals and Fertilizers Ltd. (25,500 equity shares of ₹ 10 each)	–	0.03
Less:- Provision for Diminution in the value of investment	–	(0.03)
	–	–
b Joint Ventures		
RCF HM Construction Solutions Pvt.Ltd. (50,000 equity shares of ₹ 10 each) (Under lock in period upto 5th April 2014)	–	0.05
Less:- Provision for Diminution in the value of investment	–	(0.05)
Urvarak Videsh Ltd. (1,80,000 equity shares(P.Y.1,80,000) of ₹ 10 each) Nil equity shares allotted during C.Y., 30,000 equity shares allotted during P.Y.)	0.18	0.18
Less:- Provision for Diminution in the value of investment	(0.18)	–
	–	0.18
Unquoted Investments		
Investments -Others (3,36,600 equity shares of ₹ 10 each of Indian Potash Ltd.)	0.17	0.17
TOTAL	0.17	0.35
Aggregate Provision for diminution in the value of investments	0.18	0.08

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Crore

NOTE NO. 12	“LOANS AND ADVANCES”	NON CURRENT		CURRENT	
		AS AT 31.03.2014	AS AT 31.03.2013	AS AT 31.03.2014	AS AT 31.03.2013
	Capital Advances - Unsecured Considered good	7.04	14.20	–	–
	Considered Doubtful	1.13	1.13	–	–
	Less:Provision	(1.13)	(1.13)	–	–
		<u>7.04</u>	<u>14.20</u>	<u>–</u>	<u>–</u>
	Security Deposits-Unsecured Good	17.06	17.09	1.41	1.34
	Considered Doubtful	0.18	0.18	–	–
	Less:Provision	(0.18)	(0.18)	–	–
		<u>17.06</u>	<u>17.09</u>	<u>1.41</u>	<u>1.34</u>
	Loans and Advances to State Controlled Enterprises				
	Unsecured -Considered Good	–	–	–	0.01
	Considered Doubtful	–	0.02	–	–
	Less:Provision	–	(0.02)	–	–
		<u>–</u>	<u>0.04</u>	<u>–</u>	<u>–</u>
	Loans:				
	– Employees				
	Secured considered Good (Including accrued interest C.Y. ₹ 6.51 crore , P.Y. ₹ 8.14 crore)	5.96	7.60	0.87	1.18
	ADVANCES RECOVERABLE IN CASH OR IN KIND UNSECURED CONSIDERED GOOD UNLESS OTHERWISE STATED				
	Contractors	0.03	–	21.20	51.44
	Employees	0.02	1.38	1.78	2.00
	VAT Receivable	97.69	59.23	0.01	0.01
	Others	0.14	0.15	7.72	5.63
		<u>97.88</u>	<u>60.76</u>	<u>30.71</u>	<u>59.08</u>
	Considered Doubtful -Others	8.38	10.77	–	–
	Less:Provision for doubtful advances	(8.38)	(10.77)	–	–
		<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
	Advance Income Tax (Net of Provision)	0.02	25.55	0.06	0.02
	Deposits with Customs, Port Trust etc.	0.81	0.85	0.23	0.26
	Prepaid expenses	0.96	1.40	4.51	3.65
	TOTAL	<u>129.73</u>	<u>127.45</u>	<u>37.79</u>	<u>65.54</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Crore

NOTE NO. 13	"OTHER ASSETS"	NON CURRENT		CURRENT	
		AS AT 31.03.2014	AS AT 31.03.2013	AS AT 31.03.2014	AS AT 31.03.2013
UNSECURED CONSIDERED GOOD UNLESS OTHERWISE STATED					
	Unamortized Premium on Forward contracts	-	-	8.54	0.18
	Interest Accrued	-	-	0.12	0.17
	Other Receivables	16.09	13.78	49.40	29.91
	Other Receivables - Considered Doubtful	0.47	2.82	-	-
	Less: Provision for Doubtful Receivables	(0.47)	(2.82)	-	-
		<u>16.09</u>	<u>13.78</u>	<u>49.40</u>	<u>29.91</u>
	Advance against Equity Pending allotment	-	0.51	-	-
	Less: Provision of Diminution in value	-	(0.51)	-	-
	TOTAL	16.09	13.78	58.06	30.26

₹ in Crore

NOTE NO. 14	"INVENTORIES"	AS AT 31.03.2014	AS AT 31.03.2013
	Raw materials	152.45	275.32
	Finished Goods	176.90	308.04
	Stock in Trade / Bought out Products	29.57	207.80
	Intermediary Products	27.54	26.53
	By products	8.70	9.51
	Stores & Spares, packing materials and Petroleum products	412.56	382.92
	Less: Provision for Obsolescence/Loss under Investigation*	(4.70)	(4.19)
		<u>407.86</u>	<u>378.73</u>
	Certified Emission Reduction Credits (No. of Units C.Y. 841425, P.Y. 276223)	0.88	0.35
		<u>803.90</u>	<u>1206.28</u>
Inventory Includes:			
i)	In Transit		
	Raw Materials	-	-
	Finished Goods	54.33	52.70
ii)	Stores and Spares		
a)	Under inspection	1.93	3.62
b)	Platium & Rhodium stolen in earlier year and under investigation which is not available for verification	0.21	0.21
c)	With fabricators	11.67	20.75

* Refer Note No. A.11

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

₹ in Crore

NOTE NO. 15 "TRADE RECEIVABLES"	NON CURRENT		CURRENT	
	AS AT 31.03.2014	AS AT 31.03.2013	AS AT 31.03.2014	AS AT 31.03.2013
Overdue for a period exceeding six months				
Secured-considered good				
Debtors	-	-	4.56	0.26
Subsidy Receivables	-	-	-	-
	-	-	4.56	0.26
Unsecured-considered good				
Debtors	-	-	14.92	-
Subsidy Receivables	-	-	1019.05	308.29
	-	-	1033.97	308.29
Other Debts				
Secured-considered good				
Debtors	-	-	8.04	57.88
Subsidy Receivables	-	-	-	-
	-	-	8.04	57.88
Unsecured-considered good				
Debtors	-	-	220.89	385.72
Subsidy Receivables (*)	-	-	1501.64	1827.06
	-	-	1722.53	2212.78
Debtors Unsecured Considered Doubtful	2.35	0.05	-	-
Debtors Unsecured Considered Bad	-	0.04	-	-
Less: Provision for doubtful debts	(2.35)	(0.05)	-	-
Less: Provision for bad debts	-	(0.04)	-	-
	-	-	-	-
Claims - Considered Doubtful	8.74	5.02	-	-
Less: Provision for doubtful	(8.74)	(5.02)	-	-
	-	-	-	-
Sub Total - Trade Receivables	-	-	248.41	443.86
Sub Total - Subsidy Receivables (*)	-	-	2520.69	2135.35
TOTAL	-	-	2769.10	2579.21

* (Includes an amount of ₹ 491.64 crore (P.Y. ₹ 127.52 crore) received under special banking arrangement also stated in Note no. 7)

₹ in Crore

NOTE NO. 16 "CASH AND CASH EQUIVALENTS"	AS AT 31.03.2014	AS AT 31.03.2013
Cash and Cash Equivalents		
Cash on hand	0.02	0.03
Cheques in hand	1.45	-
Deposits with original maturity less than 3 months	0.98	1.30
In Current and Cash Credit accounts	67.33	45.27
In unpaid Dividend Account	0.51	0.43
	70.29	47.03
Other Bank Balances		
Deposits with original maturity more than 3 months but less than 12 months	1.42	130.00
Margin money deposit	0.30	0.11
	1.72	130.11
TOTAL	72.01	177.14

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Crore

NOTE NO. 17	"REVENUE FROM OPERATIONS"	AS AT 31.03.2014	AS AT 31.03.2013
1. Sales			
(A) Manufactured Products	17A		
Fertilizers		2114.70	2090.82
Industrial Products		987.96	1080.94
		3102.66	3171.76
Less: Excise duty		(135.59)	(144.17)
		2967.07	3027.59
(B) Bought-out Products	17A		
Fertilizers		330.01	686.06
Net Sales		3297.08	3713.65
2. Other Operating Revenues			
Subsidy on Urea & Complex Fertilizers	17B	3270.87	3041.45
Sale of Scrap		10.16	6.48
Management Fees - For Services rendered		9.98	12.40
TOTAL		3291.01	3060.33
Revenue from Operations(Net)		6588.09	6773.98

₹ in Crore

NOTE NO. 17A	"SALES - PRODUCT WISE BREAK-UP"	Year Ended March 2014	Year Ended March 2014	Year Ended March 2013	Year Ended March 2013
		Quantity (M.T)	Value	Quantity (M.T)	Value
1 Manufactured					
A. Fertilizers					
Urea		1,807,938	935.58	1,811,499	938.35
Suphala 15 : 15 : 15		359,225	527.95	446,666	645.77
Suphala 20 : 20 : 0 (Ammonium Nitrate Phosphate)		188,286	280.99	135,075	202.14
Neem coated Urea		606,851	330.88	475,327	258.91
Boronated Suphala		1,714	2.55	15,453	23.95
Others		–	36.75	–	21.70
		2,964,014	2114.70	2,884,020	2090.82
B. Industrial Products					
Methanol		54,862	184.97	52,994	129.31
Ammonia		74,576	274.66	105,429	409.21
Dilute Nitric Acid		16,389	22.87	14,278	19.93
Concentrated Sulphuric Acid		159	0.10	–	0.05
Concentrated Nitric Acid		30,941	47.57	33,031	51.97
Ammonium Bi-carbonate		26,937	32.70	27,621	41.65

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Crore

NOTE NO. 17A	“SALES - PRODUCT WISE BREAK-UP”	Year Ended	Year Ended	Year Ended	Year Ended
		March 2014	March 2014	March 2013	March 2013
		Quantity (M.T)	Value	Quantity (M.T)	Value
	Sodium Nitrate	1,690	5.56	1,680	5.58
	Sodium Nitrite	2,624	9.82	2,778	9.82
	Methylamines	9,887	80.67	11,889	78.54
	Ammonium Nitrate Melt	99,741	230.36	100,232	227.19
	Dimethyl Formamide	2,670	20.07	3,549	24.15
	Dimethyl Acetamide	2,674	23.03	3,020	24.06
	Argon Gas / Liquid Argon	7,985	11.79	9,039	15.52
	Formic Acid	5,692	26.96	6,587	28.03
	Others	–	16.83	–	15.93
			987.96	372,127	1080.94
2.	Bought-out Products				
A	Fertilizers				
	Imported Di Ammonium Phosphate	100,501	230.83	113,503	247.39
	Imported Muriate of Potash	12,220	18.68	142,363	219.68
	Imported Urea	30,518	15.81	83,612	43.36
	Single Super Phosphate	46,674	29.96	39,230	25.70
	Imported NPK 20:20:0	739	1.12	20,423	29.35
	Ammonium Sulphate	3,192	3.74	10,527	11.39
	Traded DAP	2,716	6.03	36,524	85.22
	Others	–	23.84	–	23.97
			330.01		686.06
	TOTAL *		3432.67		3857.82

* Sales are net of trade rebates and discounts (C.Y. ₹ 92.05 crore , P.Y. ₹ 120.65 crore)

₹ in Crore

NOTE NO. 17B	“SUBSIDY”	Year Ended March 2014	Year Ended March 2013
Manufactured Fertilizers			
	Price	2671.98	2216.12
	Freight	424.30	349.22
		3096.28	2565.34
Bought-out Fertilizers			
	Price	153.73	435.12
	Freight	20.86	40.99
		174.59	476.11
	TOTAL	3270.87	3041.45

Refer Note No. A.10

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Crore

NOTE NO. 18	“OTHER INCOME”	Year Ended March 2014	Year Ended March 2013
Interest Income			
	On Loans to Employees	0.03	0.05
	On Deposits with Bank and Others	5.82	25.92
	From Customers	5.46	0.61
	On Income Tax Refunds	–	2.43
	From Others	0.21	0.16
	TOTAL	11.52	29.17
Other Income			
	Lease rent for railway wagons	1.41	–
	Dividend from Trade Investment	0.08	0.08
	Dividend from Other than Trade Investment	0.04	5.18
	Profit on sale of fixed assets (Net)	0.04	0.06
	Bad debts recovered	0.63	0.84
	Provisions for Doubtful debts/advances/obsolescence no longer required	6.66	0.82
	Liabilities/Provisions for expenses of earlier years no longer required	5.48	3.04
	Rent received, recovery of electricity etc.	21.55	20.52
	Lease compensation of railway siding	–	8.90
	Miscellaneous Income	26.99	24.54
		62.88	63.98
	Less: Transfer to Research and Development Expenses (Refer Note 24C)	–	–
	(C.Y. ₹ 51021, P.Y. ₹ 15265)	74.40	93.15

₹ in Crore

NOTE NO. 19	“COST OF MATERIALS CONSUMED”	Year Ended March 2014	Year Ended March 2013
	Raw Materials	19A 2531.22	2491.04
	Packing Materials	115.02	109.05
	TOTAL	2646.24	2600.09

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Crore

NOTE NO. 19A	"ITEMWISE BREAKUP OF MATERIALS CONSUMED"	Year Ended	Year Ended	Year Ended	Year Ended
		March 2014	March 2014	March 2013	March 2013
		Quantity (M.T)	Value	Quantity (M.T)	Value
RAW MATERIALS					
	Rock Phosphate	186,196	198.62	224,269	272.10
	Di-Ammonium Phosphate	535	1.49	–	–
	Mono-Ammonium Phosphate	86,574	232.64	84,487	251.74
	Muriate of Potash	88,653	228.21	121,647	357.64
	Sulphur	21,450	22.02	24,220	27.62
	Soda Ash	3,339	6.53	3,695	7.37
	Sulphuric Acid	–	–	7,017	2.81
	Associated Gas (Quantity in '000 M3) (Non APM)	42,528	49.69	–	–
	Associated Gas (Quantity in '000 M3) (APM)	89,369	74.14	92,022	75.64
	Natural Gas (Quantity in '000 M3) (PMT/RIL)	814,378	1,108.39	950,724	1,151.94
	Natural Gas (Quantity in '000 M3) (RLNG-spot/Mid Term Gas)	138,449	567.69	86,438	297.90
	Others	–	41.80	–	46.28
	TOTAL		2,531.22		2,491.04

₹ in Crore

NOTE NO. 20	"PURCHASES OF STOCK IN TRADE"	Year ended	Year ended	Year ended	Year ended
		March 2014	March 2014	March 2013	March 2013
		Quantity (M.T)	Value	Quantity (M.T)	Value
	Imported Urea	29,600	19.97	62,401	44.23
	Imported Di Ammonium Phosphate	71,400	232.77	122,857	423.89
	Imported Muriate of Potash	–	–	121,792	349.80
	Sulphur Bentonite	1,852	3.10	–	–
	Single Super Phosphate	39,098	23.03	21,819	13.54
	Ammonium Sulphate	3,192	3.65	10,527	11.08
	NPK 10:26:26	5,335	9.94	–	–
	Others	–	6.74	–	99.07
	TOTAL		299.20		941.61
	Less: Transferred to Plant for Internal Consumption				
	Imported Muriate of Potash	5,193	15.08	13,734	41.17
			284.12		900.44

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Crore

NOTE NO. 21	“CHANGES IN INVENTORIES”	Year ended March 2014	Year ended March 2013	
Opening Stock				
	Finished Goods	21A	308.04	180.07
	Intermediary Products		26.53	18.26
	By-Products		9.51	11.63
	Stock in trade	21A	207.80	334.21
	Carbon Credits		0.35	0.28
	Sub-Total		552.23	544.45
Closing stock				
	Finished Goods	21B	176.90	308.04
	Intermediary Products		27.54	26.53
	By-Products		8.70	9.51
	Stock in trade	21B	29.57	207.80
	Carbon Credits		0.88	0.35
	Sub-Total		243.59	552.23
Changes in Inventory				
	Differential Excise duty on stocks of Finished goods		0.92	0.48
	Adjustments to Stock from Trial Run		–	0.07
	TOTAL		309.56	(7.23)

₹ in Crore

NOTE No. 21A	“OPENING STOCK - PRODUCT WISE BREAK-UP”	Year Ended March 2014	Year Ended March 2014	Year Ended March 2013	Year Ended March 2013
		Quantity (M.T)	Value	Quantity (M.T)	Value
Finished Goods					
1. Manufactured					
A. Fertilizers					
	Urea (Trombay)	16,725	21.58	15,650	17.33
	Urea (Thal)	111,229	124.61	64,708	61.09
	Complex Fertilizers	54,111	126.25	42,505	80.79
	Others	–	29.12	–	12.68
B. Industrial Products					
	Methanol	1,301	3.11	1,788	3.61
	Concentrated Nitric Acid	34	0.05	149	0.20
	Ammonium Bi-carbonate	158	0.17	66	0.06
	Sodium Nitrate	103	0.34	31	0.11
	Sodium Nitrite	100	0.35	43	0.16
	Methylamines	47	0.11	292	1.33
	Ammonium Nitrate Melt	45	0.07	43	0.07
	Dimethyl Formamide	44	0.30	93	0.54
	Dimethyl Acetamide	8	0.05	25	0.16
	Argon Gas / Liquid	54	0.08	78	0.13
	Formic Acid	176	0.79	309	1.14
	Others	–	1.05	–	0.67
			308.04		180.07

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

₹ in Crore

NOTE No. 21A	“OPENING STOCK - PRODUCT WISE BREAK-UP”	Year Ended	Year Ended	Year Ended	Year Ended
		March 2014	March 2014	March 2013	March 2013
		Quantity (M.T)	Value	Quantity (M.T)	Value
2. Bought-out Products					
	Fertilizers				
	Imported Di Ammonium Phosphate	37,091	127.81	25,552	101.76
	Imported Muriate of Potash	17,297	51.57	52,065	138.66
	Imported Urea	1,085	0.90	22,593	18.68
	Single Super Phosphate	14,529	11.65	9,555	7.41
	Water Soluble Fertilizers	1,282	7.23	1,600	9.24
	Imported NPK 20:20:0	741	1.82	21,172	50.68
	Sulphate of Potash	229	0.80	1,438	5.01
	Traded DAP	2,716	6.03	–	–
	Others	–	–	–	2.77
			207.80	–	334.21
	TOTAL		515.84		514.28

₹ in Crore

NOTE No. 21B	“CLOSING STOCK - PRODUCT WISE BREAK-UP”	Year Ended	Year Ended	Year Ended	Year Ended
		March 2014	March 2014	March 2013	March 2013
		Quantity (M.T)	Value	Quantity (M.T)	Value
Finished Goods					
1. Manufactured					
	A. Fertilizers				
	Urea (Trombay)	17,144	24.73	16,725	21.58
	Urea (Thal)	41,761	55.41	111,229	124.61
	Complex Fertilizers	22,244	51.22	54,111	126.25
	Others	–	31.59	–	29.12
	B. Industrial Products				
	Methanol	2,309	6.32	1,301	3.11
	Concentrated Nitric Acid	56	0.08	34	0.05
	Ammonium Bi-carbonate	167	0.18	158	0.17
	Sodium Nitrate	20	0.07	103	0.34
	Sodium Nitrite	74	0.32	100	0.35
	Methylamines	169	1.23	47	0.11
	Ammonium Nitrate Melt	10	0.02	45	0.07
	Dimethyl Formamide	206	1.50	44	0.30
	Dimethyl Acetamide	1	0.01	8	0.05
	Argon Gas / Liquid	158	0.23	54	0.08
	Formic Acid	250	1.22	176	0.79
	Others	–	2.77	–	1.05
			176.90	–	308.04
2. Bought-out Products					
	Fertilizers				
	Imported Di Ammonium Phosphate	5,101	18.14	37,091	127.81
	Imported Muriate of Potash	–	–	17,297	51.56
	Imported Urea	1	–	1,085	0.90
	Single Super Phosphate	6,931	5.25	14,529	11.65
	Water Soluble Fertilizers	961	4.95	1,282	7.23
	Imported NPK 20:20:0	–	–	741	1.82
	Sulphate of Potash	–	–	229	0.80
	Traded DAP	–	–	2,716	6.03
	Others	–	1.23	–	–
			29.57	–	207.80
	TOTAL		206.47		515.84

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Crore

NOTE NO. 22	“EMPLOYEE BENEFITS EXPENSE”	Year ended March 2014	Year ended March 2013
	Salaries, Wages and Bonus	383.14	379.34
	Contribution to Provident Fund and other funds	40.49	38.00
	Contribution to Gratuity Fund	(6.62)	10.21
	Workmen and Staff Welfare Expenses	47.53	44.39
		464.54	471.94
Less :	Salaries, Wages, Bonus and contribution to Provident Fund & Other funds Included in :		
	Research and Development Expenses (Refer Note No. 24C)	(3.22)	(2.89)
	Share recoverable from Thal Ammonia Extension / Others	(18.15)	(18.73)
		(21.37)	(21.62)
	TOTAL	443.17	450.32

₹ in Crore

NOTE NO. 23	“FINANCE COSTS”	Year ended March 2014	Year ended March 2013
	On Term Loans-From Banks	30.02	23.93
	On Working capital from Banks	65.42	60.65
	On other loans and deposits	3.32	2.77
	Applicable net gain/loss on foreign currency transactions and translation in respect of borrowings	29.86	38.91
	Interest on Taxes	3.47	0.16
	Others	3.88	4.93
		135.97	131.35

₹ in Crore

NOTE NO. 24	“OTHER EXPENSES”	Year ended March 2014	Year ended March 2013
	Stores and Spares	49.66	36.78
	Power and fuel	1247.43	1180.56
	Water Charges	71.89	56.45
	Repairs and Maintenance	191.85	174.94
	Freight and Handling Charges	549.36	597.67
	Rent	9.42	11.94
	Rates and Taxes	7.58	6.17
	Insurance	14.26	9.20
	Cash Discounts and other Rebates	28.26	22.60
	Miscellaneous Expenses	170.76	148.31
	Less: Transferred to Research & Development Expenses (Refer Note No. 24C)	(0.15)	(0.09)
		2340.32	2244.53

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Crore

NOTE NO.24A	“REPAIRS AND MAINTENANCE”	Year ended March 2014	Year ended March 2013
Plant and Machinery		132.07	107.69
Buildings		34.63	38.35
Other Assets		25.28	28.97
		191.98	175.01
Less: Transferred to Research & Development Expenses (Refer Note No.24C)		(0.13)	(0.07)
	TOTAL	191.85	174.94

₹ in Crore

NOTE NO. 24B	“MISC. EXPENSES”	Year ended March 2014	Year ended March 2013
Security expenses-Factory and Others		27.09	25.45
Electricity Charges-Township and Offices		5.61	5.37
Advertisement		4.92	9.74
Bank Charges		1.27	2.25
Promotion and Publicity		3.53	4.99
Hire Charges for vehicles		4.78	4.12
Travelling expenses		6.97	7.52
Miscellaneous expenses *		36.62	37.11
Entertainment Expenses		0.11	0.08
Donations		1.14	–
Lease Rent for Railway wagons		–	–
Research and Development expenses	24C	3.90	3.52
Loss on Fixed Assets Sold /Discarded		1.79	0.10
Losses/Damages and other amounts written off		0.40	2.23
Foreign exchange Loss/(Gain)		71.16	25.47
Loss on sale/ Mark To Market valuation of Equity Investments		0.18	–
Corporate Social Responsibility expenses (Refer Note No. A. 20)		14.82	9.05
Duties and Taxes		–	12.04
Provision for Doubtful Debts/ Claims/ Advances		6.61	14.60
Provision for obsolescence of stores		1.27	1.37
Bad debts written off		0.81	0.80
Prior period Items -Debit(+)/Credit(-)	24D	(0.38)	0.36
Adjustment towards share of common expenses recoverable from TAE/TDP		(21.84)	(17.85)
	Sub Total	170.76	148.31

* Includes Director's sitting fees (C.Y. ₹.60000/- P.Y. ₹.Nil)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Crore

NOTE NO. 24C	“RESEARCH & DEVELOPMENT EXPENSES”	Year ended March 2014	Year ended March 2013
	Salaries and Staff Welfare Expenses	3.22	2.89
	Repairs and Maintenance	0.13	0.07
	Depreciation	0.05	0.04
	Other Expenses	0.47	0.50
	Handling charges	0.03	0.02
	Materials Consumed	–	–
	Sub Total	3.90	3.52
	Less: Transferred from Other Income (C.Y. ₹ 51021, P.Y. ₹ 15265)	–	–
	TOTAL	3.90	3.52

₹ in Crore

NOTE NO.24D	“PRIOR PERIOD ITEMS”	Year ended March 2014	Year ended March 2013
	Debits / Credits (-)		
	Interest	–	(0.02)
	Materials Consumed	0.67	–
	Repairs and Maintenance	(0.99)	–
	Depreciation	0.14	0.38
	Others	(0.20)	–
		(0.38)	0.36

A. Statement of Significant Accounting Policies and Explanatory Information on Consolidated Financial Statements for the year ended 31st March, 2014

1. Basis of Consolidation

1.1. The Consolidated Financial Statements relate to the Company (Rashtriya Chemicals & Fertilizers Ltd.) and Joint Venture entities (hereinafter referred as the “Group”), other than a subsidiary and Joint venture entities referred to in (1.2), (1.3) & (1.4) below.

1.2. Rajasthan Rashtriya Chemicals and Fertilizers Limited, is a subsidiary of the Company, with proportionate ownership interest of 51%. The subsidiary was incorporated on 28th July, 2007 with authorized share capital of ₹ 5 Crore. The Company has subscribed towards equity share capital of 25500 shares of ₹ 10/- each amounting to ₹ 0.03 Crore and had further paid an amount of ₹ 0.49 Crore towards equity share capital which is pending allotment.

Winding up proceedings of the said subsidiary has been initiated and accordingly the company has fully written off the investment including amount paid as advance against equity capital, pending allotment.

1.3. RCF HM Construction Solutions Private Limited is a Joint Venture entity with the Company holding 50% share in the said entity. The joint venture was incorporated on 5th June, 2009 with authorized share capital of ₹ 5 Crore. The Company had subscribed towards equity share capital of 50000 shares of ₹ 10/- each amounting to ₹ 0.05 Crore.

The Joint Venture entity has been wound up and the Company has fully written of the investments in its books.

1.4. Urvarak Videsh Ltd. is a Joint Venture entity of the Company, with the Company holding proportionate share of interest of 33.33% in the said entity. The Joint venture entity was incorporated on 18th July, 2008 with an authorized capital of ₹ 5.00 crore. The Company had subscribed towards share capital of 180000 shares of ₹ 10/- each amounting to ₹ 0.18 crore.

Company has made a full provision for diminution in value of investment in view of accumulated losses of the Joint Venture entity.

1.5. The audited financial statements of the aforesaid subsidiary/joint venture entities for the year

ended 31st March, 2014 are not available and in lieu of what is stated in para (1.2), (1.3) & (1.4) above, the accounts have not been considered for consolidation / proportionate consolidation during the year in accordance with Accounting Standard 21 – ‘Consolidated Financial Statements’. The aforesaid subsidiary / joint venture entities not included in the Consolidated Financial Statements are individually and collectively not material to the Group’s activity.

2. Basis of Accounting

2.1. The financial statements of the Group have been prepared in conformity with generally accepted accounting principles to comply in all material respects with the notified Accounting Standards (AS) under Companies (Accounting Standard) Rules 2006 and the relevant provisions of the Companies Act, 1956 (“the Act”). The financial statements of the Group have been prepared under the historical cost convention, on an accrual basis. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year.

2.2. The financial statements of the Joint venture entity used in the consolidation are drawn up to the same reporting date as of the Company i.e. for the year ended 31st March, 2014.

3. Principles of Consolidation

3.1. The financial statements of Joint Venture entity are combined by applying proportionate consolidation method on a line by line basis on items of assets, liabilities, income and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard (AS) 27 - “Financial Reporting of Interests in Joint Ventures”.

3.2. The Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company’s separate Financial Statements.

3.3. The following Joint venture entity is considered in the Consolidated Financial statements.

Name of the Company	Country of Incorporation	Relation	Proportion of Ownership Interest as on 31st March 2014	Date of the entity becoming Joint Venture
FACT-RCF Building Products Ltd.	India	Joint Venture	50%	02-May-2008

4. Accounting Policies

The accounting policies of the Parent Company are presented in Note no. A forming part of its standalone financial statements. Differences in accounting policies followed by joint venture entity consolidated have been reviewed and no adjustments have been made, since the impact of these differences is not material.

- The Notes to these consolidated financial statements are disclosed to the extent necessary for presenting a true and fair view of the consolidated financial statements.
- Estimated amount of contracts remaining to be executed on capital account and not provided for aggregates to ₹ 24.95 Crore (Previous year ₹ 132.41 Crore) net of advances.

7. Contingent Liabilities;

- Claims against the Company not acknowledged as debts to the extent ascertainable (interest cannot be estimated reliably) aggregates to ₹ 25.86 crore, (P.Y. ₹ 27.74 crore).
- Other Contingent liabilities are same as disclosed in the Standalone Financial statements of the Company.

8. Earnings Per Share

	31.3.2014	31.3.2013
Net profit after tax as Statement of Profit and Loss (₹ in crore) (A)	241.09	272.83
Weighted Average Numbers of Equity Shares for calculating basic EPS (B)	55,16,88,100	55,16,88,100
Basic earnings per Share (in Rupees) (Face Value of ₹ 10/- per share) (A)/(B)	4.37	4.95

- Some of the balances of Trade Receivable, Trade Payable, Current Liability and Loans and advances are subject to confirmation, reconciliation and consequential adjustments if any. In the opinion of the management, such adjustments would not be material.

- The Company is eligible to receive subsidy from Fertilizer Industry Co-Ordination Committee (FICC) / Department of Fertilizers (DOF) on Urea, Phosphatic & Potassic (P&K) Fertilizers at the rates notified from time to time.

For the rates yet to be notified, due to escalations/de-escalations in the cost of inputs and other costs, subsidy has been accounted on estimated basis.

The details of subsidy accounted on estimated basis are as under:-

₹ crore

Particulars	2013-14			2012-13		
	Urea	P&K Fertilizers*	Imported Urea	Urea	P&K Fertilizers*	Imported Urea
For the Year	552.27	(5.94)	0.47	400.65	(18.29)	0.27
Total	552.27	(5.94)	0.47	400.65	(18.29)	0.27

* (Subsidy refundable).

- As per requirements of Accounting Standard -28, Company has carried out impairment testing of its Cash Generating Units/Fixed Assets at the year end. Such a test of impairment is carried out considering an estimated useful life of 10 Years for arriving at the value in use. Accordingly, a provision for impairment has been made towards the Rapidwall and Sodium Nitrate plants at Trombay unit and Argon Plant at Thal unit since the expected value in use as arrived at of the said plants are lower than their carrying amount. A provision of ₹ 6.48 crore has been made towards impairment.

The status of provision made towards impairment is as under:-

₹ crore

Sr. No.	Particulars	2013-14				2012-13			
		Sodium Nitrate/ Nitrite	Chikton	Rapid wall	Argon	Sodium Nitrate/ Nitrite	Chikton	Rapid wall	Argon
1	Provision for Impairment made during the year	0.66	-	2.72	3.10	-	-	28.31	12.37
2	Reversal of Provision during the year	-	-	-	-	-	-	-	-
3	Balance in Provision A/C	0.66	0.84	51.46	15.47	-	0.84	48.74	12.37

Consequent to making full provision for impairment towards its Rapidwall and Sodium Nitrate /Nitrite plants, Company has also provided for an amount of ₹ 0.41 crore towards the inventory of specific spares relating to the said plants.

12. The position of Foreign currency exposures are as under:-

₹ crore

Particulars	Hedged Exposure	Cross Currency	31-3-2014	31-3-2013
Foreign Currency exchange contracts	Buyer's credit/Supplier's credit availed for import of raw materials	USD	646.16	281.69
	Long Term Borrowings		26.78	0.00

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under:-

₹ crore

Particulars	31-3-2014	31-3-2013
Foreign currency term loans	259.35	161.23
Buyer's credit/Suppliers credit for import of raw materials and others	53.97	589.75
Advances/receivable from suppliers	2.37	9.59

13. Consolidated Employee benefit disclosures, segment disclosures, related party transactions, Lease disclosures, and deferred tax liability (Net), are not materially different from those disclosed in the standalone financial statements of the Company.

14. Disclosure as per Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets" as on 31st March, 2014.

₹ crore

Particulars	Balance as on 31.3.2013	Addition	Utilization	Reversal	Balance as on 31.3.2014
Disputes and Claims, Legal Matters (*)	2.53 (0.53)	- (2.00)	- -	- -	2.53 (2.53)

Figures in brackets are in respect of previous year.

(*) Disputes, Claims and Others represent estimates made mainly for probable claims arising out of litigations / disputes pending with authorities /Trade Payable. Deferred Tax Benefit of ₹ 0.86 crore (Previous year ₹ 0.86 crore) has been recognized on above. The timing and probability of outflow with regard to these matters depends on the ultimate settlement /conclusions with relevant authorities.

15. In compliance with Accounting Standard 27 on "Financial Reporting of Interests in Joint Ventures". The required information is as under:-

JOINT CONTROLLED ENTITIES

Name of the Company	Country of Incorporation	Percentage of ownership interest as on	
		31-3-2014	31-3-2013
1) FACT-RCF BUILDING PRODUCTS LTD.	India	50.00	50.00
2) URVARAK VIDESH LTD.	India	33.33	33.33

- A) **FACT-RCF BUILDING PRODUCTS LTD:**

A Joint venture Company with Fertilizers and Chemicals Travancore Ltd. (FACT) for manufacture of rapid building materials from Gypsum at Kochi.

- B) **URVARAK VIDESH LTD:**

A joint venture with National Fertilizers Ltd. and KRIBHCO for revival of closed Fertilizer Units of FCI/HFC group of companies has been formed. Since the company has made full provision for diminution in the value of investment, accounts of the Joint Venture entity is not consolidated.

The Company's share in assets, liabilities, income, expenditure, contingent liabilities and capital commitments compiled on the basis of audited/un-audited financials received from the joint venture entity FACT-RCF BUILDING PRODUCTS LTD is as follows:-

₹ crore

Sr. No.	Particulars	31/3/2014 (Unaudited)	31/03/2013 (Audited)
1	Non-Current Assets	56.84	59.22
2	Current Assets	3.18	3.30
3	Non-Current Liabilities	42.76	44.32
4	Current Liabilities	1.31	1.10
5	Income	0.85	0.30
6	Expenditure	9.75	8.48
7	Contingent Liability	2.36	4.11
8	Capital Commitments	2.06	2.05

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

₹ crore

Sr. No.	Particulars	2013-14	2012-13
1	Principal amount remaining unpaid as on 31 st March	3.70	0.09
2	Interest due thereon 31 st March	NIL	NIL
3	Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year.	NIL	NIL
4	Interest due and payable for the period of delay making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL
5	Interest accrued and remaining unpaid as on 31 st March.	NIL	NIL

Sr. No.	Particulars	2013-14	2012-13
6	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL

Dues to Micro and small enterprises have been determined to the extent such parties have been identified on the basis of information given by such parties/available with the company. This has been relied upon by the auditors.

17. In line with the principle of prudence enunciated in Accounting Standard-1, Disclosure of Accounting policies as per the announcement of Institute of Chartered Accountants of India, Company has not recognized an amount of ₹ 0.30 crore (P.Y. ₹ 1.01) being the mark to market gains on outstanding derivative contracts as at 31st March, 2014.

18. Company had entered into an arrangement for manufacture of Single Super Phosphate (SSP) on job work basis with a third party. Owing to party's failure to fulfill contractual obligations, the said agreement was terminated by the Company and an amount of ₹ 5.84 crore receivable from the party was provided for as doubtful during the previous year. Company has initiated arbitration proceedings against the said party during the year. Inventory amounting to ₹ 2.01 crore stands recovered from the said party. Thus the amount of provision stands reduced to ₹ 3.83 crore as on 31st March, 2014.

19. During the year 2012-13 a fire occurred in the stores department of Trombay Unit consequent which Company received an ad-hoc payment of ₹ 3.00 crore towards the same. Company had recognized an amount of ₹ 0.48 crore as income during the said year matching revenues with costs. An insurance claim of ₹ 7.95 crore has been provisionally accepted towards the amounts claimed by the Company during the year of which an amount of ₹ 2.50 crore was further settled. Company has recognized an amount of ₹ 7.47 crore as income towards the same during the year. The expenditure/losses claimed have been appropriately dealt in the books. (C.Y. ₹ 8.39 crore), (P.Y. ₹ 2.02 crore).

20. During the year Company has incurred expenditure towards Corporate Social Responsibility (CSR) related activities amounting to ₹ 14.82 crore (P.Y. ₹ 9.05 crore) which is reported under Note no. 24B "Miscellaneous expenses".

The functional classification of the same is as under:-

Particulars	₹ crore	
	2013-14	2012-13
Employee welfare (School & sports expenses)	3.76	2.91
Repairs & maintenance	1.45	1.16
Water charges	0.89	0.48
Miscellaneous expenses	8.72	4.50
TOTAL	14.82	9.05

21. Previous year figures have been re-arranged and regrouped wherever necessary and/or practicable to make them comparable with those of the current year.

As per our report of even date attached

For and behalf of the Board of Directors
RASHTRIYA CHEMICALS AND FERTILIZERS LTD.

(R.G. Rajan)
Chairman and Managing Director

(C.M.T. Britto)
Director (Technical)

(R.H. Kulkarni)
Executive Director - Finance

(K.C. Prakash)
Company Secretary

Dated : 14.05.2014
Place : Mumbai

For **M. M. NISSIM AND CO.**
Chartered Accountants

(Dhiren Mehta)
Partner

Dated : 14.05.2014
Place : Mumbai

For **NBS & Co.**
Chartered Accountants

(Devdas Bhatt)
Partner

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY [RAJASTHAN RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED]

Name of Subsidiary Company	Rajasthan Rashtriya Chemicals and Fertilizers Limited
The financial year of the Subsidiary Company ended on	31st March, 2014
Number of shares in the Subsidiary Company held by Rashtriya Chemicals and Fertilizers Limited at the above date.	25,500 Equity Shares of ₹ 10 each
Holding Company's interest in percentage	51.00%
The net aggregate of profits of the subsidiary so far as these concern the member of Rashtriya Chemicals and Fertilizers Limited at the above date-	
I. dealt with in the accounts of Rashtriya Chemicals and Fertilizers Limited:	
(a) for subsidiaries' financial year ended on 31st March, 2014	—
(b) for previous financial years of the subsidiary since these became subsidiary of Rashtriya Chemicals and Fertilizers Limited	—
II. not dealt with in the accounts of Rashtriya Chemicals and Fertilizers Limited amounted to:	
(a) for subsidiaries' financial year ended on 31st March, 2014	—
(b) for previous financial years of the subsidiary since these became subsidiary of Rashtriya Chemicals and Fertilizers Limited	—
III. information when the financial year of the subsidiary is not matching with Rashtriya Chemicals and Fertilizers Limited and Financial year	
(a) change in Rashtriya Chemicals and Fertilizers Limited's interest in the subsidiary company between the end of financial year or of the last financial year of the subsidiary company and the end of the Rashtriya Chemicals and Fertilizers Limited's financial year	—
(b) details of material changes which have occurred between the end of financial year or of last of the financial years of the subsidiary and the end of Rashtriya Chemicals and Fertilizers Limited in respect of –	—
(i) the subsidiary's fixed assets	—
(ii) its investments	—
(iii) the money lent by it	—
(iv) the moneys borrowed by it for any purpose other than that of meeting current liabilities	—

For and on behalf of the Board

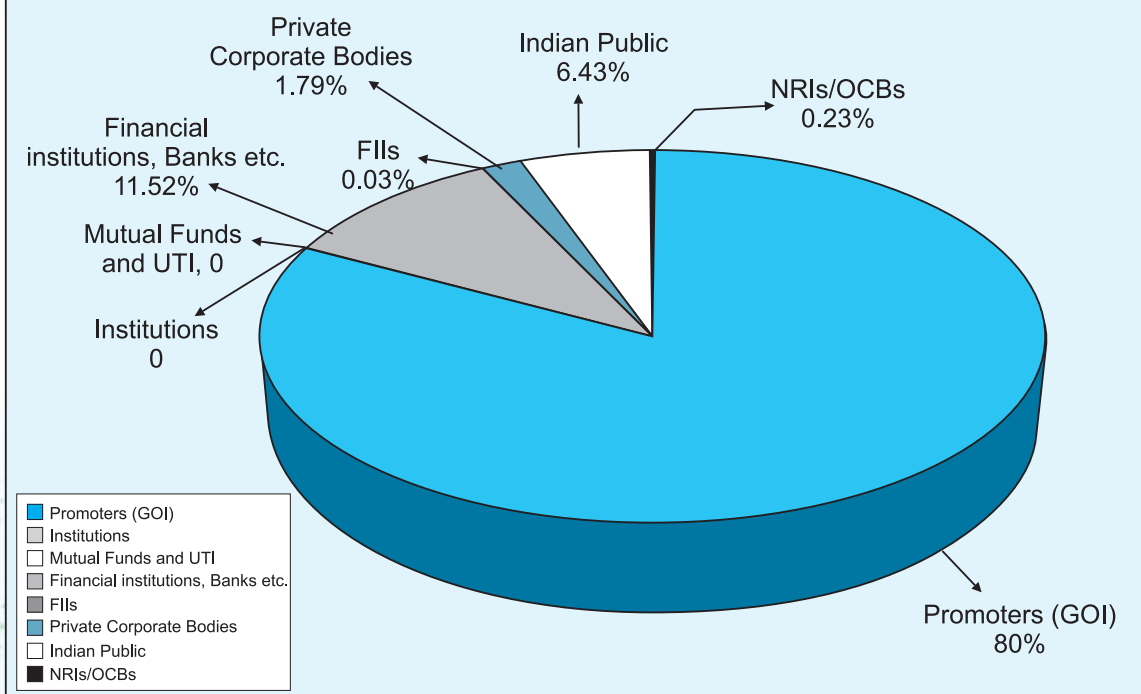
R. G. Rajan
Chairman and Managing Director

C. M. T. Britto
Director(Technical)

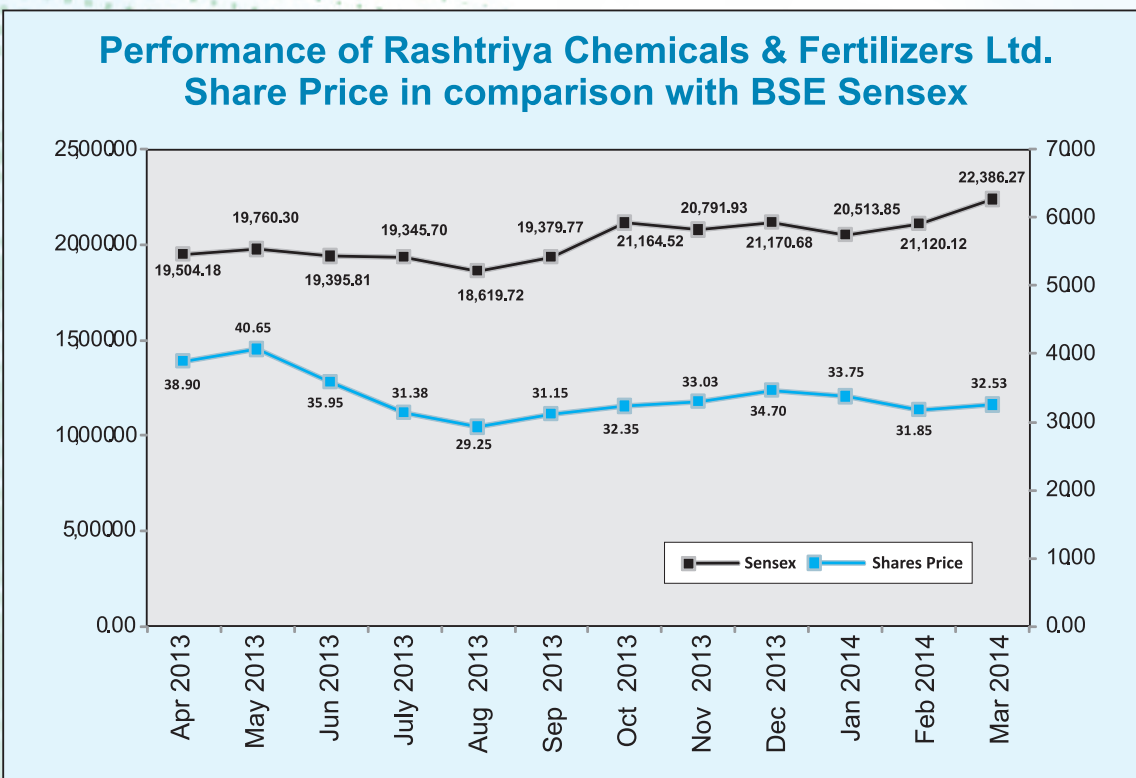
K. C. Prakash
Company Secretary

Date: 13.05.2014
Place: Mumbai

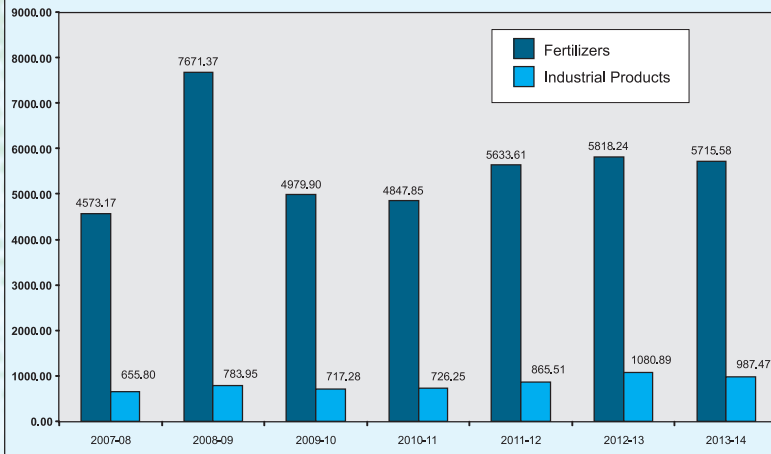
Share Holding Pattern as on 31.03.2014



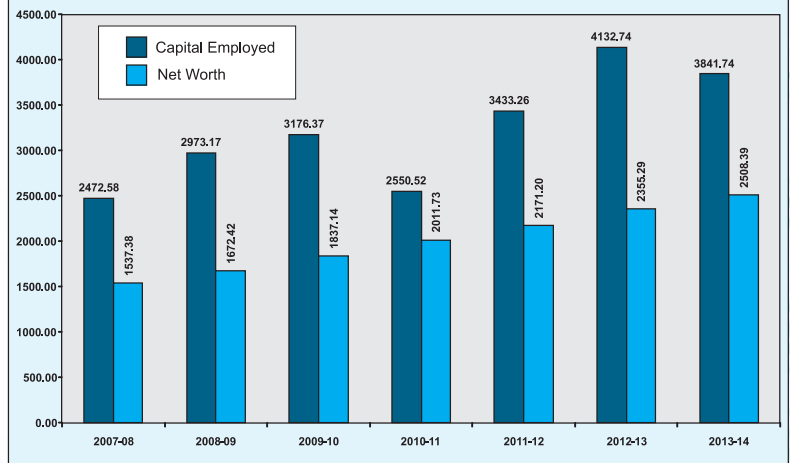
Performance of Rashtriya Chemicals & Fertilizers Ltd. Share Price in comparison with BSE Sensex



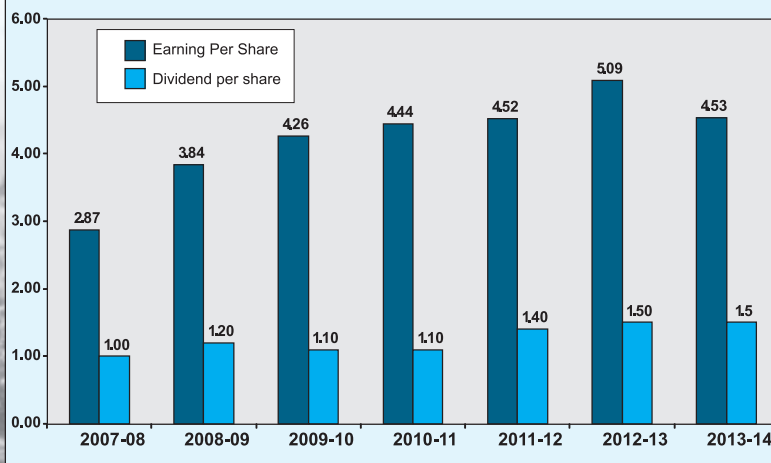
Fertilizer & IPD Sales (₹ Crore)

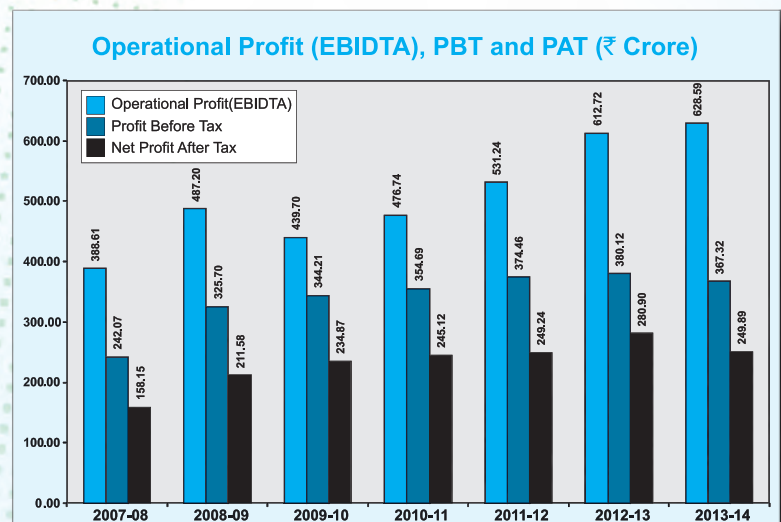
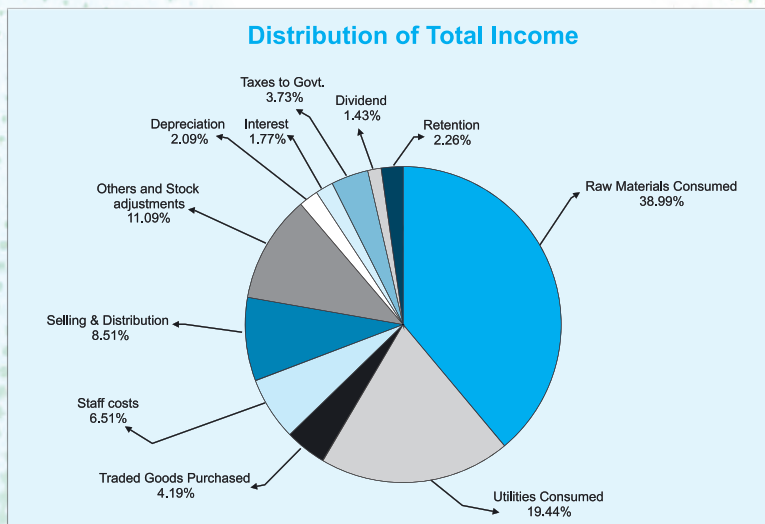
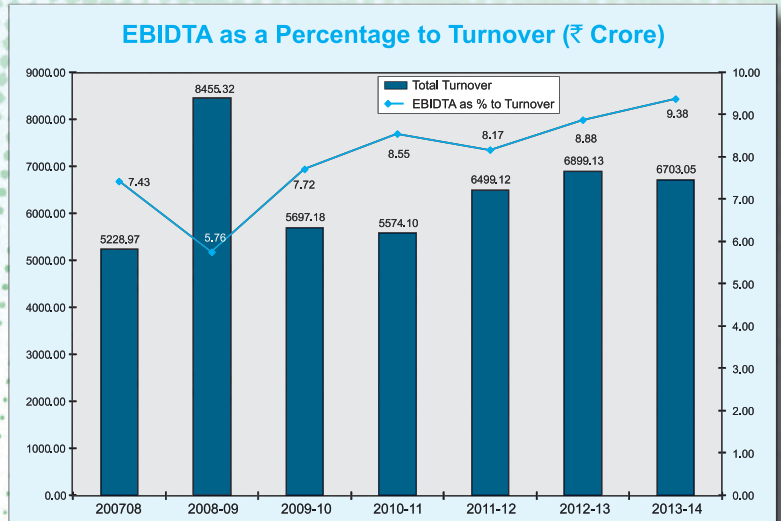


Capital Employed & Net Worth (₹ Crore)



Earnings & Dividend per Share (₹)





RAJASTHAN RASHTRIYA CHEMICALS & FERTILIZERS LIMITED

Board of Directors

Shri R. G. Rajan Chairman

Shri C. M. T. Britto
Shri Ashok Ghasghase } Directors

Directors' Report

To the Members,
Rajasthan Rashtriya Chemicals and Fertilizers Ltd
Jaipur.

The Directors of your Company have pleasure in presenting this 7th Annual Report on the working of your Company together with the Audited Accounts for the period ended 31st March, 2014.

1. Operations:

Your Company has not started any activity during the year. The promoters have not found manufacture of SSP, as a viable proposition. The Company is not in a position to pursue any of the objectives and the promoters are likely to take a decision for taking action under Section 560 of the Companies Act, 1956/ Section 148 of the Companies Act, 2013 to strike down the name of the Company as it is defunct.

2. Financial Performance:

The audited Accounts, i.e. the profit and loss account for the year ended 31st March, 2014 and the Balance Sheet as at 31st March, 2014 along with the Auditor's Report are appended herewith. Comments, if any, from the CAG shall be part of this report. During the year, your Company incurred an expenditure of ₹ 55,514.48. The net debit balance in the profit and loss account as on 31st March, 2014 is ₹ 82,26,079.13. Your Company has not raised equity capital or borrowed any monies during the year under report.

3. Directors' Responsibility Statement:

The Companies Act, 1956 requires the Board of Directors of your Company to prepare accounts for each financial year giving a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that period.

The Directors state that:

- i] in preparing the annual accounts, the applicable accounting standards have been followed.
- ii] the accounting policies adopted have been consistently applied and wherever necessary, made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the loss of the Company for the year.
- iii] proper and sufficient care has been taken for maintaining adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of your Company and for preventing and detecting fraud and other irregularities; and
- iv] Since the proceedings for winding up of the Company have been initiated and permission of Administrative Ministry has been sought based on a resolution passed by the Directors of Rashtriya Chemicals and Fertilizers Limited (which owns 51% of the equity in the JV), in its 333rd Meeting held on 4th April, 2013, and the letter No. RSMML/Co./Proj/423 dated 30th September, 2013 received from Rajasthan State Mines and Minerals Limited, the Accounts of the Company for the year 2013-14 have been prepared in accordance therewith.

4. General:

The Company has no employees on its rolls and hence section 217(2)(A) is not applicable. As the Company has not taken up any activities, schedule in respect of conservation of energy, disclosure of particulars with respect to Technology absorption, R&D, and foreign exchange earnings and out go, are not being annexed to the Directors' Report.

5. Auditors:

Comptroller and Auditor General of India [CAG] have appointed M/s L.D. Sharma & Company, Jaipur, as the Auditors of your Company for the year 2013-14. The auditor would be retiring at the conclusion of the 7th Annual General Meeting. The Statutory Auditor for the Financial Year 2014-15 will be appointed by the CAG. However, their remuneration is to be fixed at the AGM by the members.

6. Acknowledgment:

Your Directors wish to gratefully acknowledge the valuable guidance and support extended by the, Department of Fertilizers, Government of India, Rajasthan State Government, Bankers, Financial Institutions, PDIL and the promoters.

By order of the Board of Directors

Place : Mumbai
Date : 25.04.2014

[R.G. Rajan]
Chairman

Auditor's Report

The Members of
Rajasthan Rashtriya Chemicals and Fertilizers Ltd.,
Jaipur

We have audited the attached Balance Sheet of the RAJASTHAN RASHTRIYA CHEMICALS & FERTILIZERS LTD., Jaipur as at March, 31, 2014 and the statement of Profit & Loss Account for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. An audit includes examining, on a test basis evidence supporting the amount and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 of India and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
3. Further subject to our comments that the company has prepared Profit & Loss Account for the year ended 31st March, 2014 without start of business and manufacturing operations and the matters referred to in the Annexure in paragraph (2) above, we report that:-
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 the books.
 - (c) The Company's Balance Sheet, Profit & Loss Account and cash flow statement dealt with by this report are in agreement with the books of Account.
 - (d) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in U/s 211(3C) of the Companies Act, 1956.
 - (e) Being government company, pursuant to notification No.GSR829(E) dated 17.07.2003 issued by Govt. of India read provision of clause (g) of Sub section (1) of Section 274 of the Companies's Act, 1956, are not applicable to the company.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the Notes thereon and the document annexed thereto given the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - (i) In the case of Balance Sheet, of the state of affairs of the Company as on 31st March, 2014 and;
 - (ii) In the case of Statement of Profit & Loss Account of the Company for the year ended on that date.

For **L.D. Sharma & Co.**
Chartered Accountants
FRN 006497C

L.D. Sharma
Partner
M.No. 075381

Place : Jaipur
Dated : 25.04.2014

Annexure to the Auditor's Report

(Referred to in paragraph 2 of our report of even date)

- (i) (a) The company does not have any fixed assets during the period. Therefore clause 4(i) of the Companies (Auditor's Report) Order 2003 is not applicable.
- (ii) (a) The company has no inventory during the period, therefore clause 4(ii) (a) (b) (c) of the Companies (Auditor's Report) Order 2003 is applicable.
- (iii) (a) The company has not granted any loan to parties covered in the register maintained u/s 301 of the Act 1956.
(b) The company has not taken interest free loan from the parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (iv) The company have neither fixed assets nor made purchase during the year. Therefore clause 4(vi) of the Companies (Auditors Report) Order 2003 is not applicable.
- (v) (a) Based in the audit procedures applied by us and according to the information and explanations given to us by the management, we are of the opinion that the transactions need to be entered into the register maintained in pursuance of Section 301 of the Companies Act, 1956 have been so entered.
(b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupee five lakhs in respect of any party during the year have been made at price which are reasonable having regard to prevailing market price at the relevant time.
- (vi) During the year the company has not accepted any deposit from the public within the meaning of Section 58A and 58AA of the Act and the rules framed thereunder.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any products of the Company.
- (ix) (a) The company is regular in depositing undisputed statutory dues including Provident Fund, Employees Estate Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other Statutory dues with the appropriate authority. There is no arrears of outstanding statutory dues as at the last date of financial year for a period of more than 6 months from the date they become payable.
(b) There are no disputed outstanding statutory dues.
- (x) The accumulated losses at the end of the financial year are NIL. During the year the company has not incurred any cash losses and also in the immediately proceeding financial year. In our opinion, P&L a/c Balance sheet represents pre-operative & preliminary expenses.
- (xi) In our opinion and according to information and explanation given to us the company has not defaulted in repayment in dues to Banks. The company does not have any borrowing from financial institutions or by way of debentures.
- (xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a Nidhi / Mutual Benefit Fund / Society. Hence provisions are not applicable.
- (xiv) In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the record of the company and the information & explanation provided by the management, the company has not given guarantee to anyone.
- (xvi) The company has not obtained any term loans therefore whether terms loans were applied for the purpose for which the loans were obtained, does not arise.
- (xvii) According to the information and explanation given to us and on overall examination of the Balance Sheet of the company, we report that no funds raised on short term basis, have no been used for loan term investments. No long terms funds have been used to finance short term assets except permanent working capital.



- (xviii) The company has not made any preferential allotment of shares to parties and Companies covered in the register maintained u/s 301 of the Act.
- (xix) The company has not issued any debentures during the year and hence no securities have been created.
- (xx) During the year the company has not raised any money by public issue.
- (xxi) During the course of our examination of the books and record of the Company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year nor have we been informed of any such case by the Management.

For **L.D. Sharma & Co.**
Chartered Accountants
FRN 006497C

L.D. Sharma
Partner
M.No. 075381

Place : Jaipur
Dated : 25.04.2014

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF RAJASTHAN RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED FOR THE YEAR ENDED 31ST MARCH, 2014

The preparation of financial statements of Rajasthan Rashtriya Chemicals and Fertilizers Limited for the year ended 31st March, 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Standards on Auditing prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 25th April, 2014.

I, on the behalf of the Comptroller and Auditor General of India, have decided not to review the report of the Statutory Auditor on the accounts of Rajasthan Rashtriya Chemicals and Fertilizers Limited for the year ended 31st March, 2014 and as such have no comments to make under Section 619(4) of the Companies Act, 1956.

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

Y.N. THAKARE

Principal Director of Commercial Audit &
Ex-officio Member, Audit Board-I, Mumbai

Place : Mumbai

Date : 1st July, 2014



BALANCE SHEET AS AT 31st MARCH, 2014

Amount in ₹

PARTICULARS	Note No.	As At 31-3-2014	As At 31-3-2013
I. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS :			
a) Share Capital	1	500,000.00	500,000.00
b) Reserves and Surplus (Accumulated Losses as per P & L account)		(8226079.13)	(8,177,182.45)
c) Money received against share warrants		-	-
Sub total		(7,726,079.13)	(7,677,182.45)
2. SHARE APPLICATION MONEY PENDING ALLOTMENT		-	9,097,719.00
3. NON-CURRENT LIABILITIES			
a) Long term Borrowings		-	-
b) Deferred Tax Liabilities(Net)		-	-
c) Other Long term liabilities		-	-
d) Long Term Provisions		-	-
Sub total		-	-
3. CURRENT LIABILITIES			
a) Short term Borrowings		-	-
b) Trade Payables		-	-
c) Other Current Liabilities	2	9,138,730.00	41011.00
d) Short term Provisions	3	63,423.00	77,934.00
Sub Total		9,202,153.00	118,945.00
TOTAL		1,476,073.87	1,539,481.55
II. ASSETS NON-CURRENT ASSETS			
1. (a) FIXED ASSETS :			
(i) Tangible Fixed Assets		-	-
(ii) Intangible Assets		-	-
(iii) Capital Work in Progress		-	-
(iv) Intangible Assets under development		-	-
(b) Non-Current Investments		-	-
(c) Long Term Loans and advances		-	-
(d) Other non-current assets		-	-
Sub total NON CURRENT ASSETS		-	-

BALANCE SHEET AS AT 31st MARCH, 2014

PARTICULARS	Note No.	Amount in ₹	
		As At 31-3-2014	As At 31-3-2013
2. CURRENT ASSETS::			
(a) Current Investments		—	—
(b) Inventories		—	—
(c) Trade Receivables		—	—
(d) Cash and cash equivalents		1,476,073.87	1,539,481.55
(e) Short term loans and advances		—	—
(f) Other current assets		—	—
Sub total CURRENT ASSETS		1,476,073.87	1,539,481.55

For **L.D. SHARMA & COMPANY**
Chartered Accountants

C.M.T. Britto
(Director)

(Partner)

R.G. Rajan
(Chairman)

Place : Jaipur
Dated : 25.04.2014



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2014

Amount in ₹

PARTICULARS	Note No.	Year Ended 31.3.2014	Year Ended 31.3.2013
I Revenue from Operations			
II Other Income		6,617.80	–
III Total Revenue (I+II)		6,617.80	–
IV Expenses:			
Trial run stock		–	–
Cost of Materials Consumed (Net of transfer to CWIP / Asset capitalised)		–	–
Purchases of Bought out Products		–	–
Changes in Inventories of Finished Goods/WIP and Stock in Trade		–	–
Employee benefits expense		–	–
Finance Costs		–	–
Depreciation		–	–
Other Expenses	4	55,514.48	4,92,856.00
Less: Transfer Credits		–	–
Total Expenses		55,514.48	4,92,856.00
V Profit before exceptional and extraordinary items (III-IV)		(48,896.68)	(4,92,856.00)
VI Exceptional Items		–	–
VII Profit before extraordinary items and tax (V-VI)		(48,896.68)	(4,92,856.00)
VIII Extraordinary Items		–	–
IX Profit before and tax (V-VI)		(48,896.68)	(4,92,856.00)
X Tax Expense		–	–
(1) Current tax		–	–
(2) Deferred tax		–	–
(3) Adj of tax provision of earlier years Excess(-)/Short(+)		–	–
XI Profit/(Loss) for the period from continuing operations (IX-X-XIV)		(48,896.68)	(4,92,856.00)

Amount in ₹

PARTICULARS	Note No.	Year Ended 31.3.2014	Year Ended 31.3.2013
XII Profit/(Loss) for the period from discontinuing operations		–	–
XIII Tax Expense of discontinuing operations		–	–
XIV Profit/(Loss) from discontinuing operations(after tax)(XII-XIII)		–	–
XV Profit/(Loss) for the period (XI+XIV)		(48,896.68)	(4,92,856.00)
XVI Earnings per equity share			
(1) Basic		(0.98)	(9.86)
(2) Diluted		(0.98)	(9.86)

For **L.D. SHARMA & COMPANY**
Chartered Accountants

C.M.T. Britto
(Director)

(Partner)

R.G. Rajan
(Chairman)

Place : Jaipur
Dated : 25.04.2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

PARTICULARS	Amount in ₹
A Cash Flow From Operating Activities	
Net Profit before tax	(48,896.68)
Adjustments for :	—
Excess Provision of Tax Written Back	—
Depreciation/Loss on impairment of Assets	—
Profit(-) / Loss on sale of Assets	—
Profit(-) / Loss on Sale/Revaluation of Investments	—
Provision for dimunition in value of investment	—
Interest Income	—
Dividend income	—
Interest on Borrowings	—
Provision for Bad/Doubtful debts	—
Unrealised Foreign Exchange (Gain) /Loss	—
Miscellaneous Expenses written off	—
SUB TOTAL	—
Operating Profit before Working Capital Changes	—
Adjustments for :	—
Trade and Other Receivables	—
Govt . Bonds	—
Inventories	—
Trade Payables and Other Liabilities	(14,511.00)
Miscellaneous Expenses not written off	—
SUB TOTAL	—
Cash Generated from Operations	—
Direct Taxes Paid	—
Cash Flow before Extraordinary Items	—
Net Cash from Operating Activities — A	(63,407.68)
B Cash Flow from Investing Activities	—
Additions to Fixed Assets	—
Sale of Fixed Assets	—
Purchase of Investments	—
Sale of Investments	—
Intercompany Deposits	—
Interest Received	—
Dividend Received	—
Fixed deposit(5 years)	—
Suppliers credit for Capital goods	—
SUB TOTAL	—
Net Cash Used in Investing Activities — B	—

PARTICULARS	Amount in ₹
C Cash Flow from Financing Activities	-
Proceeds from Borrowings	-
Repayments of Borrowings	-
Issue of Share Capital	-
Interest paid	-
Dividend paid (Includes interim dividend)	-
Tax on Dividend	-
SUB TOTAL	-
Net Cash from Financing Activities ----- C	-
Net Increase/Decrease(-) in Cash and	-
Cash Equivalent (A+B+C)	(63,407.68)
Cash and Cash Equivalents as at 1st April (Opening Balance)	1,539,481.55
Cash and Cash Equivalents as at 31st March (Closing Balance)	1,476,073.87

For **L.D. SHARMA & COMPANY**
Chartered Accountants

C.M.T. Britto
(Director)

(Partner)

R.G. Rajan
(Chairman)

Place : Jaipur
Dated : 25.04.2014

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Crore

NOTE NO. 1	“SHARE CAPITAL”	AS AT 31.03.2014	AS AT 31.03.2013
Authorised			
50,00,000 (Previous year 50,00,000) Equity Share of ₹ 10/- each		50,000,000	50,000,000
Issued, Subscribed and Paid Up			
50,000 (Previous Year 50,000) Equity Sahre of ₹ 10/- each [of these 25,500 shares are held by RCF Ltd., and balance 24,500 shares are held by RSMM Ltd.]		500,000	500,000

₹ in Crore

NOTE NO. 2	“CURRENT LIABILITIES”	AS AT 31.03.2014	AS AT 31.03.2013
M/s. Rashtriya Chemicals and Fertilizers Ltd. **		4,595,000.00	0.00
M/s. Rajasthan State Minerals and Mines Ltd. **		4,502,719.00	0.00
M/s.Projects & Development India Ltd. - Inv.No.902000191 Dated 04-10-2012		41,011.00	41,011.00
TOTAL		9,138,730.00	41,011.00

** Represents the amount due to the partners after appropriating the accumulated losses [including losses for the year 2013-14] against the funds contributed by them for facilitating the JC Company to meet various expenses.

₹ in Crore

NOTE NO. 3	“SHORT TERM PROVISIONS”	AS AT 31.03.2014	AS AT 31.03.2013
Legal Expenses		5,000.00	20,101.00
Audit Fees		28,090.00	27,500.00
Other Expenses : M/s.PDIL - Prov for 10% of Work Order for Feasibility Study Expenses - SSP Plant		30,333.00	30,333.00
TOTAL		63,423.00	77,934.00

₹ in Crore

NOTE NO. 4	“OTHER EXPENSES ”	AS AT 31.03.2014	AS AT 31.03.2013
Audit Fees		28,680.00	28,090.00
Bank Charges		84.00	0.00
Legal Expenses		7,759.00	39,152.00
Miscellaneous Expenses		18,991.48	15,500.00
Feasibility Study Expenses		–	410,114.00
TOTAL		55,514.48	492,856.00

Significant accounting policies and notes on Accounts (2013-14)

Annexure-A

1. General

- The annual accounts have been prepared on the historical cost basis and general accounting practice prevailing in the country.
- The company follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.
- Since the proceedings for winding up RRCFL have been initiated and permission of Administrative Ministry has been sought based on a resolution passed by the Directors of Rashtriya Chemicals and Fertilizers [which owns 51% of the equity in the JV], in its 333rd Meeting held on 4th April, 2013 and the letter No.RSMM/Co/Proj/2013/423 dated 30th September, 2013 received from RSMML, the Accounts of RRCFL for the year 2013-14 have been prepared in accordance therewith.

2. Contingent Liabilities

The Company does not have any liability in respect of contingent nature.

- The company has reduced the cost of expenses incurred before incorporation by ₹ 11,75,000/- which is the share application money invested by M/s. Hindustan Zinc Ltd. as a 25% partner of Joint Venture. The company thereby deducted ₹ 11, 75,000/- out of expenses incurred before its incorporation. M/s. Hindustan Zinc Ltd. has withdrawn from Joint

Venture w.e.f. 30-06-2003. However amount of 25% till withdrawn from joint venture cannot be worked and amount received has been forfeited. However as per management letter dated 25/03/2009 there was no claim from HZL in respect of 11.75 lacs and the above said amount was almost matching their contribution, therefore the management has not calculated any liability on this account of RRCFL Ltd. as on 31.03.2013.

- The funds [₹ 90,97,719.00] contributed by the partners for the various expenses to be incurred by the JV have been transferred to a liability Account, as an application is made to Ministry for permission to wind up RRCFL.
- Balances under the head current liabilities & provisions have been stated at the book balance there of.
- The auditor's remuneration includes:-

	Current Year	Previous Year
For Audit service as Statutory Auditors	27,500.00 (Provision)	27,500.00

- Previous year figures has been regrouped/ rearranged wherever is necessary.
- Figures are rounded off to the nearest Rupees.

AUDITOR'S REPORT

As per our separate report of even date attached.

For **L.D. SHARMA & COMPANY**
Chartered Accountants

(L.D. Sharma)
Partner
M. No. 75381

Place : Jaipur
Dated : 25.04.2014

For **Rajasthan Rashtriya Chemicals & Fertilizers Ltd.**

(C.M.T. Britto)
Director

(R.G. Rajan)
Chairman

RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED

Registered Office, "Priyadarshini", Eastern Express Highway
Sion, Mumbai - 400 022.

Corporate Identification No.: L24110MH1978GOI020185

Phone: 022-24045024 • Fax:022 24045022

Email Id: investorcommunications@rcf ltd.com

Website: www.rcf ltd.com

36th Annual General Meeting, Friday, 19th September, 2014

PROXY FORM

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

Name of the Member(s)	
Registered Address	
Email Id	
Folio No./Client ID*	
DP ID*	

I/We being the member(s) of Shares of the above named Company hereby appoint:

1. Name:

Address:

Email Id:

or failing him

2. Name:

Address:

Email Id:

or failing him

3. Name:

Address:

Email Id:

or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/belief at 36th Annual General Meeting of the Company to be held on Friday, the 19th September, 2014 at 3.00 P.M. at "Sivaswamy Auditorium" The Fine Arts Society, Fine Arts Chowk, RCF Marg, Chembur, Mumbai 400 071 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Resolution	For	Against
1.	To receive, consider and adopt the Financial Statements of the Company for the year ended 31 st March, 2014, including Profit & Loss Statement for the year ended 31 st March, 2014 and Balance Sheet as at that date together with the Reports of Directors and Auditors thereon.		

Item No.	Resolution	For	Against
Ordinary Resolutions			
2.	To declare dividend.		
3.	To fix remuneration of Auditors.		
4.	To appoint a Director in place of Shri Ashok Ghasghase , Director who retires by rotation and being eligible, offers himself for reappointment		
Special Resolutions			
5.	To appoint Prof. Damodar Acharya, as an Independent Director of the Company		
6.	To appoint Shri Sushil Kumar Lohani, as a Director of the Company		
7.	To appoint Shri Suresh Warior as a Director (F) of the Company		
8.	To fix Remuneration of Shri S. D. Shenoy, and M/s. V. J Talati & Co, as Cost Auditors of the Company		

Signed this _____ day of _____ 2014

Affix
Revenue
Stamp
of ₹ 1

Signature

Sign across the revenue stamp

(Signature of the First Proxy holders)

(Signature of the Second Proxy holders)

(Signature of the third Proxy holders)

Note:

- (i) This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at "Priyadarshini", Eastern Express Highway, Sion, Mumbai - 400 022, not later than 48 hours before the commencement of this meeting.
- (ii) Those Members who have multiple folios with different joint holders may use copies of this Proxy Form.

RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED

Registered Office, "Priyadarshini", Eastern Express Highway
Sion, Mumbai - 400 022.

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF "SIVASWAMY AUDITORIUM", THE FINE ARTS SOCIETY, FINE ARTS CHOWK, RC MARG, CHEMBUR, MUMBAI - 400 071

Name of the Member :

Folio No. : / Client ID / DPID NO :

I hereby record my presence at the 36th ANNUAL GENERAL MEETING being held at "Sivaswamy Auditorium" the Fine Arts Society, Fine Arts Chowk, RC Marg, Chembur, Mumbai - 400 071 on Friday 19th day of September, 2014 at 3.00 p.m.

SIGNATURE OF THE MEMBER OR PROXY



Notes

Notes

50 Golden Harvest Book Publication



Shri Shaktikanta Das, IAS, Secretary, Dept. of Fertilizers releasing RCF Golden Harvest Coffee Table Book to commemorate the 50 years of Trombay Unit in presence of Shri R.G. Rajan, CMD, RCF, Shri Sham Lal Goyal, IAS, Jt. Secretary, DoF, Shri Satish Chandra, IAS, Jt. Secretary, DoF, Shri A. Kundu, Executive Director (P&PD) and Shri S. P. Mohanty and other Senior Officials.

RCF Signs MoU With Govt of India



Shri Shaktikanta Das, IAS, Secretary, DoF and Shri R.G. Rajan, CMD, RCF signed Memorandum of Understanding in presence of Shri Sham Lal Goyal, IAS, Jt. Secretary, DoF, Shri Singhal, Director (PSU), DoF for the year 2014-15.

Indian Achievers' Award



Shri R.G. Rajan, CMD, RCF receiving prestigious Indian Achievers' Award at the hands of the then Union Minister for Overseas Indian Affairs Shri Vayalar Ravi and Justice M.S.A. Siddiqui, Chairman, National Council for Minority Educational Institutions.

National Vigilance Excellence Award



Shri Pradeep Kumar, Central Vigilance Commissioner presenting National Vigilance Excellence Award - 2014 to Shri Rajesh Kundan, IRS, Chief Vigilance Officer and his team for implementation of e-procurement in RCF.

TOLIC Official Language Award



Shri R. G. Rajan, CMD, RCF receiving Mumbai TOLIC Award for the year 2013-14 for the best performance in implementation of Official Language at the hands Ms. Nishi Vasudeva, CMD, HPCL in presence of Shri P.G. Deshpande, ED(HR) and Shri R.P. Srivastava, CGM (GBP&HRD)

RCF Bags ICC CSR Excellence Award



Shri Ashok Ghasghase, Director, (Mktg), RCF receiving ICC CSR Excellence award from Dr. A.J.V. Prasad (IAS), Jt. Secretary, Dept. of Chemicals & Petrochemicals, Ministry of Chemicals & Fertilizers, Govt. of India in presence of Shri R. B. Patil, Executive Director (F) and CSO.



Let us grow together

The more we nourish the earth, the more India gets rich



Since its inception in the early sixties, RCF has been a major driving force behind India's agricultural productivity. And our resounding success has its roots in our belief. The belief that when we empower the farming community, it leads to inclusive growth. All along, we've been a true & trusted companion of Indian farmers. Today, the nation requires to sustain self-reliance through sustainable agriculture. And we stand firmly committed to continue providing quality agricultural inputs and sound agronomical services to the farmers for ensuring higher farm productivity with proper care of soil.

Performance that inspires:

- Leading manufacturer of fertilizers in the country
- Serving the Indian farmers for the last 5 decades
- Rated among the top 5 companies in the fertilizer sector
- A wide product portfolio comprising 'Ujjwala' urea, 'Suphala' complex grades (15:15:15 & 20:20:0), 'Sujala' water soluble fertilizers, 'Biola' bio-fertilizer, 'Microla' micro-nutrients
- A pioneer in the chemicals field as well, producing more than 20 industrial chemicals

The way forward:

- Thal expansion project to produce 1.27 million tonnes of urea per annum
- To set up fertilizer complex at Talcher in consortium with CIL, GAIL and FCIL through coal gasification route
- To set up JV projects for urea in resource-rich countries of Middle East
- To enter into long term off-take agreements for rock phosphate and potash
- Strong focus on sustainable development



**RASHTRIYA CHEMICALS
AND FERTILIZERS LTD**
(A Government of India Undertaking)

Priyadarshini, Eastern Express Highway, Sion, Mumbai - 400 022 | www.rcfltd.com

FORM A


COVERING LETTER OF ANNUAL AUDIT REPORT

1	Name of the Company	RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED.	
2	Annual Financial Statements for the year ended	31st March, 2014	
3	Type of Audit Observations	MATTER OF EMPHASIS	
4	Frequency of Observation	Point No. in Matter of Emphasis Para of Audit report attached herewith	Time Period
		Point No. a)	Since 31st March, 2012
		Point No. b)	Since 31st March, 2010
		Point No. c)	Since 31st March, 2004
		Point No. d)	Appeared for the first time

For Rashtriya Chemicals and Fertilizers Ltd.



R.G. Rajan
 Chairman & Managing Director



R.H. Kulkarni
 Executive Director (Finance)


Prof. Damodar Acharya
 Chairman Audit Committee

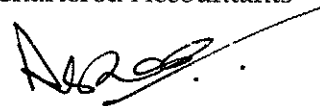
For and behalf of Statutory auditors

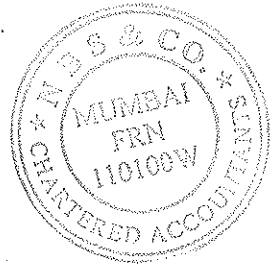
For **M. M. NISSIM & CO.**
 Chartered Accountants


Dhiren Mehta
 Partner



For **NBS & Co**
 Chartered Accountants


Devdas Bhat
 Partner



Date: 19/06/2014

Place: Mumbai

