

**RAJASTHAN RASHTRIYA CHEMICALS
AND FERTILIZERS LIMITED**

FINANCIAL STATEMENTS 2014-15

AUDITORS' REPORT

THE MEMBERS OF RAJASTHAN RASHTRIYA CHEMICALS & FERTILIZERS LTD., JAIPUR

We have audited the accompanying financial statements of RAJASTHAN RASHTRIYA CHEMICALS & FERTILIZERS LTD("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, its profits and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act we give in the annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

For L.D. Sharma & Co.

Chartered Accountants

L.D. Sharma

Partner

M.No.075381

PLACE: Jaipur

DATED: 2nd June, 2015

RAJASTHAN RASHTRIYA CHEMICALS & FERTILIZERS LTD., JAIPUR

(Referred to in our report of even date to the members of Rajasthan Rashtriya Chemicals and Fertilizers Limited as at and for the year ended 31st March, 2015).

- I. In respect of its Fixed Assets: Since the company does not have any fixed assets during the period our reporting on the same is not applicable.
- II. In respect of its inventories: Since the company does not have any inventory during the period our reporting on the same is not applicable
- III. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly the clauses 3(iii) (a) & (b) of the Order are not applicable;
- IV. In our opinion and according to 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, fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in internal control system, in respect of these areas.
- V. The Company has not accepted any deposits during the year from public.
- VI. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- VII. The Central Government has not prescribed the maintenance of cost records under section 148(1)(d) of the companies Act, 2013 for any products of the Company.
- VIII. (a) The company is regular in depositing undisputed statutory dues including Provident Fund, Employees state 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.
- IX. 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 exp.
- X. 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.

- XI. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XII. In our opinion, the company is not a Nidhi/Mutual Benefit Fund /Society. Hence provisions are not applicable.
- XIII. In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments.
- XIV. According to the record of the company and the information & explanation provided by the management, the company has not given guarantee to any one.
- XV. 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.
- XVI. 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 not been used for loan term investments. No long terms funds have been used to finance short term assets except permanent working capital.
- XVII. The company has not issued any debentures during the year and hence no securities have been created.
- XVIII. During the year the company has not raised any money by public issue.
- XIX. During the course of our examination of the books and record of the Company, carried out in accordance with the generally accepted audition 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, notice or reported during the year nor have we been informed of any such case by the Management.
- XX. The reporting under directions issued under section 143 (5) of Companies Act 2013 by Comptroller and Auditor General of India is not applicable and hence not being reported.

For L.D Sharma & Co.
Chartered Accountant

Partner

Place : Jaipur

Dated : 2nd June, 2015

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF RAJASTHAN RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED FOR THE YEAR ENDED 31 MARCH 2015

The preparation of financial statements of Rajasthan Rashtriya Chemicals and Fertilizers Limited for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 2 June 2015.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Rajasthan Rashtriya Chemicals and Fertilizers Limited for the year ended 31 March 2015. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditor and is limited primarily to inquiries of the Statutory Auditor 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 Auditor's report.

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

(Roop Rashi)
Principal Director of Commercial Audit and
Ex-officio Member, Audit Board-I, Mumbai

Place: Mumbai
Date: 4 August 2015

RAJASTHAN RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED
BALANCE SHEET AS AT 31st MARCH 2015

		Amount in ₹	
Particulars	Note No.	As At 31.03.2015	As At 31.03.2014
I. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
a) Share Capital	1	5,00,000.00	5,00,000.00
b) Reserves and Surplus (Accumulated Losses as per P & L account)		82,77,995.13)	82,26,079.13)
c) Money received against share warrants		0.00	0.00
Sub total		(77,77,995.13)	(77,26,079.13)
2. SHARE APPLICATION MONEY PENDING ALLOTMENT			
		0.00	0.00
3. NON-CURRENT LIABILITIES			
a) Long term Borrowings		0.00	0.00
b)Deferred Tax Liabilities(Net)		0.00	0.00
c)Other Long term liabilities		0.00	0.00
d)Long Term Provisions		0.00	0.00
Sub total		0.00	0.00
3. CURRENT LIABILITIES			
a) Short term Borrowings		0.00	0.00
b)Trade Payables		0.00	0.00
c)Other Current Liabilities	2	91,38,730.00	91,38,730.00
d)Short term Provisions	3	66,232.00	63,423.00
Sub Total		92,04,962.00	92,02,153.00
TOTAL		14,26,966.87	14,76,073.87
II. ASSETS NON-CURRENT ASSETS			
1.(a) FIXED ASSETS :			
(i) Tangible Fixed Assets		0.00	0.00
(ii) Intangible Assets		0.00	0.00
(iii)Capital Work in Progress		0.00	0.00
(iv) Intangible Assets under development		0.00	0.00
(b) Non-Current Investments		0.00	0.00
(c) Long Term Loans and advances		0.00	0.00
(d) Other non-current assets		0.00	0.00
Sub total NON CURRENT ASSETS		0.00	0.00

2. CURRENT ASSETS			
(a) Current Investments		0.00	0.00
(b) Inventories		0.00	0.00
(c) Trade Receivables		0.00	0.00
(d) Cash and cash equivalents		14,26,966.87	14,76,073.87
(e) Short term loans and advances		0.00	0.00
(f) Other current assets		0.00	0.00
Sub total CURRENT ASSETS		14,26,966.87	14,76,073.87
Total		14,26,966.87	14,76,073.87

For Rajasthan Rashtriya Chemicals & Fertilizers Ltd

**For L.D.Sharma & Company
Chartered Accountants**

**R.G. Rajan
(Chairman)**

**L. D. Sharma
(Partner)**

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

**Place: Jaipur
Date : 2nd June, 2015**

**Place: Mumbai
Date : 2nd June, 2015**

RAJASTHAN RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2015

Amount - in ₹

	Particulars	Note No.	Year ended 31.03.2015	Year ended 31.03.2014
I	Revenue from Operations			
II	Other Income		0.00	6617.80
III	Total Revenue(I+II)		0.00	6617.80
IV	Expenses:			
	Trial run stock		0.00	0.00
	Cost of Materials Consumed (Net of transfer to CWIP / Asset capitalised)		0.00	0.00
	Purchases of Bought out Products		0.00	0.00
	Changes in Inventories of Finished Goods/WIP and Stock in Trade		0.00	0.00
	Employee benefits expense		0.00	0.00
	Finance Costs		0.00	0.00
	Depreciation		0.00	0.00
	Other Expenses	4	51,916.00	55514.48
	Less: Transfer Credits			
	Total Expenses		51,916.00	55,514.48
V	Profit before exceptional and extraordinary items (III-IV)		(51,916.00)	(48,896.68)
VI	Exceptional Items			
VII	Profit before extraordinary items and tax (V-VI)		(51,916.00)	(48,896.68)
VIII	Extraordinary Items			
IX	Profit before and tax (V-VI)		(51,916.00)	(48,896.68)
X	Tax Expense			
	(1) Current tax		0.00	0.00
	(2) Deferred tax		0.00	0.00
	(3) Adj of tax provision of earlier years Excess (-) / Short(+)			0.00
XI	Profit/(Loss) for the period from continuing operations(IX-X-XIV)		(51,916.00)	(48,896.68)

XII	Profit/(Loss) for the period from discontinuing operations		0.00	0.00
XIII	Tax Expense of discontinuing operations		0.00	0.00
XIV	Profit/(Loss) from discontinuing operations(after tax)(XII-XIII)		0.00	0.00
XV	Profit/(Loss) for the period (XI+XIV)		(51,916.00)	(48,896.68)
XVI	Earnings per equity share			
	(1)Basic			
	(2)Diluted			

For Rajasthan Rashtriya Chemicals & Fertilizers Ltd

**For L.D.Sharma & Company
Chartered Accountants**

**R.G. Rajan
(Chairman)**

**L. D. Sharma
(Partner)**

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

**Place: Jaipur
Date : 2nd June, 2015**

**Place: Mumbai
Date : 2nd June, 2015**

RAJASTHAN RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2015

Amount - in ₹

A	Cash Flow From Operating Activities	
	Net Profit before tax	(51,916.00)
	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 diminution 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	2,809.00
	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	(49,107.00)
B	Cash Flow from Investing Activities	
	Additions to Fixed Assets	-
	Sale of Fixed Assets	-
	Purchase of Investments	-
	Sale of Investments	-
	Inter-corporate Deposits	-
	Interest Received	-
	Dividend Received	-
	Fixed deposit(5 years)	-
	Suppliers credit for Capital goods	-
	SUB TOTAL	-
	Net Cash Used in Investing Activities ----- B	-

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)	(49,107.00)
	Cash and Cash Equivalents as at 1st April (Opening Balance)	14,76,073.87
	Cash and Cash Equivalents as at 31st March (Closing Balance)	14,26,966.87

For Rajasthan Rashtriya Chemicals & Fertilizers Ltd

**For L.D.Sharma & Company
Chartered Accountants**

**R.G. Rajan
(Chairman)**

**L. D. Sharma
(Partner)**

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

**Place: Jaipur
Date : 2nd June, 2015**

**Place: Mumbai
Date : 2nd June, 2015**

RAJASTHAN RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

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Note No.1 : Share Capital	As At 31.03.2015	As At 31.03.2014
Authorised		
50,00,000 (Previous year 50,00,000) Equity Share of ₹10/- each	5,00,00,000	5,00,00,000
Issued, Subscribed and Paid Up		
50,000 (Previous Year 50,000) Equity Share of ₹10/- each	5,00,000	5,00,000
[of these 25,500 shares are held by RCF Ltd., and balance 24,500 shares are held by RSMM Ltd.]		

₹

Note No.2 : Current Liabilities	As At 31.03.2015	As At 31.03.2014
M/s. Rashtriya Chemicals and Fertilizers Ltd. **	4595000.00	4595000.00
M/s. Rajasthan State Mines and Minerals Ltd. **	4502719.00	4502719.00
M/s. Projects & Development India Ltd. - Inv.No.902000191 Dated 04-10-2012	41,011.00	41,011.00
Total	91,38,730.00	91,38,730.00

**** Represents the amount due to the partners after appropriating the accumulated losses [including losses for the year 2014-15] against the funds contributed by them for facilitating the JC Company to meet various expenses**

₹

Note No.3 : Short Term Provisions	As At 31.03.2015	As At 31.03.2014
Legal Expenses		
Audit Fees	30,899.00	28,090.00
Other Expenses : M/s.PDIL - Prov for 10% of Work Order for Feasibility Study Expenses - SSP Plant	30,333.00	30,333.00
Total	66,232.00	63,423.00

₹

Note No. 4 : Other Expenses	As At 31-3-2015	As At 31-3-2014
Audit Fees		
Bank Charges	-	84.00
Legal Expenses	-	7,759.00
Miscellaneous Expenses	21,017.00	18,991.48
Total	51,916.00	55,514.48

RAJASTHAN RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED

STATEMENT SHOWING CONTRIBUTION BY THE CO-VENTURERS OF RRCFL

Amount in ₹

Sr. No.	Date	RCF	RSMML	HZL
1	21-Sep-99	5,00,000.00		
2	5-Oct-99		2,50,000.00	
3	20-Dec-99			2,50,000.00
4	10-May-01		6,25,000.00	
5	22-May-01			6,25,000.00
6	22-May-01	12,50,000.00		
7	4-Mar-03		3,00,000.00	
8	16-Jul-03			3,00,000.00
9	4-Aug-03	6,00,000.00		
10	26-Jul-06		10,00,000.00	
11	31-Jul-06	15,00,000.00		
12	28-Mar-08		0,00,000.00	
13	27-May-09		,38,913.00	
14	18-Jun-10		10,00,000.00	
15	17-Aug-10	10,00,000.00		
16	Received in other than Cash		1,33,806.00	
	Total	48,50,000.00	47,47,719.00	11,75,000.00
<p>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 RRCF Ltd. as on 31.03.2015</p>				
	5-May-07		63,310.00	RSMM LTD. - Payments to PDIL
	30-Jun-08		15,000.00	Payment for Public hearing
	30-Jun-08		6,797.00	Payment to Lav-Kush Entr - by RSSML
	Accounting of RSMML Bill No. RSMM/Co/PROJ/16/2009/536		48,699.00	
	Total		1,33,806.00	

RAJASTHAN RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

Annexure-A

1. General

- a) The annual accounts have been prepared on the historical cost basis and general accounting practice prevailing in the country.
- b) The company follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.
- c) Since the proceedings for winding up of 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 2014-15 have been prepared in accordance therewith.

2. Contingent Liabilities

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

3. 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 as 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 31.03.2015.
4. 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.
5. Shares against Share application money received in cash or received against expenses incurred has not been allotted till date,
6. Balances under the head current liabilities & provisions have been stated at the book balance thereof.
7. The auditor's remuneration includes:-

	<u>Current Year</u>	<u>Previous Year</u>
a) For audit service as Statutory Auditors	27500	27500
8. Previous year figures has been regrouped /rearranged wherever is necessary.
9. Figures are rounded off of the nearest Rupees.

AUDITOR'S REPORT

As per our separate report of even date Annexed.

For Rajasthan Rashtriya Chemicals & Fertilizers Ltd

**For L.D.Sharma & Company
Chartered Accountants**

**R.G. Rajan
(Chairman)**

**L. D. Sharma
(Partner)**

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

**Place: Jaipur
Date : 2nd June, 2015**

**Place: Mumbai
Date : 2nd June, 2015**