

राष्ट्रीय केमिकल्स एण्ड
फर्टिलाइजर्स लिमिटेड

(भारत सरकार का उपक्रम)
साथ बढ़ें सकृष्टि की ओर



Rashtriya Chemicals and
Fertilizers Limited

(A Government of India Undertaking)
Let us grow together

जय भगवान शर्मा
कंपनी सचिव

JAI BHAGWAN SHARMA
COMPANY SECRETARY

"प्रियदर्शिनी",
ईस्टर्न एक्सप्रेस हाइवे,
सायन, मुंबई - 400 022.

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

दूरभाष / Tel. (Off.): (022) 24045024 फैक्स / Fax : (022) 24045022 • ई-मेल / E-mail : jbsharma@rcfltd.com वेबसाईट / Web : www.rcfltd.com
CIN: L24110MH1978GOI020185

RCF/CS/Stock Exchanges /2020

August 11, 2020

The Corporate Relations Department BSE Limited Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001.	The Listing Department National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No.C/1, G Block, Bandra Kurla Complex, Bandra(East), Mumbai- 400 051.
Script Code: 524230	Script Code: RCF EQ

Sub: Submission of Un-audited Financial Results(Standalone & Consolidated) for the 1st quarter ended June 30, 2020 pursuant to Regulation 33 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 & other outcome of the Board Meeting

Sir/Madam,

This is to inform that the Board of Directors of the Company in its meeting held on on August 11, 2020 has approved the Un-audited Financial Results(Standalone & Consolidated) for the 1st quarter ended June 30, 2020.

Accordingly, pursuant to Regulations 30 and 33 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose the following:

- Un-audited Financial Results(Standalone & Consolidated) for the 1st quarter ended June 30, 2020;
- Limited Review Report issued by M/s Ford Rhodes Park & Co. LLP, Statutory Auditors, for the quarter ended June 30, 2020;

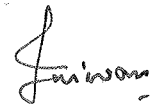
The Unaudited Financial Results are also being uploaded on the Company's website at www.rcfltd.com.

The Board has also approved the issue of Secured, non- convertible debentures in one or more series/tranches, aggregating upto to ₹1,000 Crore in the period of next twelve months through private placement basis subject to the approval of the shareholders at the ensuing annual general meeting.

The meeting of Board of Directors commenced at 4.30 p.m. and concluded at 5.45 p.m.

We request you to acknowledge and take it on your record.

**Yours faithfully,
For Rashtriya Chemicals and Fertilizers Limited**



**(J. B. Sharma)
Company Secretary**

Encl: a./a.



RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED
(A Govt. Of India Undertaking)

Regd. Office : "Priyadarshini" Eastern Express Highway, Sion, Mumbai 400 022
CIN No. L24110MH1978GOI020185 Website: www.rcfltd.com

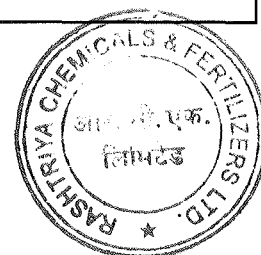
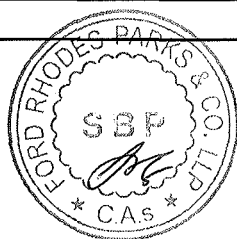


Statement of Unaudited Consolidated Results for the Quarter Ended 30TH JUNE 2020

(₹ in Lakh)

Particulars	Quarter ended			Year ended
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
	Unaudited	Audited	Unaudited	Audited
	1	2	3	4
1 Income				
a Revenue from Operations	162105	260600	240948	969795
b Other Income	2859	5591	3198	12917
Total Income	164964	266191	244146	982712
2 Expenses				
a. Cost of Materials consumed	61346	92113	94754	377622
b. Purchase of stock-in-trade	48310	(2560)	31499	29443
c. Changes in inventories of finished goods and stock in trade	(36947)	18305	(4903)	60325
d. Employee benefit expense	13507	19217	14130	61726
e. Finance Costs	5628	8028	6197	23782
f. Depreciation and amortisation expense	4259	4374	3864	17104
g. Other expenses				
i. Power and Fuel	44261	69851	69102	275887
ii. Freight and Handling charges	11966	15810	19961	68943
iii. Others	9880	11023	8424	37570
Total expenses	162210	236161	243028	952402
3 Profit / (Loss) before JV'S share of Profit / (Loss), exceptional items and tax (1-2)	2754	30030	1118	30310
4 Share of Profit / (Loss) of Associates / JV's	2	10	(15)	(102)
5 Profit / (Loss) before exceptional items and tax (3-4)	2756	30040	1103	30208
6 Exceptional items	-	10017	-	10017
7 Profit / (Loss) before tax (5-6)	2756	20023	1103	20191
8 Tax Expense				
i. Current Tax	419	7172	268	7172
ii. Deferred Tax	417	(1409)	37	(7716)
iii. Short / (Excess) Provision for Tax for earlier years	-	22	-	22
Total Tax	836	5785	305	(522)
9 Profit / (Loss) after tax (7-8)	1920	14238	798	20713
10 Other Comprehensive Income (net of tax)				
i. Items that will not be reclassified to profit & loss	(757)	(527)	(692)	(537)
ii. Items that will be reclassified to profit & loss	-	-	-	-
11 Total Comprehensive Income for the period (9+10)	1163	13711	106	20176
12 Paid up equity share capital (Face Value - ₹ 10/- each.)	55169	55169	55169	55169
13 Reserves excluding Revaluation Reserves as at balance sheet date				262735
14 Earnings Per Share Basic & Diluted (EPS) (₹)*	0.35	2.58	0.14	3.75

* Not annualised in case of quarterly figures





RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED
(A Govt. Of India Undertaking)

Regd. Office : "Priyadarshini" Eastern Express Highway, Sion, Mumbai 400 022
CIN No. L24110MH1978GOI020185 Website: www.rcfltd.com



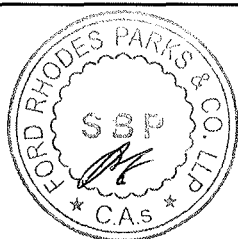
Unaudited Consolidated Segmentwise Revenue, Results, Assets and Liabilities for the Quarter Ended 30TH JUNE 2020

(₹ in Lakh)

Particulars	Quarter ended			Year ended
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
	Unaudited	Audited	Unaudited	Audited
	1	2	3	4
1 Segment Revenue				
a. Fertilizers	142791	238756	179265	807618
b. Industrial Chemicals	13763	17533	19530	66116
c. Trading	5309	3967	41913	94994
d. Unallocated	242	344	240	1067
Total	162105	260600	240948	969795
Less: Inter Segment Revenue	-	-	-	-
Revenue from Operations	162105	260600	240948	969795
2 Segment Results				
a. Fertilizers	6272	35555	1479	43145
b. Industrial Chemicals	58	(71)	267	(1110)
c. Trading	1218	504	5087	9116
Total	7548	35988	6833	51151
Less:				
i. Finance Costs	5628	8028	6197	23782
ii. Other Net Unallocable Expenditure / (Income)	(836)	7937	(467)	7178
Profit/ (Loss) Before Tax	2756	20023	1103	20191
3 Segment Assets				
a. Fertilizers	721018	770577	696331	770577
b. Industrial Chemicals	33703	32273	28984	32273
c. Trading	56302	19010	73152	19010
d. Unallocated	76946	207467	33488	207467
Total	887969	1029327	831955	1029327
4 Segment Liabilities				
a. Fertilizers	152350	190125	164365	190125
b. Industrial Chemicals	5936	8416	11406	8416
c. Trading	46040	8	77	8
d. Unallocated	364576	512874	353152	512874
Total	568902	711423	529000	711423

Notes:

- The above financial results are drawn in accordance with the accounting policies consistently followed by the Company. The results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on August 11, 2020. These results have been subjected to limited review by the Statutory Auditors of the Company.
- The results for the quarter ended 30th June, 2020 are in compliance with IND AS as prescribed under section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.
- The matter relating to the issue of unintended benefits accruing to units using domestic gas for manufacture of nutrient "N" has been referred and is pending before an Inter-Ministerial Committee (IMC) of Government of India (GoI). It is expected that a decision on the matter would be taken soon by the IMC. Initially subsidy amounting to ₹ 19894 lakh was withheld by DOF, which has been released in full upon submission of its claims along with bank guarantee for equivalent amount by the Company.



- 4 Consequent to Gas pooling being made applicable to Fertilizer (Urea) sector w.e.f. 1st June, 2015, it is expected that a differential pricing of gas may be made applicable for non-urea usage. Company has represented to DoF for maintaining supply of domestic gas for P&K fertilizers and chemicals. However, the Company has entered into a contract for procurement of market priced gas for non-urea operations at Trombay unit, effective from 16th May, 2016.

In the meanwhile, Ministry of Petroleum & Natural Gas (MoPNG) vide its order No. L-13013/3/2012-GP-I, dated: 16th December, 2015 has directed GAIL (India) Limited to levy a higher gas price (i.e. the highest rate of RLNG used for production of urea) for gas consumed in non-urea operations. Pursuant to the said order, GAIL has sought a differential levy amounting to ₹ 145792 lakh for the period commencing from 1st July 2006 till 30th June 2019 and has initiated arbitration proceeding towards non-payment of the same and the matter is pending before Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD).

Pending finalisation of price payable as per the said MoPNG Order, Company is recognizing liability based on the difference between domestic gas price and pool / market price of gas for its non-urea operations. The difference is provided considering domestic gas first for urea operations on cumulative basis for the year and the balance if any, for non-urea operations. Accordingly a provision of ₹ Nil lakh has been made during the quarter ended 30th June, 2020. The Company has recognised a liability of ₹ 21179 lakh for the period commencing from 1st June, 2015 to 30th June, 2020 (₹ 21179 lakh upto 31st March, 2020) on this account.

- 5 Subsidy Income for the current quarter is in accordance with extant policies for Urea including eligible compensation towards increased fixed costs under Modified NPS III. Subsidy income for the quarter and year ended 31st March, 2020 has been arrived at considering eligible compensation towards increased fixed costs under Modified NPS effective from 2nd April, 2014 net of other adjustments towards anticipated recoveries. The impact of the same amounts to ₹ 34292 lakh.

- 6 The amount of ₹ 2550 lakh being the share of contribution of Fertilizers and Chemicals Travancore Ltd (FACT) - a 50% JV partner in FACT-RCF Building Products Ltd (FRBL) paid by RCF towards one time settlement entered into between FRBL and their bankers resulting in discharge of Corporate Guarantee given by Company to FRBL bankers has been reported under Inter Corporate Deposit (ICD). This ICD along with interest outstanding for the quarter ending 30th June 2020 amounting to ₹ 48 lakh has not been provided for, considering improvement in FACT's financial position and the Company is confident of settlement of the ICD given. FACT is a Government owned Entity and outstanding interest upto 31st March, 2020 has been settled by them. Further the Company has entered into an agreement with FACT for the ICD given, wherein FACT shall repay the same in five annual equal instalments commencing from December 2020.

- 7 On 20th and 22nd March, 2019 respectively, both the Gas Turbine Generator (GTG) plants at Thal unit stopped operating. Upon failure the matter, was taken up with the LSTK contractor who had supplied the turbines for repair as the same were covered under warranties. The matter was referred by the LSTK contractor for repairs to the Original Equipment Manufacturer (OEM) who had indicated a total estimated expenditure of about 98 Million SEK (₹ 7451 lakh excluding taxes and duties).

In the best interests of the Company, based on the acceptance of Notice to Proceed as proposed by the LSTK contractor, the equipments had been sent for repair to the foreign Original Equipment Manufacturer (OEM) and have been received back in July 2020. As per the Notice to proceed, the final settlement of the repair costs can either be decided mutually or in the event not agreed upon, the settlement of disputes clause as per contract can be invoked.

As the equipments are covered under warranties, the Company is of the view that no additional costs would devolve on the Company. Further the Company has initiated arbitration proceedings towards the LSTK contractor citing loss of profits owing to higher energy costs, higher maintenance costs etc. In response, counterclaims have been made by the LSTK contractor.

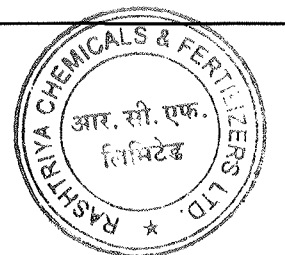
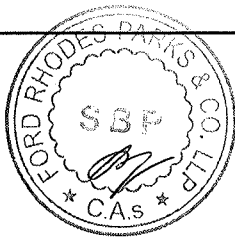
In the meanwhile, the Company has procured a Gas Generator and commissioned a Gas Turbine Generator plant in August 2019 to mitigate future losses.

- 8 Exceptional items for the quarter and year ended 31st March, 2020 consists of net fair value Loss of ₹ 10017 lakh on account of valuation of Development Right Certificate received / receivable from Municipal Corporation of Greater Mumbai / Mumbai Metropolitan Regional Development Authority.

- 9 Provision for Income Tax has been made in accordance with Section 115BAA of the Income Tax act 1961.

- 10 Covid-19 Impact Analysis:

For the quarter ended 30th June, 2020 operations of the Company stood scaled down on account of issues arising out of lockdown due to Covid-19 pandemic which caused disruptions in the supply chain / movement of fertilizers. This has impacted our sales and results for the quarter ended 30th June, 2020.



11 Other Disclosures of the Company as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Sr. No.	Particulars	Period Ended	
		30.06.2020	31.03.2020
I	Credit Rating		
a	Commercial Papers		
i	ICRA	ICRA A1+	ICRA A1+
ii	CARE	CARE A1+	CARE A1+
b	Non Convertible Debentures		
i	ICRA	ICRA AA (-)	ICRA AA (-)
ii	India Ratings	Ind AA	Ind AA
c	Long Term Bank Lines - ICRA	ICRA AA (-)	ICRA AA (-)
d	Short Term Bank Lines - CRISIL	CRISIL A1 +	CRISIL A1 +
II	Long Term Debt Equity ratio	0.23 : 1	0.23 : 1
III	Debt Service Coverage Ratio (Times) (not annualised in case of quarterly figures)	0.59	1.86
IV	Interest Service Coverage Ratio (Times)	2.25	2.99
V	Net Worth (Equity Share Capital + Other Equity) (₹ Lakh)	319067	317904

The Company issued 6.59% Secured Non-Convertible Debenture (SERIES I-2020) (ISIN - INE027A07012) face value of ₹ 50000 lakh on 05th August, 2020, redeemable on 05th August 2025 to be secured by a pari-passu first charge on movable assets of the company, namely book debts (i.e subsidy receivables from the Government of India) and movable plant and machinery and other equipment of the Company.

VI The details of Interest / Principal payment and due date in respect of Non-convertible debt securities is given below:

Bond / Debentures	Previous Due Date			Next Due date	
	Interest	Principal	Status	Interest	Principal
6.59% Secured Non-Convertible Debenture (SERIES I-2020)	Nil	Nil	Nil	05.08.2021 (₹ 3295 lakh)	05.08.2025 (₹ 50000 lakh)

VII The details of due date and actual date of Repayment of Principal

The Company has repaid Commercial Papers on the respective due dates. The details of Commercial Papers repaid during the quarter ended 30th June, 2020 or outstanding as at 30th June, 2020 are as follows:

ISIN	Amount (₹ lakh)	Due Date of Repayment	Actual Date of Repayment
INE027A14711	15000	30.04.2020	30.04.2020
INE027A14729	11000	06.05.2020	06.05.2020
INE027A14737	35000	12.05.2020	12.05.2020
INE027A14745	22000	15.05.2020	15.05.2020
INE027A14752	12000	22.05.2020	22.05.2020
INE027A14760	13000	29.05.2020	29.05.2020
INE027A14778	12000	01.06.2020	01.06.2020
INE027A14794	15000	19.06.2020	19.06.2020
INE027A14786	10000	20.07.2020	Not Applicable
INE027A14802	35000	10.08.2020	Not Applicable
INE027A14810	22000	13.08.2020	Not Applicable
INE027A14828	14000	20.08.2020	Not Applicable
INE027A14836	15000	25.08.2020	Not Applicable
INE027A14836	10000	25.08.2020	Not Applicable
INE027A14844	15000	27.08.2020	Not Applicable
INE027A14851	32000	03.09.2020	Not Applicable
INE027A14869	15000	17.09.2020	Not Applicable

The Commercial Papers of ₹ 168000 lakh were outstanding as on 30th June, 2020

Formula used for calculation of Ratios:

a. Debt : equity Ratio = Long Term Borrowings + Current maturities of Long Term Borrowings / Shareholders funds

b. Debt Service Coverage Ratio = Profit before Finance cost, Depreciation, Exceptional Items and Tax / Finance Cost + Current maturities of Long Term Borrowings

c. Interest Service Coverage Ratio = Profit before Finance cost, Depreciation, Exceptional Items and Tax / Finance Cost

12 The figures for the last quarter ended 31st March, 2020 are the balancing figures between the audited figures in respect of the full financial year and the year to date published figures upto the third quarter of the financial year.

13 Key numbers of Standalone Financial Results of the Company are as under:

Particulars	Quarter ended			Year ended
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
Total Income	164964	266191	244146	982712
Profit / (Loss) before tax	2754	20013	1118	20293
Profit / (Loss) after tax	1918	14228	813	20815
Total Comprehensive Income for the period	1161	13701	121	20278

14 The figures for the corresponding previous periods have been restated / regrouped wherever necessary, to make them comparable.

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

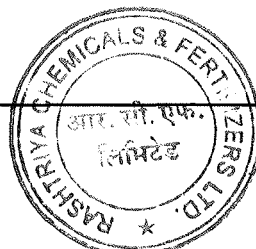
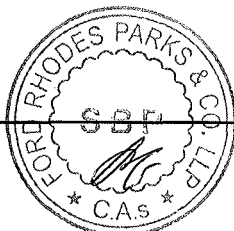
(S. C. Mudgepikar)

Chairman and Managing Director

DIN : 03498837

Dated : 11th August, 2020.

Place: Mumbai





RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED
(A Govt. Of India Undertaking)



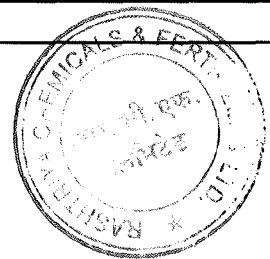
Regd. Office : "Priyadarshini" Eastern Express Highway, Sion, Mumbai 400 022
CIN No. L24110MH1978GOI020185 Website: www.rcfld.com

Statement of Unaudited Standalone Results for the Quarter 30TH JUNE 2020

(₹ in Lakh)

Particulars	Quarter ended			Year ended
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
	Unaudited	Audited	Unaudited	Audited
	1	2	3	4
1 Income				
a Revenue from Operations	162105	260600	240948	969795
b Other Income	2859	5591	3198	12917
Total Income	164964	266191	244146	982712
2 Expenses				
a. Cost of Materials consumed	61346	92113	94754	377622
b. Purchase of stock-in-trade	48310	(2560)	31499	29443
c. Changes in inventories of finished goods and stock in trade	(36947)	18305	(4903)	60325
d. Employee benefit expense	13507	19217	14130	61726
e. Finance Costs	5628	8028	6197	23782
f. Depreciation and amortisation expense	4259	4374	3864	17104
g. Other expenses				
i. Power and Fuel	44261	69851	69102	275887
ii. Freight and Handling charges	11966	15810	19961	68943
iii. Others	9880	11023	8424	37570
Total expenses	162210	236161	243028	952402
3 Profit / (Loss) before exceptional items and tax (1-2)	2754	30030	1118	30310
4 Exceptional items	-	10017	-	10017
5 Profit / (Loss) before tax (3-4)	2754	20013	1118	20293
6 Tax Expense				
i. Current Tax	419	7172	268	7172
ii. Deferred Tax	417	(1409)	37	(7716)
iii. Short / (Excess) Provision for Tax for earlier years	-	22	-	22
Total Tax	836	5785	305	(522)
7 Profit / (Loss) after tax (5-6)	1918	14228	813	20815
8 Other Comprehensive Income (net of tax)				
i. Items that will not be reclassified to profit & loss	(757)	(527)	(692)	(537)
ii. Items that will be reclassified to profit & loss	-	-	-	-
9 Total Comprehensive Income for the period (7+8)	1161	13701	121	20278
10 Paid up equity share capital (Face Value - ₹ 10/- each.)	55169	55169	55169	55169
11 Reserves excluding Revaluation Reserves as at balance sheet date				263458
12 Earnings Per Share Basic & Diluted (EPS) (₹)*	0.35	2.58	0.15	3.77

* Not annualised in case of quarterly figures





RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED
(A Govt. Of India Undertaking)

Regd. Office : "Priyadarshini" Eastern Express Highway, Sion, Mumbai 400 022
CIN No. L24110MH1978GOI020185 Website: www.rcfild.com



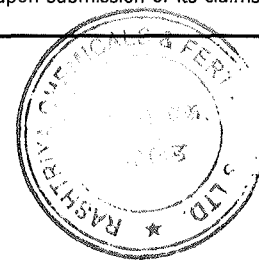
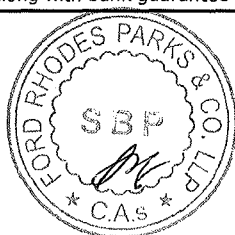
Unaudited Standalone Segmentwise Revenue, Results, Assets and Liabilities for the Quarter Ended 30TH JUNE 2020

(₹ in Lakh)

Particulars	Quarter ended			Year ended
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
	Unaudited	Audited	Unaudited	Audited
	1	2	3	4
1 Segment Revenue				
a. Fertilizers	142791	238756	179265	807618
b. Industrial Chemicals	13763	17533	19530	66116
c. Trading	5309	3967	41913	94994
d. Unallocated	242	344	240	1067
Total	162105	260600	240948	969795
Less: Inter Segment Revenue	-	-	-	-
Revenue from Operations	162105	260600	240948	969795
2 Segment Results				
a. Fertilizers	6272	35555	1479	43145
b. Industrial Chemicals	58	(71)	267	(1110)
c. Trading	1218	504	5087	9116
Total	7548	35988	6833	51151
Less:				
i. Finance Costs	5628	8028	6197	23782
ii. Other Net Unallocable Expenditure / (Income)	(834)	7947	(482)	7076
Profit/ (Loss) Before Tax	2754	20013	1118	20293
3 Segment Assets				
a. Fertilizers	721018	770577	696331	770577
b. Industrial Chemicals	33703	32273	28984	32273
c. Trading	56302	19010	73152	19010
d. Unallocated	77667	208190	34124	208190
Total	888690	1030050	832591	1030050
4 Segment Liabilities				
a. Fertilizers	152350	190125	164365	190125
b. Industrial Chemicals	5936	8416	11406	8416
c. Trading	46040	8	77	8
d. Unallocated	364576	512874	353152	512874
Total	568902	711423	529000	711423

Notes:

- The above financial results are drawn in accordance with the accounting policies consistently followed by the Company. The results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on August 11, 2020. These results have been subjected to limited review by the Statutory Auditors of the Company.
- The results for the quarter ended 30th June, 2020 are in compliance with IND AS as prescribed under section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.
- The matter relating to the issue of unintended benefits accruing to units using domestic gas for manufacture of nutrient "N" has been referred and is pending before an Inter-Ministerial Committee (IMC) of Government of India (GoI). It is expected that a decision on the matter would be taken soon by the IMC. Initially subsidy amounting to ₹ 19894 lakh was withheld by DOF, which has been released in full upon submission of its claims along with bank guarantee for equivalent amount by the Company.



- 4 Consequent to Gas pooling being made applicable to Fertilizer (Urea) sector w.e.f. 1st June, 2015, it is expected that a differential pricing of gas may be made applicable for non-urea usage. Company has represented to DoF for maintaining supply of domestic gas for P&K fertilizers and chemicals. However, the Company has entered into a contract for procurement of market priced gas for non-urea operations at Trombay unit, effective from 16th May, 2016.

In the meanwhile, Ministry of Petroleum & Natural Gas (MoPNG) vide its order No. L-13013/3/2012-GP-I, dated: 16th December, 2015 has directed GAIL (India) Limited to levy a higher gas price (i.e. the highest rate of RLNG used for production of urea) for gas consumed in non-urea operations. Pursuant to the said order, GAIL has sought a differential levy amounting to ₹ 145792 lakh for the period commencing from 1st July 2006 till 30th June 2019 and has initiated arbitration proceeding towards non-payment of the same and the matter is pending before Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD).

Pending finalisation of price payable as per the said MoPNG Order, Company is recognizing liability based on the difference between domestic gas price and pool / market price of gas for its non-urea operations. The difference is provided considering domestic gas first for urea operations on cumulative basis for the year and the balance if any, for non-urea operations. Accordingly a provision of ₹ Nil lakh has been made during the quarter ended 30th June, 2020. The Company has recognised a liability of ₹ 21179 lakh for the period commencing from 1st June, 2015 to 30th June, 2020 (₹ 21179 lakh upto 31st March, 2020) on this account.

- 5 Subsidy Income for the current quarter is in accordance with extant policies for Urea including eligible compensation towards increased fixed costs under Modified NPS III. Subsidy income for the quarter and year ended 31st March, 2020 has been arrived at considering eligible compensation towards increased fixed costs under Modified NPS effective from 2nd April, 2014 net of other adjustments towards anticipated recoveries. The impact of the same amounts to ₹ 34292 lakh.

- 6 The amount of ₹ 2550 lakh being the share of contribution of Fertilizers and Chemicals Travancore Ltd (FACT) - a 50% JV partner in FACT-RCF Building Products Ltd (FRBL) paid by RCF towards one time settlement entered into between FRBL and their bankers resulting in discharge of Corporate Guarantee given by Company to FRBL bankers has been reported under Inter Corporate Deposit (ICD). This ICD along with interest outstanding for the quarter ending 30th June 2020 amounting to ₹ 48 lakh has not been provided for, considering improvement in FACT's financial position and the Company is confident of settlement of the ICD given. FACT is a Government owned Entity and outstanding interest upto 31st March, 2020 has been settled by them. Further the Company has entered into an agreement with FACT for the ICD given, wherein FACT shall repay the same in five annual equal instalments commencing from December 2020.

- 7 On 20th and 22nd March, 2019 respectively, both the Gas Turbine Generator (GTG) plants at Thal unit stopped operating. Upon failure the matter, was taken up with the LSTK contractor who had supplied the turbines for repair as the same were covered under warranties. The matter was referred by the LSTK contractor for repairs to the Original Equipment Manufacturer (OEM) who had indicated a total estimated expenditure of about 98 Million SEK (₹ 7451 lakh excluding taxes and duties).

In the best interests of the Company, based on the acceptance of Notice to Proceed as proposed by the LSTK contractor, the equipments had been sent for repair to the foreign Original Equipment Manufacturer (OEM) and have been received back in July 2020. As per the Notice to proceed, the final settlement of the repair costs can either be decided mutually or in the event not agreed upon, the settlement of disputes clause as per contract can be invoked.

As the equipments are covered under warranties, the Company is of the view that no additional costs would devolve on the Company. Further the Company has initiated arbitration proceedings towards the LSTK contractor citing loss of profits owing to higher energy costs, higher maintenance costs etc. In response, counterclaims have been made by the LSTK contractor.

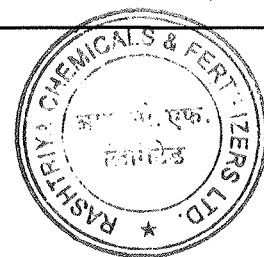
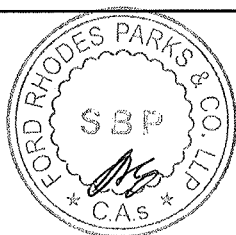
In the meanwhile, the Company has procured a Gas Generator and commissioned a Gas Turbine Generator plant in August 2019 to mitigate future losses.

- 8 Exceptional items for the quarter and year ended 31st March, 2020 consists of net fair value Loss of ₹ 10017 lakh on account of valuation of Development Right Certificate received / receivable from Municipal Corporation of Greater Mumbai / Mumbai Metropolitan Regional Development Authority.

- 9 Provision for Income Tax has been made in accordance with Section 115BAA of the Income Tax act 1961.

- 10 Covid-19 Impact Analysis:

For the quarter ended 30th June, 2020 operations of the Company stood scaled down on account of issues arising out of lockdown due to Covid-19 pandemic which caused disruptions in the supply chain / movement of fertilizers. This has impacted our sales and results for the quarter ended 30th June, 2020.



11 Other Disclosures of the Company as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Sr. No.	Particulars	Period Ended	
		30.06.2020	31.03.2020
I	Credit Rating		
a	Commercial Papers		
i	ICRA	ICRA A1+	ICRA A1+
ii	CARE	CARE A1+	CARE A1+
b	Non Convertible Debentures		
i	ICRA	ICRA AA (-)	ICRA AA (-)
ii	India Ratings	Ind AA	Ind AA
c	Long Term Bank Lines - ICRA	ICRA AA (-)	ICRA AA (-)
d	Short Term Bank Lines - CRISIL	CRISIL A1 +	CRISIL A1 +
II	Long Term Debt Equity ratio	0.23 : 1	0.23 : 1
III	Debt Service Coverage Ratio (Times) (not annualised in case of quarterly figures)	0.59	1.86
IV	Interest Service Coverage Ratio (Times)	2.25	2.99
V	Net Worth (Equity Share Capital + Other Equity) (₹ Lakh)	319788	318627

The Company issued 6.59% Secured Non-Convertible Debenture (SERIES I-2020) (ISIN - INE027A07012) face value of ₹ 50000 lakh on 05th August, 2020, redeemable on 05th August 2025 to be secured by a pari-passu first charge on movable assets of the company, namely book debts (i.e subsidy receivables from the Government of India) and movable plant and machinery and other equipment of the Company.

Bond / Debentures	Previous Due Date			Next Due date	
	Interest	Principal	Status	Interest	Principal
	6.59% Secured Non-Convertible Debenture (SERIES I-2020)	Nil	Nil	Nil	05.08.2021 (₹ 3295 lakh)

VII The details of due date and actual date of Repayment of Principal
The Company has repaid Commercial Papers on the respective due dates. The details of Commercial Papers repaid during the quarter ended 30th June, 2020 or outstanding as at 30th June, 2020 are as follows:

ISIN	Amount (₹ lakh)	Due Date of Repayment	Actual Date of Repayment
INE027A14711	15000	30.04.2020	30.04.2020
INE027A14729	11000	06.05.2020	06.05.2020
INE027A14737	35000	12.05.2020	12.05.2020
INE027A14745	22000	15.05.2020	15.05.2020
INE027A14752	12000	22.05.2020	22.05.2020
INE027A14760	13000	29.05.2020	29.05.2020
INE027A14778	12000	01.06.2020	01.06.2020
INE027A14794	15000	19.06.2020	19.06.2020
INE027A14786	10000	20.07.2020	Not Applicable
INE027A14802	35000	10.08.2020	Not Applicable
INE027A14810	22000	13.08.2020	Not Applicable
INE027A14828	14000	20.08.2020	Not Applicable
INE027A14836	15000	25.08.2020	Not Applicable
INE027A14836	10000	25.08.2020	Not Applicable
INE027A14844	15000	27.08.2020	Not Applicable
INE027A14851	32000	03.09.2020	Not Applicable
INE027A14869	15000	17.09.2020	Not Applicable

The Commercial Papers of ₹ 168000 lakh were outstanding as on 30th June, 2020

Formula used for calculation of Ratios:

- Debt : equity Ratio = Long Term Borrowings + Current maturities of Long Term Borrowings / Shareholders funds
- Debt Service Coverage Ratio = Profit before Finance cost, Depreciation, Exceptional Items and Tax / Finance Cost + Current maturities of Long Term Borrowings
- Interest Service Coverage Ratio = Profit before Finance cost, Depreciation, Exceptional Items and Tax / Finance Cost

12 The figures for the last quarter ended 31st March, 2020 are the balancing figures between the audited figures in respect of the full financial year and the year to date published figures upto the third quarter of the financial year.

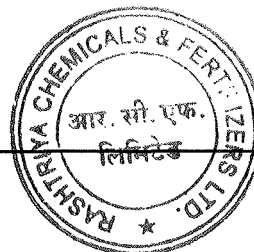
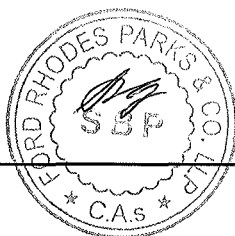
13 The figures for the corresponding previous periods have been restated / regrouped wherever necessary, to make them comparable.

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



(S. C. Mudgerikar)
Chairman and Managing Director
DIN : 03498837

Dated : 11th August, 2020.
Place: Mumbai



FORD RHODES PARKS & CO. LLP
CHARTERED ACCOUNTANTS

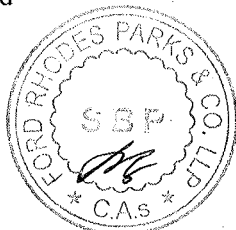
SAI COMMERCIAL BUILDING
312/313, 3RD FLOOR
BKS DEVSHI MARG
GOVANDI (EAST)
MUMBAI – 400 088

TELEPHONE : (91) 22 67979819
 : (91) 22 67979820
FAX : (91) 22 67979821
EMAIL : frptax@vsnl.com

Independent Auditor's Review Report on Consolidated Unaudited Financial Result of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To The Board of Directors
Rashtriya Chemicals and Fertilizers Limited
Mumbai
"Priyadarshini",
Eastern Express Highway,
Sion, Mumbai – 400 022

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of Rashtriya Chemicals and Fertilizers Limited ("the Parent") and its share of the net profit after tax and total comprehensive income / (loss) of its Jointly controlled entities for the quarter ended 30th June, 2020 and for the period from 1st April, 2020 to 30th June, 2020 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
 2. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended 30th June, 2020 and the corresponding period from 1st April, 2020 to 30th June, 2020 as reported in these financial results have been approved by the Parent's Board of Directors, but have not been subjected to review.
 3. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
 4. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
- We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.
5. The Statement includes the results of the following joint controlled entities:
 - a) FACT-RCF Building Products Ltd;
 - b) Urvarak Videsh Ltd; and
 - c) Talcher Fertilizers Ltd



FORD RHODES PARKS & CO. LLP
CHARTERED ACCOUNTANTS

SAI COMMERCIAL BUILDING
312/313, 3RD FLOOR
BKS DEVSHI MARG
GOVANDI (EAST)
MUMBAI – 400 088

TELEPHONE : (91) 22 67979819
 : (91) 22 67979820
FAX : (91) 22 67979821
EMAIL : frptax@vsnl.com

6. Based on our review conducted and procedures performed as stated in paragraph 4 above and based on the consideration of the review reports of the branch auditors and other auditors referred to in paragraph 8 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. Emphasis of Matter

We draw attention to the following notes to the Consolidated financial results:

a) Note No 3 - Use of domestic gas for manufacture of nutrient "N" :

The matter relating to the issue of unintended benefits accruing to units using domestic gas for manufacture of nutrient "N" has been referred and is pending before an Inter-Ministerial Committee (IMC) of Government of India (GoI). It is expected that a decision on the matter would be taken soon by the IMC. Pending such decision, subsidy amounting to ₹ 19894 lakh was initially withheld. The Company has now received the entire amount during the year against submission of bank guarantee of equivalent amount. The Company is of the view that no unintended benefits have accrued to owing to use of domestic gas.

b) Note No 4 - Gas pooling applicable to Fertilizer (Urea) sector :

Consequent to Gas pooling being made applicable to Fertilizer (Urea) sector w.e.f. 1st June, 2015, it is expected that a differential pricing of gas may be made applicable for non-urea usage. Company has represented to DoF for maintaining supply of domestic gas for P&K fertilizers and chemicals. However, the Company has entered into a contract for procurement of market priced gas for non-urea operations at Trombay unit, effective from 16th May, 2016.

In the meanwhile, Ministry of Petroleum & Natural Gas (MoPNG) vide its order No. L-13013/3/2012-GP-I, dated: 16th December, 2015 has directed GAIL (India) Limited to levy a higher gas price (i.e. the highest rate of RLNG used for production of urea) for gas consumed in non-urea operations. Pursuant to the said order, GAIL has sought a differential levy amounting to ₹ 145792 lakh for the period commencing from 1st July, 2006 till 30th June, 2019 and has initiated arbitration proceeding towards non-payment of the same and the matter is pending before Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD).

Pending finalisation of price payable as per the said MoPNG Order, Company is recognizing liability based on the difference between domestic gas price and pool / market price of gas for its non-urea operations. The difference is provided considering domestic gas first for urea operations on cumulative basis for the year and the balance if any, for non-urea operations. Accordingly a provision of ₹ Nil lakh has been made during the quarter ended 30th June, 2020. The Company has recognised a liability of ₹ 21179 lakh for the period commencing from 1st June, 2015 to 30th June, 2020 (₹ 21179 lakh upto 31st March, 2020) on this account.



FORD RHODES PARKS & CO. LLP
CHARTERED ACCOUNTANTS

SAI COMMERCIAL BUILDING
312/313, 3RD FLOOR
BKS DEVSHI MARG
GOVANDI (EAST)
MUMBAI – 400 088

TELEPHONE : (91) 22 67979819
 : (91) 22 67979820
FAX : (91) 22 67979821
EMAIL : frptax@vsnl.com

c) Note No 6 - Inter Corporate Deposit (ICD) advanced to Fertilizers and Chemicals Travancore Ltd :

The amount of ₹ 2550 lakh being the share of contribution of Fertilizers and Chemicals Travancore Ltd, (FACT) – a 50% JV partner in FACT-RCF Building Products Ltd. (FRBL) paid by RCF towards one time settlement entered into between FRBL and their bankers resulting in discharge of Corporate Guarantee given by Company to FRBL bankers has been considered as Inter Corporate Deposit (ICD). This ICD along with interest outstanding for the quarter ended 30th June, 2020 amounting to ₹ 48 lakh has not been provided for, considering improvement in FACT's financial position and the Company is confident of settlement of the ICD given. FACT is a Government owned Entity and outstanding interest has been settled by them upto March 31, 2020. Further the Company has entered into an agreement with FACT for the ICD given, wherein FACT shall repay the same in five annual equal instalments commencing from December 2020.

d) Note No. 7 - Gas Turbine Generator (GTG) plants at Thal unit :

On 20th and 22nd March, 2019 respectively, both the Gas Turbine Generator (GTG) plants at Thal unit stopped operating. Upon failure the matter, was taken up with the LSTK contractor who had supplied the turbines for repair as the same were covered under warranties. The matter was referred by the LSTK contractor for repairs to the Original Equipment Manufacturer (OEM) who had indicated a total estimated expenditure of about 98 Million SEK (₹ 7451 lakh excluding taxes and duties).

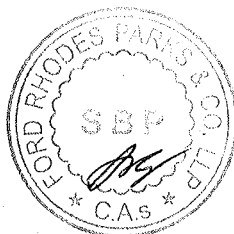
In the best interests of the Company, based on the acceptance of Notice to Proceed as proposed by the LSTK contractor, the equipments have been sent for repair to the foreign Original Equipment Manufacturer (OEM) and have been received back in July 2020. As per the Notice to proceed, the final settlement of the repair costs can either be decided mutually or in the event not agreed upon, the settlement of disputes clause as per contract can be invoked.

As the equipments are covered under warranties, the Company is of the view that no additional costs would devolve on the Company. Further the Company has initiated arbitration proceedings towards the LSTK contractor citing loss of profits owing to higher energy costs, higher maintenance costs etc. In response, counterclaims have been made by the LSTK contractor.

In the meanwhile, the Company has procured a Gas generator and commissioned a Turbine Generator in August 2019 to mitigate future losses.

e) Note No. 8 - Loss on fair valuation of Transferable Development Rights (TDR) :

The loss on account of fair valuation of Transferable Development Rights (TDRs) received /accrued has been reported as exceptional item amounting to ₹ 10017 lakh for the quarter and year ended 31st March, 2020 on account of valuation of Development Right Certificate received / receivable from Municipal Corporation of Greater Mumbai / Mumbai Metropolitan Regional Development Authority.



FORD RHODES PARKS & CO. LLP
CHARTERED ACCOUNTANTS

SAI COMMERCIAL BUILDING
312/313, 3RD FLOOR
BKS DEVSHI MARG
GOVANDI (EAST)
MUMBAI – 400 088

TELEPHONE : (91) 22 67979819
 : (91) 22 67979820
FAX : (91) 22 67979821
EMAIL : frptax@vsnl.com

f) Note No.10 - Effects of COVID-19 :

We draw attention to Note 10, which describes the impact of the outbreak of coronavirus (COVID-19) on the business operations of the company. In view of highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.

8. The consolidated unaudited financial results also includes the Parent's share of net profit after tax of ₹ 2 lakh for the quarter ended 30th June, 2020 as considered in the consolidated unaudited financial results, in respect of 3 jointly controlled entities, based on their interim financial results which have not been reviewed/audited by us.

In respect of joint ventures FACT RCF Building Products Ltd., Urvarak Videsh Ltd., and Talcher Fertilizers Ltd the interim financial results have not been reviewed by their respective auditors and has been furnished to us by the Management. Further in respect of FACT RCF Building Products Ltd., owing to the Company's share of loss exceeding its interest in the joint venture the share of loss stands discontinued. Accordingly, the Company has not recognized shared of its losses for the quarter ended 30th June, 2020. According to the information and explanations given to us by the Management, these interim financial results are not material to the Parent.

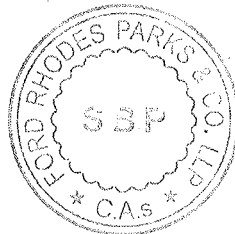
Our conclusion on the Statement is not modified in respect of the above matter

For Ford Rhodes Parks & Co. LLP
Chartered Accountants
Firm Reg. No.102860W / W100089



Shrikant Prabhu
Partner
Membership No.35296

Place: Mumbai
Date: 11th August, 2020
UDIN: **20035296AAAAAZ4109**



FORD RHODES PARKS & CO. LLP
CHARTERED ACCOUNTANTS

SAI COMMERCIAL BUILDING
312/313, 3RD FLOOR
BKS DEVSHI MARG
GOVANDI (EAST)
MUMBAI – 400 088

TELEPHONE : (91) 22 67979819
 : (91) 22 67979820
FAX : (91) 22 67979821
EMAIL : frptax@vsnl.com

Review Report on Quarterly Financial Results pursuant to the Regulation 33 of the
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors
Rashtriya Chemicals and Fertilizers Limited
“Priyadarshini”,
Eastern Express Highway,
Sion, Mumbai – 400 022

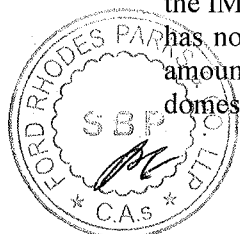
1. We have reviewed the accompanying statement of unaudited standalone financial results of Rashtriya Chemicals and Fertilizers Limited (“the Company”) for the quarter ended 30th June, 2020 (“the Statement”), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. The preparation of the statement is the responsibility of the Company's Management in accordance with applicable Indian Accounting Standards (‘Ind AS’) specified under section 133 of the Companies Act, 2013, read with relevant rules our responsibility is to express a conclusion on the statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement prepared in accordance with the applicable Indian accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. Emphasis of Matter

We draw attention to the following notes to the standalone financial results:

a) Note No 3 - Use of domestic gas for manufacture of nutrient “N” :

The matter relating to the issue of unintended benefits accruing to units using domestic gas for manufacture of nutrient “N” has been referred and is pending before an Inter-Ministerial Committee (IMC) of Government of India (GoI). It is expected that a decision on the matter would be taken soon by the IMC. Pending such decision, subsidy amounting to ₹ 19894 lakh was initially withheld. The Company has now received the entire amount during the year against submission of bank guarantee of equivalent amount. The Company is of the view that no unintended benefits have accrued to owing to use of domestic gas.



FORD RHODES PARKS & CO. LLP
CHARTERED ACCOUNTANTS

SAI COMMERCIAL BUILDING
312/313, 3RD FLOOR
BKS DEVSHI MARG
GOVANDI (EAST)
MUMBAI – 400 088

TELEPHONE : (91) 22 67979819
: (91) 22 67979820
FAX : (91) 22 67979821
EMAIL : frptax@vsnl.com

b) Note No 4 - Gas pooling applicable to Fertilizer (Urea) sector :

Consequent to Gas pooling being made applicable to Fertilizer (Urea) sector w.e.f. 1st June, 2015, it is expected that a differential pricing of gas may be made applicable for non-urea usage. Company has represented to DoF for maintaining supply of domestic gas for P&K fertilizers and chemicals. However, the Company has entered into a contract for procurement of market priced gas for non-urea operations at Trombay unit, effective from 16th May, 2016.

In the meanwhile, Ministry of Petroleum & Natural Gas (MoPNG) vide its order No. L-13013/3/2012-GP-I, dated: 16th December, 2015 has directed GAIL (India) Limited to levy a higher gas price (i.e. the highest rate of RLNG used for production of urea) for gas consumed in non-urea operations. Pursuant to the said order, GAIL has sought a differential levy amounting to ₹ 145792 lakh for the period commencing from 1st July, 2006 till 30th June, 2019 and has initiated arbitration proceeding towards non-payment of the same and the matter is pending before Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD).

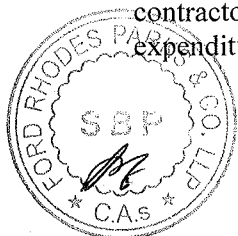
Pending finalisation of price payable as per the said MoPNG Order, Company is recognizing liability based on the difference between domestic gas price and pool / market price of gas for its non-urea operations. The difference is provided considering domestic gas first for urea operations on cumulative basis for the year and the balance if any, for non-urea operations. Accordingly a provision of ₹ Nil lakh has been made during the quarter ended 30th June, 2020. The Company has recognised a liability of ₹ 21179 lakh for the period commencing from 1st June, 2015 to 30th June, 2020 (₹ 21179 lakh upto 31st March, 2020) on this account.

c) Note No 6 - Inter Corporate Deposit (ICD) advanced to Fertilizers and Chemicals Travancore Ltd :

The amount of ₹ 2550 lakh being the share of contribution of Fertilizers and Chemicals Travancore Ltd, (FACT) – a 50% JV partner in FACT-RCF Building Products Ltd. (FRBL) paid by RCF towards one time settlement entered into between FRBL and their bankers resulting in discharge of Corporate Guarantee given by Company to FRBL bankers has been considered as Inter Corporate Deposit (ICD). This ICD along with interest outstanding for the quarter ended 30th June 2020 amounting to ₹ 48 lakh has not been provided for, considering improvement in FACT's financial position and the Company is confident of settlement of the ICD given. FACT is a Government owned Entity and outstanding interest has been settled by them upto March 31, 2020. Further the Company has entered into an agreement with FACT for the ICD given, wherein FACT shall repay the same in five annual equal instalments commencing from December 2020.

d) Note No. 7 - Gas Turbine Generator (GTG) plants at Thal unit :

On 20th and 22nd March, 2019 respectively, both the Gas Turbine Generator (GTG) plants at Thal unit stopped operating. Upon failure the matter, was taken up with the LSTK contractor who had supplied the turbines for repair as the same were covered under warranties. The matter was referred by the LSTK contractor for repairs to the Original Equipment Manufacturer (OEM) who had indicated a total estimated expenditure of about 98 Million SEK (₹ 7451 lakh excluding taxes and duties).



FORD RHODES PARKS & CO. LLP
CHARTERED ACCOUNTANTS

SAI COMMERCIAL BUILDING
312/313, 3RD FLOOR
BKS DEVSHI MARG
GOVANDI (EAST)
MUMBAI – 400 088

TELEPHONE : (91) 22 67979819
 : (91) 22 67979820
FAX : (91) 22 67979821
EMAIL : frptax@vsnl.com

In the best interests of the Company, based on the acceptance of Notice to Proceed as proposed by the LSTK contractor, the equipments have been sent for repair to the foreign Original Equipment Manufacturer (OEM) and have been received back in July 2020. As per the Notice to proceed, the final settlement of the repair costs can either be decided mutually or in the event not agreed upon, the settlement of disputes clause as per contract can be invoked.

As the equipments are covered under warranties, the Company is of the view that no additional costs would devolve on the Company. Further the Company has initiated arbitration proceedings towards the LSTK contractor citing loss of profits owing to higher energy costs, higher maintenance costs etc. In response, counterclaims have been made by the LSTK contractor.

In the meanwhile, the Company has procured a Gas generator and commissioned a Turbine Generator in August 2019 to mitigate future losses.

e) Note No. 8 - Loss on fair valuation of Transferable Development Rights (TDR) :

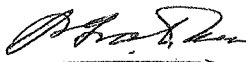
The loss on account of fair valuation of Transferable Development Rights (TDRs) received /accrued has been reported as exceptional item amounting to ₹ 10017 lakh for the quarter and year ended 31st March, 2020 on account of valuation of Development Right Certificate received / receivable from Municipal Corporation of Greater Mumbai / Mumbai Metropolitan Regional Development Authority.

f) Note No.10 - Effects of COVID-19 :

We draw attention to Note 10, which describes the impact of the outbreak of coronavirus (COVID-19) on the business operations of the company. In view of highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.

Our conclusion is not modified in respect of these matters.

For Ford Rhodes Parks & Co. LLP
Chartered Accountants
[Firm Reg. No.102860W / W100089]



Shrikant Prabhu
Partner
Membership No.35296

Place: Mumbai
Date: 11th August, 2020
UDIN: **20035296AAAAAY1212**

