

राष्ट्रीय केमिकल्स एण्ड
फर्टिलाइजर्स लिमिटेड

(भारत सरकार का उपक्रम)
साथ बढ़ें समृद्धि 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 वेबसाइट / Web : www.rcfltd.com
CIN: L24110MH1978GOI020185

RCF/CS/Stock Exchanges /2018

8th August, 2018

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) for the 1st quarter ended 30th June, 2018 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 at the meeting held on 8th August, 2018, the Board of Directors of the Company have approved the Un-audited Financial Results(Standalone) for the 1st quarter ended 30th June, 2018.

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) for the 1st quarter ended 30th June, 2018;
- Limited Review Report issued by M/s Kalyaniwalla & Mistry LLP, Statutory Auditors, for the quarter ended 30th June, 2018;

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

The Board of Directors of the Company have also approved the issuance 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 mode subject to the approval of the shareholders at the ensuing annual general meeting.

The meeting of Board of Directors commenced at 11.30 a.m. and concluded at 3.40 p.m.

This is for your kind information and 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 Uaudited Standalone Results for the Quarter and Year Ended 30TH JUNE 2018

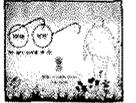
(₹ in Lakh)

Particulars	Standalone			Previous Year ended
	Quarter ended			
	30.06.2018	31.03.2018	30.06.2017	31.03.2018
	Unaudited	Audited	Unaudited	Audited
	1	2	3	4
1 Income				
a Revenue from Operations	194348	196107	155448	728196
b Other Income	1248	1579	864	6124
Total Income	195596	197686	156312	734320
2 Expenses				
a. Cost of Materials consumed	93661	82782	67098	299589
b. Purchase of stock-in-trade	178	142	10888	21366
c. Changes in inventories of finished goods and stock in trade	(18962)	8289	(18431)	1464
d. Employee benefit expense	14859	14949	14150	57375
e. Finance Costs	3376	2608	1026	6259
f. Depreciation and amortisation expense	3765	3435	3467	13704
g. Other expenses				
i. Power and Fuel	68563	62101	49940	224188
ii. Freight and Handling charges	15922	16227	14302	65191
iii. Others	10713	9137	10795	32350
Total expenses	192075	199670	153235	721486
3 Profit / (Loss) before exceptional items and tax (1-2)	3521	(1984)	3077	12834
4 Exceptional items	-	(5314)	-	12
5 Profit / (Loss) before tax (3-4)	3521	3330	3077	12822
6 Tax Expense				
i. Current Tax	1843	4306	1294	7275
ii. Deferred Tax Liability/(Asset)	(621)	(3928)	(274)	(406)
iii. Less : Excess Provision of Tax Written Back	-	2	(2)	1927
Total Tax	1222	376	1022	4942
7 Profit / (Loss) after tax (5-6)	2299	2954	2055	7880
8 Other Comprehensive Income				
i. Items that will not be reclassified to profit & loss	(45)	874	20	(109)
ii. Items that will be reclassified to profit & loss	-	-	-	-
9 Total Comprehensive Income for the period (7+8)	2254	3828	2075	7771
10 Paid up equity share capital (Face Value - ₹ 10/- each.)	55169	55169	55169	55169
11 Reserves excluding Revaluation Reserves as at balance sheet date				237800
12 Earnings Per Share Basic & Diluted (EPS) (₹)	0.42	0.54	0.37	1.43
* Not annualised	*	*	*	*





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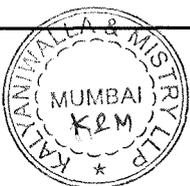
Unaudited Segmentwise Revenue, Results, Assets and Liabilities for the Quarter Ended 30TH JUNE 2018

(₹ in Lakh)

Particulars	Standalone Quarter ended			Previous Year ended
	30.06.2018	31.03.2018	30.06.2017	31.03.2018
	Unaudited	Audited	Unaudited	Audited
	1	2	3	4
1 Segment Revenue				
a. Fertilizers	171078	171523	135783	620844
b. Industrial Chemicals	22823	23185	18998	78455
c. Trading	206	905	427	27171
d. Unallocated	241	494	240	1726
Total	194348	196107	155448	728196
Less: Inter Segment Revenue	-	-	-	-
Revenue from Operations	194348	196107	155448	728196
2 Segment Results				
a. Fertilizers	6272	649	3807	14390
b. Industrial Chemicals	2174	985	504	2695
c. Trading	48	(296)	135	3296
Total	8494	1338	4446	20381
Interest Expense	3237	2343	898	5381
(Interest Income)	3376	2608	1026	6259
Other Net Unallocable Expenditure / (Income)	(139)	(265)	(128)	(878)
	1736	(4335)	471	2178
Profit/ (Loss) Before Tax	3521	3330	3077	12822
3 Segment Assets				
a. Fertilizers	635464	570161	522889	570161
b. Industrial Chemicals	26906	24941	24418	24941
c. Trading	8418	11853	18671	11853
d. Unallocated	35870	35099	32188	35099
Total	706658	642054	598166	642054
4 Segment Liabilities				
a. Fertilizers	199946	181125	182814	181125
b. Industrial Chemicals	6432	5058	6163	5058
c. Trading	162	28	263	28
d. Unallocated	204895	162874	114349	162874
Total	411435	349085	303589	349085

Notes:

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on August 08, 2018. The Statutory Auditors of the Company have carried out a limited review of the above results.
- The results for the quarter ended 30th June, 2018 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.
- Pursuant to the introduction of Goods and Service Tax (GST) w.e.f. 01st July 2017, Excise duty, VAT, etc. have been subsumed into GST. In accordance with the Accounting requirements, unlike excise duty, GST is not a part of Revenue. Consequently Revenue from Operations for the current quarter are not comparable with the corresponding quarter of the previous year and with the previous year, since Excise duty formed part of Revenue and other expenses upto the period ended 30th June 2017.



- 4 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). An amount of ₹19894 lakh has been withheld by Department of Fertilizers (DoF) for the period January, 2014 to September, 2015 towards the same. Company is expecting release of the withheld amount from DoF, with claims being lodged along with submission of bank guarantee for the said amount. Pending final decision on the said matter and since the Company is of the view that no unintended benefits have accrued to it and is expecting full recoverability of the same, Company has continued to recognize subsidy income on P&K fertilizers at the rates notified by DoF.
- 5 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. 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. As the matter relating to the same is pending before the IMC for decision, Company has represented that any decision on the same be taken only upon the issue being settled by the IMC of GoI. However, pending finalisation of price payable as per the said letter, Company has recognised a liability of ₹156 lakh for the quarter and ₹21335 lakh for the period commencing from 1st June, 2015 to 30th June, 2018 (₹21179 lakh upto 31st March, 2018) based on the difference between the domestic gas price and pooled / market price of gas for its non-urea operations.
- 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.
- Pursuant to the said order, GAIL has sought a differential levy amounting to ₹ 144284 lakh for the period commencing from 1st July 2006 till 31st March 2017 and has initiated arbitration proceeding towards non-payment of the same. The Company has represented this matter to Department of Fertilizers for dispute resolution as the matter relating to the same is pending before the IMC of GoI. The said matter has been currently referred to Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD) on 22nd May 2018
- 6 FACT-RCF Building products Ltd (FRBL) is a 50:50 joint venture between RCF and FACT (Fertilizers and Chemicals Travancore Ltd.) - a Central Public Sector Undertaking . Company had given Corporate Guarantee on behalf of FRBL to its bankers. A one time settlement was entered with the bankers and FRBL with both the Joint Venture Partners RCF & FACT contributing equally towards the same. The share of FACT amounting to ₹2550 lakh has been paid by RCF and shown as Inter Corporate Deposit (ICD) advanced to it. The principal amount of ₹ 2550 lakh and interest for the quarter amounting to ₹ 47 lakh has not been provided for, despite FACT's adverse financial position. Company is certain of settlement of the ICD given as FACT is a Government owned Entity.
- 7 Exceptional items (Previous Year & Quarter ended 31.03.2018) consists of:
- (a) Net fair value gain of ₹ 10794 lakh (Quarter ₹ 4493 lakh) on account of valuation of Development Right Certificate received / receivable from Municipal Corporation of Greater Mumbai towards surrender of land in accordance with IND-AS 38 and Guidance Note on Accounting for Real Estate Transactions issued by Institute of Chartered Accountants of India. Tax expense includes the Capital Gains Tax impact on the same.
- (b) Past service gratuity cost of ₹ 10806 lakh (Quarter ₹ (-)821 lakh) on account of increase in gratuity limits from ₹ 10 lakh to ₹ 20 lakh in line with Notification dated 29th march, 2018 issued by The Ministry of Labour and Employment.
- 8 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.



(Umesh V. Dhattrak)

Chairman and Managing Director

DIN : 07718394

Dated : 8th August, 2018

Place: Mumbai



KALYANIWALLA & MISTRY LLP

CHARTERED ACCOUNTANTS

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

1. We have reviewed the accompanying statement of unaudited financial results of **Rashtriya Chemicals and Fertilizers Limited** ('the Company') for the quarter ended June 30, 2018 ("the statement") attached herewith, (initialled by us for identification), being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. This 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 and has been approved by the Board of Directors at their meeting held on August 8, 2018. Our responsibility is to issue a report on these financial statements based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (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 of unaudited financial results prepared in accordance with applicable 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 including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. Emphasis of Matters:

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

- a) **Note No 4:** 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). An amount of Rs. 19894 lakh has been withheld by Department of Fertilizers (DoF) for the period January, 2014 to September, 2015 towards the same. Company is expecting release of the withheld amount from DoF, with claims being lodged along with submission of bank guarantee for the said amount.

Pending final decision on the said matter and since the Company is of the view that no unintended benefits have accrued to it and is expecting full recoverability of the same, Company has continued to recognize subsidy income on P&K fertilizers at the rates notified by DoF.



LLP IN : AAH - 3437

REGISTERED OFFICE : ESPLANADE HOUSE, 29, HAZARIMAL SOMANI MARG, FORT, MUMBAI 400 001
TEL.: (91) (22) 6158 6200, 6158 7200 FAX : (91) (22) 6158 6275

**KALYANIWALLA
& MISTRY LLP**

- b) **Note No 5:** 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. 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. As the matter relating to the same is pending before the IMC for decision, Company has represented that any decision on the same be taken only upon the issue being settled by the IMC of GoI. However, pending finalization of price payable as per the said letter, Company has recognized a liability of Rs. 156 lakh for the quarter and Rs. 21335 lakh for the period commencing from 1st June, 2015 to 30th June, 2018 (Rs. 21179 lakh upto 31st March, 2018) based on the difference between the domestic gas price and pooled / market price of gas for its non-urea operations.

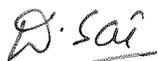
The Company has entered into a contract for procurement of market priced gas for non-urea operations at Trombay unit, effective from 16th May, 2016.

Pursuant to the said order, GAIL has sought a differential levy amounting to Rs. 144284 lakh for the period commencing from 1st July 2006 till 31st March 2017 and has initiated arbitration proceeding towards non-payment of the same. The Company has represented this matter to Department of Fertilizers for dispute resolution as the matter relating to the same is pending before the IMC of GoI. The said matter has been currently referred to Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD) on 22nd May 2018.

- c) **Note No 6:** FACT-RCF Building Products Ltd. (FRBL) is a 50:50 joint venture between RCF and FACT (Fertilizers and Chemicals Travancore Ltd.) - a Central Public Sector Undertaking. Company had given Corporate Guarantee on behalf of FRBL to its bankers. A one time settlement was entered with the bankers and FRBL with both the Joint Venture Partners RCF & FACT contributing equally towards the same. The share of FACT amounting to Rs. 2550 lakh has been paid by RCF and shown as Inter Corporate Deposit (ICD) advanced to it. The principal amount of Rs. 2550 lakh and interest of Rs. 47 lakh for the quarter ended June 30, 2018 has not been provided for, despite FACT's adverse financial position. Company is certain of settlement of the ICD given as FACT is a Government owned Entity.

Our opinion is not modified in respect of these matters.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Regn. No. 104607W / W100166



Sai Venkata Ramania Damarla

Partner

Membership. No. 107017

Place: Mumbai

Dated: August 8, 2018